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DRAFT

The Conditions for Success

Ensuring great public schools in every neighborhood

CEE-TRUST
The Cities for Education Entrepreneurship Trust

PUBLIC IMPACT

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While we are grateful to all of these groups and individuals, the views expressed in this report are not necessarily those of anyone listed. All findings, conclusions, recommendations and any errors contained herein are our own.

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Introduction

In the summer of 2013, The Missouri Board of Education posed the question: what is the appropriate role for the state in the support of and possible intervention in unaccredited school districts, if the goal is achieving dramatic student achievement gains? This draft report provides recommendations to answer that question, and represents a comprehensive vision for an urban school system that fosters the conditions schools, educators, parents, and students need for success. While we focus here on the Kansas City Public Schools (KCPS), these recommendations could also guide state intervention in other unaccredited districts.

We wish to emphasize that this report is only a first draft. It reflects months of research, data analysis, and stakeholder interviews and focus groups. The scope of CEE-Trust's contract with the Missouri Board of Education stipulated that we would provide an outline of the report to the State Board in January, however, given the substantial interest in this project – and the complexity of the ideas to follow – we decided to release a full draft that reflects our current recommendations. During the next month, CEE-Trust will participate – as requested by the Missouri Department of Elementary and Secondary Education (DESE) – in public engagement meetings designed to surface reactions and recommendations for improvement to this plan. We look forward to these conversations, and to making improvements to this plan in time for the release of our final draft in February.

The Conditions for Success

This project has been informed by one daunting fact: Individual urban schools in America are achieving incredible results for students from low-income communities, but no urban *school systems* are achieving incredible results for all – or even most – children in an entire city.

Our team scoured research and data from across the country to identify these individual schools of excellence. We profile several in future chapters. We then identified the **conditions** that have enabled these schools to succeed where so many others have struggled. Simultaneously, we conducted a series of focus groups and interviews with teachers, parents, union leaders, community leaders, and district leaders to better understand the history of education in Kansas City, and to get their ideas for how a school system could create the conditions through which every neighborhood has a great public school.

Based on this research, and the results of our interviews and focus groups, we have prepared a draft plan for how the State Board can help Kansas City and other unaccredited districts create those conditions for every school system-wide, in order to move from schools of excellence to a system of excellence.

Two core conditions unite most high-performing urban schools:

1. **Educators Run Schools**: In the high-performing urban school our research identified, educators and school leaders are in charge of the major decisions. They control the staffing, curriculum, school culture, calendar, and budget. They are free from the bureaucratic constraints of a one-size-fits-all central office. This broad professional autonomy enables educators to meet the needs of the students that they know better than anyone else. And it makes it possible for schools to attract and keep the best possible leaders and teachers, who crave the opportunity to create schools that help students succeed.

2. **Schools are Held Accountable:** While empowered educators run great urban schools, the system also holds them meaningfully accountable for achieving ambitious results with students. The high-performing schools we studied viewed strong but fair accountability as central to keeping them focused on driving student achievement gains.

This plan addresses many other *characteristics* of high-performing schools. But our main focus has been to identify these primary, enabling *conditions* of school excellence, and explore how an urban school system could create those conditions system-wide. [1]

Listening to Stakeholders

We also wanted to tailor the plan to Missouri, with a special focus on Kansas City, to reflect the unique and important perspectives of the stakeholders who participated in our focus groups and interviews and to respond to the data we gathered about Kansas City. So, what did we hear from those closest to the ground and learn from local information?

Teachers. Our first two focus groups were with teachers who serve in the Kansas City Public Schools. Our framing question was simple: What conditions enable teachers to do their best work? We heard a variety of opinions – many of which we have incorporated into this plan. For example:

- Teachers want **more control** over what and how they teach; they want to be treated as professionals, not micromanaged by a distant education bureaucracy.
- Teachers want schools to be able to provide **wrap-around services** so that students growing up in poverty come to the classroom healthy, fed, and secure in their ability to focus on learning.
- Teachers want to be **held accountable** for achieving results with students, but they want to be evaluated using multiple measures, and they want tests to be fair and to provide meaningful data that can help them improve instruction.
- Teachers want the system to provide **universal access to high-quality pre-school** so children come to elementary school ready to learn.

We also learned from our analysis of data that, like many other urban systems, Kansas City does not pay its teachers as well as surrounding school districts do. Teaching in KCPS is incredibly demanding, with high levels of student needs and intense scrutiny by the state, parents, and the media. Yet, the district pays its teachers less than the national average teacher salary – an average that has stayed flat in hourly terms over the past 20 years even as public education spending per pupil has increased nearly 150 percent in today's dollars.[2] Therefore, a key element of our plan explores how to **pay KC school teachers and leaders more** so that its schools can

[1] In December 2011, Indianapolis-based nonprofit organization The Mind Trust released a plan to transform the Indianapolis Public Schools that was grounded in similar research on the key conditions for success. This report draws upon and supplements that research with additional findings, although many of our recommendations differ and are customized to Missouri. The Mind Trust (2011). *Creating Opportunity Schools: A Bold Plan to Transform Indianapolis Public Schools.* Indianapolis, IN: Author. CEE-Trust was incubated by The Mind Trust in 2010. Public Impact, which has assisted CEE-Trust and the State of Missouri Department of Elementary and Secondary Education in the preparation of this report, also assisted in the preparation of The Mind Trust's 2011 report.

[2] KC teacher pay from Missouri DESE Comprehensive Data System (2013). National teacher pay analysis from Public Impact, *Opportunity Culture for All* (2013). National Center for Education Statistics. (n.d.). Table 191: Total and current expenditures per pupil in public elementary and secondary schools: Selected years, 1919–20 through 2008–09. Retrieved from http://nces.ed.gov/programs/digest/d11/tables/dt11_191.asp.

attract and retain the best educators and reward them for their vital contributions to the city.

Parents. We also hosted two focus groups with parents of students in KCPS. Their views ranged from a desire for more options for different types of school models (such as Montessori, African-Centered, Science and Technology), to relief that KCPS's leadership team and school board have stabilized after years of administrative turmoil. Here are a few examples of ideas parents had for improving public education in Kansas City:

- Parents want **more options** for the type of schools and programs offered in the city. They think the school system should set performance standards for all schools, but then allow schools broad discretion for how to meet those standards by providing different programs or having different pedagogical approaches.
- Parents want a **high-quality school in every neighborhood** in Kansas City. While many think they should be able to choose to send their child to any public school in the city, they also want to ensure that parents have a high-quality option in their own neighborhood.
- Parents want **meaningful accountability and better information** so they can make more informed decisions about which schools to choose for their children.
- Like teachers, parents want schools to be able to offer **wrap-around services** to better support students of need.
- Also like teachers, parents want the system to provide **universal access to high-quality pre-school**.

Community Leaders. We participated in two focus groups with community leaders from area organizations, including faith leaders, non-profit leaders, civil rights leaders, and neighborhood group leaders. During these visits we learned more about the history of civil rights and education in Kansas City. We heard frustration about a lack of investment from the civic community in the public schools. We heard about the legacy of desegregation, white flight, middle-class flight, and urban destabilization. And we heard many important ideas for how a great education system could help rebuild and re-empower the city's neighborhoods. For example:

- Ensure that **more control over programming and resources returns to the community**.
- Engage and **empower parents** to be better advocates and make better choices about education.
- Allow **more types of schools and programs to emerge** to better meet the needs of different students. And when schools and programs are succeeding, let them continue even as superintendents or other system leaders come and go.
- Create **schools that are culturally sensitive** and address the needs of a diverse student body.
- Provide **universal access to high-quality pre-school** so children come to elementary school ready to learn.
- Offer **wrap-around services** to better support students of need.

The focus groups revealed several commonalities. There is broad agreement on the need for high-quality pre-school. There is a shared desire for the system to have the flexibility to spend resources on wrap-around services. There is near consensus that schools and educators should have more autonomy to run schools, as long as they have shared performance goals and are held meaningfully accountable.

Breaking out of the Box

Our plan addresses these priorities with a bold, new approach. This is not about reforming the system. Reforming the system has been tried for years and hasn't worked. This is not about incremental change. Incremental change has been tried for years and hasn't worked. This is about transforming a school system by ensuring teachers, school leaders, parents, and schools have the conditions they need to thrive.

Thoughtful dialogue on this issue should not be constrained by the traditional structure of urban school systems. Why should we assume that a system that was designed to meet the needs of 19th century America could also meet the needs of 21st century students and families?

In many ways, we believe that the education debate in Missouri and across the country has been constrained by a failure of imagination. Through our research, we have sought to harness the creativity of the community, align it with national best practice research, and suggest a new way of structuring an urban school system that is far more likely to achieve results than the outdated model that has failed generations of urban schoolchildren.

Despite decades of reform efforts, despite the hard work and passion of incredibly talented educators and district leaders, and despite education budgets that have more than doubled in today's dollars since 1970, student achievement results are still disastrous.

While Kansas City Public schools is not the only Missouri district in need of improvement, it serves as a central illustration of both the need and the opportunity. As described more fully in Chapter 1:

- 70 percent of KCPS students are below proficient in math and English Language Arts (ELA).
- ELA proficiency rates have *declined* in some recent years, despite improved management and operations.
- Very, very few students graduating from KCPS are ready for college based on their ACT scores.
- While science and social studies scores have improved this past year, proficiency rates are *still* below 30 percent.
- And average KCPS student achievement growth is lower than state predictions based on similar districts' results, meaning that KCPS students could fall further behind their peers over time.

While some argue that the system has been stabilized after years of dysfunction, one must ask: what good is stability if most students still cannot read, write, or do math proficiently, or graduate from high school ready for college or careers?

Today's operationally stabilized system masks the historical reality that there have been 26 superintendents in the past 45 years – all presiding over KCPS schools with profoundly low student achievement results. Nationally, the average tenure for an urban school superintendent is under four years. In light of the overwhelming evidence, despite decades of effort from talented leaders and educators, our conclusion is that it is not the people in the system that is the problem; it is the system itself.

Simply put, the traditional urban school system does not work. It is not stable. It does not serve the needs of its students. It does not, nor has it ever, produced the

kind of results all children, families, and taxpayers deserve. And it does not create the conditions that research shows enables great urban schools to thrive. It is time to think outside the box and have a robust community conversation about how to build a new and different school system that is structured for success.

Moving Forward

The remainder of this plan describes how this new school system should be structured. We will profile high-performing urban schools – the kind of schools every child in Kansas City and other struggling districts deserve – and discuss the conditions that enable their success. We will describe how to create a school system that empowers its educators; holds schools accountable; creates new and different school models to meet the diverse needs of diverse students; returns power to the community; and gives schools budgetary flexibility so they can provide wrap-around services, pay teachers more, and invest in city-wide pre-K.

We will explain all of these ideas in greater detail in the following chapters. But we also want to address upfront what this plan is *not.*

- This plan is **not about privatizing public education**. This is about reimagining **public** education so that the system is structured in a way that it creates the conditions through which a great public school emerges in every neighborhood. In fact, one of our recommendations will ensure that public schools *cannot* be privatized.
- This plan **does not call for an all-charter system**. We believe there is an important role for a central system (a Local Education Agency or LEA) that unites all public schools, but that role is substantively different than the role that the school district currently plays. In addition, more than 30 percent of Kansas City students are enrolled in public charter schools. Many of these schools are low performing. Charters clearly are not the answer in and of themselves. But any citywide plan must address existing charters since they serve so many students; thus, we have developed clear strategies for how to ensure that existing charters improve and future schools are higher quality.
- This plan is **not anti-labor**. On the contrary, a key focus of our plan is **enabling teachers in communities like Kansas City both to earn substantially more than they do now, and to take control of their schools** in ways that are impossible in most districts. We believe that teacher's unions can be strong allies for improving schools. One of our focus groups was with the executive committee of the Kansas City Federation of Teachers. We have incorporated many of the ideas generated in that focus group into our plan. And, we explicitly recommend that **educators should be able to organize and collectively bargain in all public schools** within our new proposed system.
- This plan is **not the State Board of Education's plan for intervention**. This is one of several plans that the State Board will consider in 2014 to help guide its interventions in unaccredited districts, including Kansas City Public Schools. DESE has consistently said that it will not make accreditation recommendations to the State Board of Education until there are multiple years of MSIP5 data showing performance trends in districts. **If KCPS is able to improve its performance in 2013-2014, it could gain accreditation and not be subject to state intervention**. However, the State Board needs to prepare for the possibility that KCPS will not make sufficient progress. And the Board also needs to

consider strategies to guide its interventions in other unaccredited districts across the state.

Critics of this plan are likely to raise these issues in the community conversations that will follow the release of this draft. We welcome the debate, but encourage readers and community members to reflect on our assurances above, read through the complete plan, and participate in an honest debate of the ideas. Ultimately, it is that honest debate – void of conspiracy theories or political grandstanding – that will help the Kansas City community and State Board of Education explore all of the different ideas for how to improve public education.

We are grateful to the many concerned leaders, parents, and citizens of Kansas City who have contributed important ideas to this plan. We want to emphasize that this is just a draft, and we anticipate that community conversations in January and February 2014 will illuminate new ideas for how to strengthen the plan. We look forward to a robust discussion.

Chapter 1: The Case for a New Approach

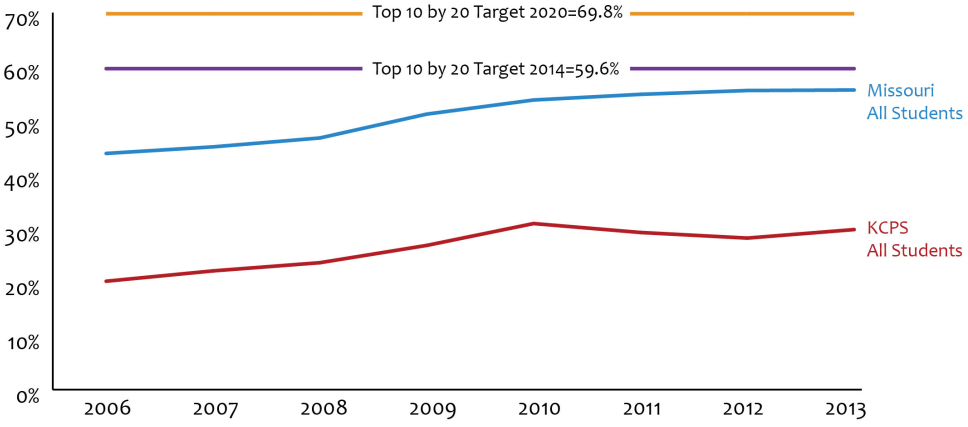
In this report, we propose a new approach for creating the conditions that schools in Missouri's unaccredited districts need to succeed. Why do we think a new approach is needed? Because despite decades of well-meaning efforts, schools in too many of Missouri's districts are not on track to close achievement gaps or equip students with the tools they need to thrive in college, the workplace, and civic life.

While Kansas City Public Schools is just one of the state's challenged districts, it serves as a strong illustration of the challenges faced. Even with its recent operational progress, KCPS is not on track to reach an acceptable level of student academic performance. Though the state awaits another year of data before deciding how to proceed, the information presented here suggests that it is imperative for the state to develop an alternative plan in case progress remains too slow.

KCPS serves approximately 16,000 children in 34 schools, including 25 elementary schools, eight high schools, and the Manual Career Technical Center.[3] Among these are nine "Signature Schools" with distinctive themes. Enrollment requirements for these Signature schools vary and may include, for example, minimum GPA levels, Spanish or French language proficiency or performance auditions.[4]

Consider:

Figure 1.1 ELA Student Proficiency KCPS and Missouri, 2006–13[5]



- **English Language Arts (ELA).** Only 30.6 percent of KCPS students[6] scored proficient in 2012-2013, continuing a long-term trend of underachievement. A

[3] Kansas City Public Schools, "About" page. Available: http://www.kcpublicschools.org/domain/98 (visited January 7, 2014).
[4] Additional background information on Signature Schools is available on the Kansas City Public Schools website: www.kcpublicschools.org/Page/2653 (visited January 6, 2014).
[5] Except as noted, all Figures in this chapter reflect Public Impact analysis of data obtained from Missouri Department of Elementary and Secondary Education (DESE) or retrieved from DESE website: http://dese.mo.gov/dsm/
[6] Here and elsewhere in this chapter, when we refer to KCPS students we mean "reportable students," the state's definition of students with a reported achievement level in a given subject.

comprehensive review of ELA performance data from 2006-2013 finds that KCPS scores lag far behind current state averages as well as Missouri's "Top 10 by 20" targets.[7] Proficiency levels in 2011, 2012 and 2013 have failed to meet the district's own 2010 proficiency level of 31.9 percent.[8]

Figure 1.2 English Language Arts Proficiency Rates

2013 Proficiency Rates		MO "Top 10 by 20"	
KCPS	Missouri	2014 Target	2020 Target
30.6%	55.6%	59.6%	69.8%

Figure 1.3 ELA (% students proficient)

At the 2013–13 growth rate (3.03%), it will take KCPS students:

20.0 years to reach the 2013 MO average

27.6 years to reach the 2020 MO target

Figure 1.3 ELA (% students proficient) student achievement, analysis consistently shows that it would take at least two decades for KCPS students to catch up with state averages. If the district were able to sustain last year's 3.03 percent increase in the percentage of students scoring proficient or advanced in ELA, it would take KCPS more than twenty years to bridge the gap between its current proficiency level of 30.6 percent and the *current* Missouri proficiency level of 55.6 percent. It would take over twenty seven years, or until **2040**, for the district to reach Missouri's "Top 10 by **2020**" target of 69.8 percent.

[7] "Top 10 by 20" targets define the performance levels required to place Missouri in the top ten of states by the year 2020.

[8] For more information about Missouri's testing system, see from: http://dese.mo.gov/ccr/MAP-info-4-parents.html. MAP stands for "Missouri Assessment Program." It is a series of assessments for English Language Arts, Mathematics and Science at grades 3-8; and English Language Arts, Mathematics, Science and Social Studies in high school. The test is scored (or graded) to place students into four achievement levels: Below Basic, Basic, Proficient, and Advanced. Missouri's goal is to help students achieve in the top two categories.

- **Mathematics.** In 2013, only 30.2 percent of KCPS student score proficient or above in mathematics, far below state averages and targets.

Figure 1.4 Mathematics Proficiency Rates

2013 Proficiency Rates		MO "Top 10 by 20"	
KCPS	Missouri	2014 Target	2020 Target
30.2%	53.9%	60.8%	74.0%

Again, the district's rate of improvement is insufficient to close the gap with state averages. If the district were able to sustain last year's 5.23 percent increase in the percentage of students scoring proficient or advanced in Math, it would take KCPS more than a decade to catch up with the *current* Missouri proficiency level of 53.9 percent. It would take until **2030** for the district to meet Missouri's "Top 10 by **2020**" target of 74.0 percent.

Figure 1.5 Math Student Proficiency KCPS and Missouri, 2006–13

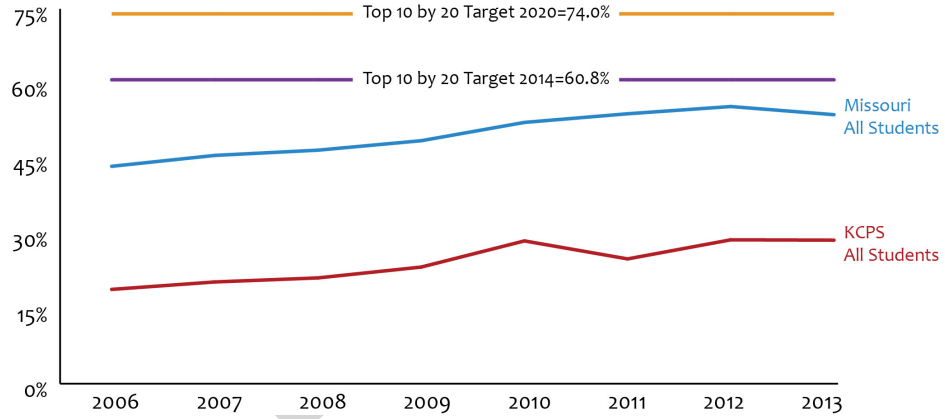


Figure 1.6 Math (% students proficient)

At the 2013–13 growth rate (5.23%), it will take KCPS students:

11.4 years to reach the 2013 MO average

17.6 years to reach the 2020 MO target

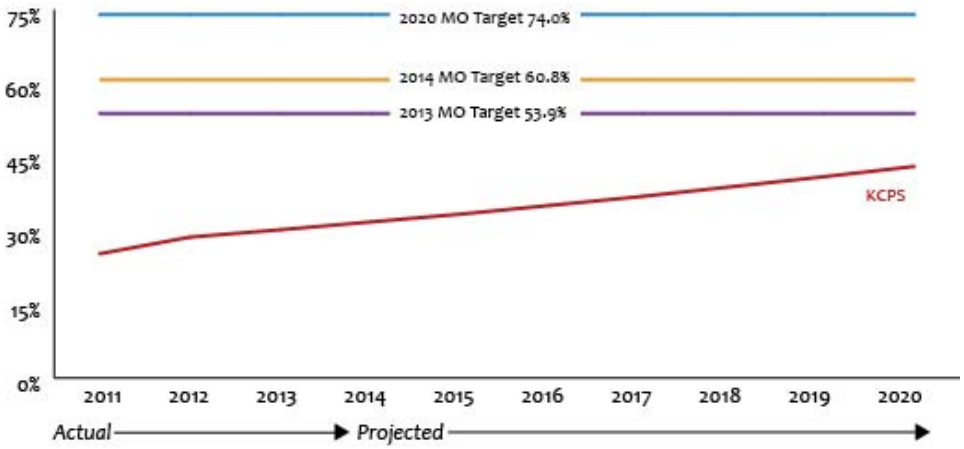


Figure 1.7 Science and Social Studies Proficiency Rates

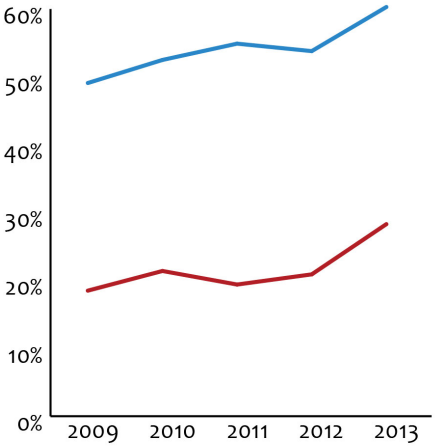
	2013 Proficiency Rates		MO "Top 10 by 20"	
	KCPS	Missouri	2014 Target	2020 Target
Science	28.3%	59.1%	60.7%	70.0%
Social Studies	28.2%	50.7%	52.8%	65.3%

- **Science and Social Studies.** Overall, proficiency improved last year in science and social studies, but the district remained below 30 percent proficient across all students in both subjects. The social studies data is limited to seven of the district's public high schools. In 2013, **four** high schools had social studies proficiency rates under 11 percent. In all four of those schools, proficiency rates declined relative to 2012.

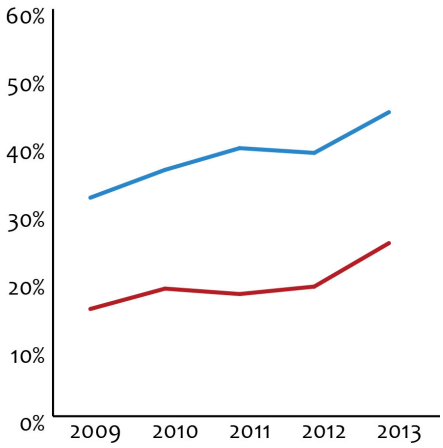
The figures below for science and social studies for the All Student and Low Income Student Populations illustrate once more that gaps between KCPS and the state persist over time. Low-income students are typically defined in school data by their eligibility for free and reduced price lunch.

Figures 1.8, 1.9, 1.10, and 1.11. Science and Social Studies Proficiency

Science 2009–13
for Total Student Population

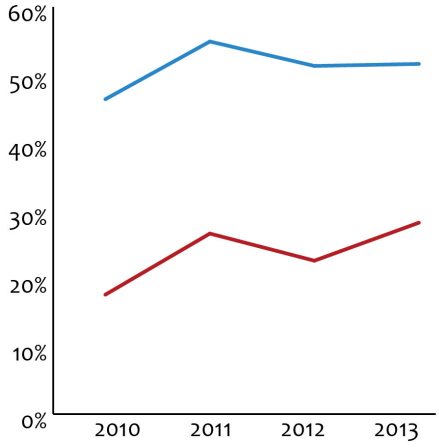


Science 2009–13
for Low-Income Student Population

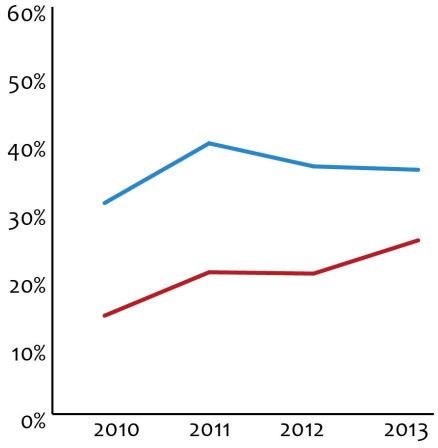


Missouri Students — KCPS Students

Social Studies 2010–13
for Total Student Population

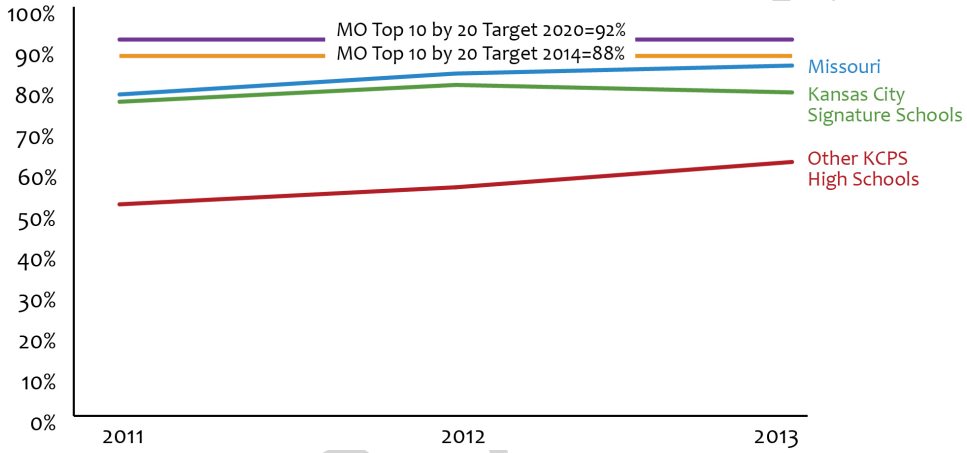


Social Studies 2010–13
for Low-Income Student Population



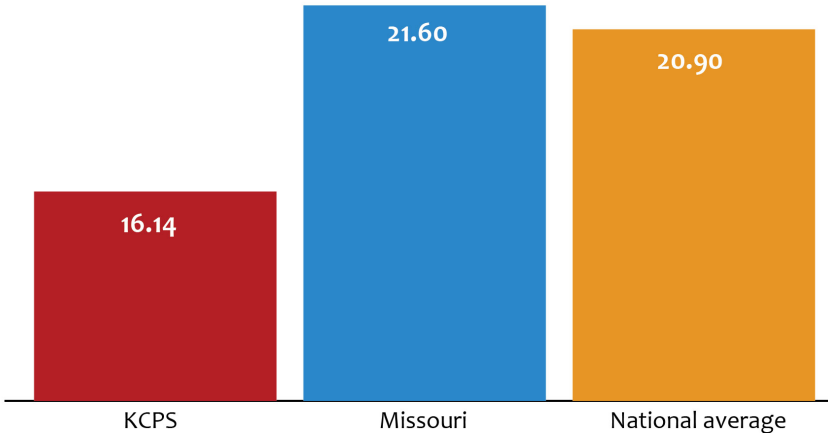
- **Graduation rates.** Four-year graduation rates in KCPS are below 70 percent. The MO "Top 10 by 2020" target is 92 percent and the four-year graduation rate for Missouri stood at 85.6% in 2013. While graduation rates in KCPS high schools with selective admissions standards are higher at around 79 percent, the graduation rate across the open enrollment high schools in the district was much lower at 62 percent in 2013.

Figure 1.12 Four-Year Cohort Graduation Rates, 2011–13, for Kansas City Public Schools, Kansas City Signature Schools and all Missouri Schools



- **ACT scores.** With an average ACT score of 16.1 points (on a scale of 1 (low) to 36 (high)), the typical graduate of KCPS is far below the level required for college readiness and, increasingly, workforce readiness. The KCPS average compares unfavorably with the state average ACT score of 21.6 and a national average of 20.9.[9] Automatic acceptance to the University of Missouri requires a composite score of 24 points (along with completing core high school curriculum requirements).[10]

Figure 1.13 ACT Average Scores for KCPS, Missouri and the U.S.



- **Student Growth.** In addition, average KCPS student achievement growth is lower than predictions for growth in similarly performing districts, meaning that KCPS students are not keeping pace with their peers in the state. While some might claim that KCPS is making progress, other districts are making faster progress, ensuring that KCPS students continue to lag farther behind. This is true for ELA and Math, the only two content areas for which the state tracks growth, for students overall, and for all student subgroups.

- **MSIP (Missouri School Improvement Program, version 5).** KCPS scored at the lowest achievement level, "Floor," for academic achievement in all four core subjects on the MSIP in status and growth metrics. Subgroup achievement was also at the "Floor" level for status and growth.

Figure 1.14. MSIP Student Growth

Growth	Total Students: (i) Significantly above prediction (ii) Met Prediction (iii) Significantly Below Prediction	MSIP Achievement level - Growth: (i) Exceeding (ii) On Track (iii) Floor	Subgroups: (i) Significantly above prediction (ii) Met Prediction (iii) Significantly Below Prediction	MSIP Achievement level - Growth: (i) Exceeding (ii) On Track (iii) Floor
ELA	Significantly Below	Floor	Significantly Below	Floor
Math	Significantly Below	Floor	Significantly Below	Floor

Figure 1.15. MSIP proficiency in ELA, Math, Science and Social Studies; KCPS Achievement Level - Status

	2013 KCPS Total % Proficient	MSIP Achievement Level - Status (i) Exceeding/2020 Target (ii) On Track (iii) Approaching (iv) Floor	2013 MO % Proficient
ELA	30.6%	Floor	55.6%
Math	30.2%	Floor	53.9%
Science	28.3%	Floor	59.1%
Social Studies	28.2%	Floor	58.7%

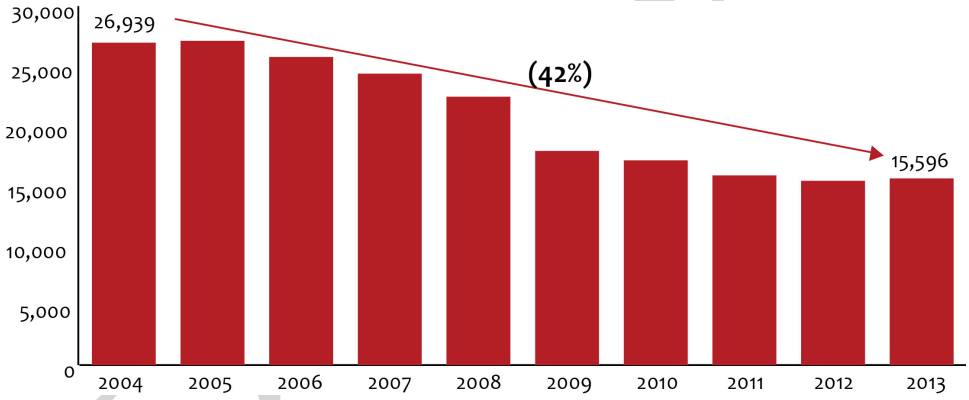
- **Low-Income.** KCPS serves a large proportion of students who are from low-income families, typically defined in school data by their eligibility for free and reduced price lunch. Is it possible that KCPS's proficiency gap with the state is just a function of this high proportion of students in need? No. The proficiency gaps between KCPS students and the state persist when just comparing results for students who qualify for free and reduced price meals.

Figure 1.16. Low-Income Student Proficiency in ELA, Math, Science and Social Studies

	KCPS	MO
ELA	28.15%	41.7%
Math	28.76%	41.3%
Science	25.50%	43.9%
Social Studies	25.57%	35.2%

Enrollment. Parents continue to pull their children out of the district. KCPS enrollment dropped by over 40 percent in the last decade, and the district projects that enrollment will fall from 15,500 to 13,000 by 2017.[11]

Figure 1.17 KCPS Historical Enrollment, 2004–13*



Notes: (1) K–12 September enrollment; (2) Kansas City Public Schools CAFR, 2012; (3) 2013 is based on KCPS enrollment data

- **Attendance.** Attendance rates in KCPS dropped in 2013 to 69.2 percent from 72.3 percent in 2012. The 2013 attendance rate for the state of MO was 94.6 percent. Rates are based on students being in attendance 90 percent of the time, which is the state standard.

- **Charter Schools**. The charter sector dates back to 1998, when MO state law allowed charters to operate in St. Louis and Kansas City. There are currently 22 charter schools operating in KCPS, serving more than 9,500 children. Since 2008, charter enrollment has increased about 36 percent. However, charters have not been consistently held accountable for student achievement, and school performance is uneven. As a result, charter schools have not been the solution to Kansas City's performance challenges. Our recommendations below include

[11] Projection provided by Kansas City Public Schools

suggestions to the state for improving the quality of charter schools even as it addresses district performance at the same time. The charts below illustrate that charter schools are falling far short of state performance targets with proficiency levels in 2013 of 36.1 percent in ELA and 41 percent in math.

Figure 1.18 ELA Proficiency for KCPS, KC Charter Schools and Missouri All Students

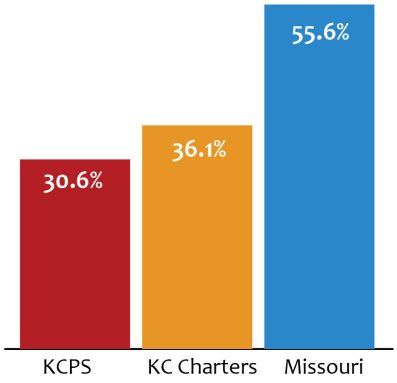
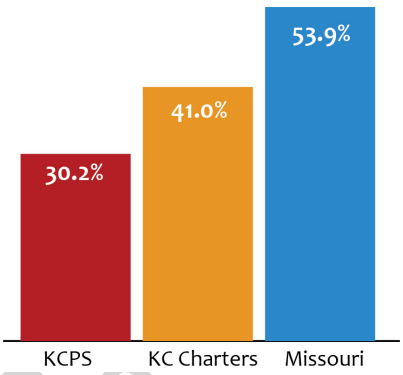


Figure 1.19 Math Proficiency for KCPS, KC Charter Schools and Missouri All Students



A Statewide Challenge

While we focus here on Kansas City Public Schools, the challenges faced by that district are repeated in the state's other unaccredited districts. Unaccredited is the lowest of three ratings given to school districts by the State Board of Education under MSIP: accredited, provisionally accredited and unaccredited.[12]

There are currently three unaccredited districts in Missouri: Normandy and Riverview Gardens School Districts in St. Louis County, and Kansas City Public Schools. Student proficiency levels in English Language Arts and Math range from 15.2 percent to 30.6 percent in these districts and four year graduation rates are below 70 percent in all three. All three districts serve large low-income student populations, with around 90 percent of each district's students qualifying for free or reduced lunch.

The prevalence of these same challenges in multiple districts increases the urgency the state faces in developing an alternative plan to create the conditions for great schools to thrive in these communities.

[12] For more information about accreditation and to learn more about unaccredited districts, see "What happens when a School District Becomes Unaccredited?" from http://dese.mo.gov/divimprove/sia/msip/documents/unaccreditedschool.pdf A school is rated in one of three categories based on their performance in the state accountability system, MSIP, which is used to measure the performance of schools and districts in Missouri.

Chapter 2: The Conditions for Success: What We Know

In this chapter, we explain some key findings of our research about great schools across the country:

- Many examples of schools are achieving outstanding results with students, regardless of their backgrounds.
- Excellence in teaching and school leadership drive improvements in student outcomes through a set of qualities common to great schools.
- Great schools share a set of core conditions that enable great teachers and leaders to help all students achieve at high levels:
    - **Educators Run Schools**. Educators need the freedom to build and manage their own teams, create their own culture, innovate in the classroom, and allocate resources – including paying teachers more and providing needed wrap-around services.
    - **Schools are Held Accountable**. Giving educators greater control over their teams and budgets is balanced with strong accountability for student outcomes, and real consequences tied to performance. Families exercising choices instill additional accountability.
- In addition, building a strong K-12 school system starts with expanding quality preschool alternatives, so students reach kindergarten primed for success in school.

Decades of efforts to improve failing urban schools have led to mixed results, but have also illuminated one simple, powerful fact: great schools change lives, especially for children from low-income households. What, then, are the conditions that have enabled these schools to be great? And how can a school system create those conditions for every school across a community?

Research dating to the pioneering work of Harvard's Ron Edmonds in the 1970s has shown that all children can learn at high levels—even those born into poverty or facing other daunting challenges in their homes and communities.[13] But just because this *can* happen does not mean it will. In this chapter, we review what we know about how to create the conditions in which not just a few schools, but schools across a community, achieve the kind of results we know are possible. To reach those conclusions, we draw on research, the experience of great public schools, and the perspectives of Kansas City residents who participated in our interviews and focus groups.

This chapter has four sections following this introduction. The first offers snapshots of schools where the great majority of students, regardless of background, succeed in school. The second and third delve into the two conditions for great K-12 schooling mentioned above, which have helped the schools profiled in the first section to

[13] Edmonds, R. (1979). "Effective Schools for the Urban Poor." *Educational Leadership*, 37(2): 15-23. Available: www.ascd.org/ASCD/pdf/journals/ed_lead/el_197910_edmonds.pdf

thrive: 1) educators run schools; and 2) schools are held accountable for results. The fourth addresses the importance of providing quality preschool to boost the prospects for success in K-12. This chapter includes discussion of the research supporting these points and the perspectives of KC residents on their importance.

Snapshots: Great Schools Beating the Odds

A growing number of traditional district and public charter schools are providing powerful evidence that all students can achieve at high levels, regardless of poverty or other disadvantages. Researchers from Education Trust are among the prominent scholars and thinkers who have documented the ingredients for success in high-poverty and high-minority schools, including in their book, *Getting it Done: Leading Academic Success in Unexpected Schools*, and through school profiles on the website, *Dispelling the Myth: How Award-Winning Schools Help Students Achieve at High Levels*.[14] This section provides snapshots of several district and charter schools that are beating the odds and successfully preparing most of their students for college and careers.

Evidence from cities across the country

Innovative public school systems, such as those in New York City and New Orleans, have in recent years seen dramatic successes after years of persistently low performance.

New York. Large-scale, sweeping changes have yielded results in New York City (NYC), which has about 1,500 schools and 1.2 million students. Under the direction of Mayor Michael Bloomberg, Joel Klein guided the school system as chancellor from 2002 to 2010. The hallmarks of his tenure were to give local principals far more control over staffing, budgets, and programs and to sponsor the creation of hundreds of new schools. He dramatically downsized the central and regional bureaucracies; instead, principals have been able to choose support services (from budgeting to professional development) from among a range of organizations (some independent, such as local nonprofits and colleges, others formed from the remnants of the regional offices).

Increased independence came with increased accountability for results. Schools and principals in NYC are annually graded on an "A" to "F" scale based on student performance and staff, student, and parent survey results. Klein closed hundreds of the lowest-performing schools and replaced them with more than 350 new schools, many of them small schools offering more personalized learning. The results of "small schools of choice" (SSCs) at the high school level have been rigorously evaluated by the research firm MRDC, with the following findings:

- Enrolling in small schools of choice as opposed to other types of NYC public schools markedly increased student achievement in the early high school years.[15]
- Graduation rates in SSCs were far above average in New York, even while comparison schools reported declining graduation rates.

[14] Chenoweth, K., and Theokas, C. (2011). *Getting it Done: Leading Academic Success in Unexpected Schools*. Cambridge, MA: Harvard Education Press; Education Trust. *Dispelling the Myth: How Award-Winning Schools Help Students Achieve at High Levels.* Available: http://action.edtrust.org/p/salsa/web/common/public/content?content_item_KEY=11559 (last visited January 2, 2014).

[15] Bloom, H. S., Levy Thompson, S., & Unterman, R. (2010). *Transforming the High School Experience: How New York City's New Small Schools Are Boosting Student Achievement and Graduation Rates*. New York: MDRC.

- On average, 4-year graduation rates have risen by 9.5 percent in the past three years in SSCs. This increase was particularly evident for African-American and Hispanic youth. Early evidence suggests that SSCs may also increase graduation rates for special education students and English language learners.
- Among the factors cited by principals and teachers at the highest-performing SSCs as reasons for their success were teachers having independence to innovate in their classrooms, academic rigor, and personalized school environments where teachers can develop strong relationships with their students.[16]

All of the SSCs referenced above are operated by the New York City Department of Education (NYCDOE) and staffed by union teachers and administrators.[17]

An October 2013 report by researchers at Duke University and MIT also showed positive links between small school attendance in NYC and substantial improvement in student achievement.[18] More than 90 percent of the 108 small schools studied were established through the NYCDOE's partnership with seven intermediary organizations: New Visions, Replications, Urban Assembly, NYC Academies, Institute for Student Achievement, College Board, and Outward Bound. These intermediaries assisted the city in designing and supporting the new small schools. The NYCDOE also partnered with the United Federation of Teachers, the union representing most NYC teachers, which supported the new schools as a "chance for innovation and experimentation" and a way to provide "opportunities for teacher voice in a personalized, collegial, collaborative, and professional work space."[19]

New York City's charter schools have also demonstrated positive impacts on student achievement. The Center for Research on Education Outcomes at Stanford University found that NYC charter students gain five to seven months of additional learning growth in math and about one month in reading relative to non-charter students, in a 2013 report.[20] Another report, by Harvard University's Will Dobbie and Roland Fryer, looked at the reasons for NYC charters' success. They found that traditional input measures—class size, per-pupil expenditures, teacher certification, and teachers' advanced degrees—were not correlated with school effectiveness. Instead they found that five policies—frequent teacher feedback, the use of data to guide instruction, high-dosage tutoring, increased instructional time, and high expectations— accounted for about 45 percent of the variation in school effectiveness.[21]

New Orleans. Since Hurricane Katrina in 2005, New Orleans has rebuilt its school system from the bottom up, relying on school-level control and choice as fundamental drivers of reform. New Orleans has replaced many of its previously failing schools with new schools, each of which has the conditions that make it possible for schools to be excellent, as discussed in detail later in this section: key freedoms for school leaders, accountability, and choice among quality alternatives.

[16] http://www.mdrc.org/sites/default/files/sustained_progress_FR_0.pdf
[17] http://www.mdrc.org/sites/default/files/sustained_progress_FR_0.pdf
[18] Abdulkadiroglu, A., Hu, W., & Pathak, P. A. (2013). *Small High Schools and Student Achievement: Lottery-Based Evidence from New York City*. NBER Working Papers 19576. Available: http://economics.mit.edu/files/9158
[19] Abdulkadiroglu, Hu, & Pathak (2013), citing UFT (2005). "Report of the United Federation of Teachers Small School Task Force."
[20] https://credo.stanford.edu/documents/NYC_report_2013_FINAL_20130219_000.pdf
[21] Dobbie, W., & Fryer, R. G. (2012). *Getting Beneath the Veil of Effective Schools: Evidence from New York City*. http://scholar.harvard.edu/files/fryer/files/dobbie_fryer_revision_final.pdf. Also see Hoxby, C., Murarka, S., & Kang, J. (2009). *How New York City's Charter Schools Affect Achievement.* Cambridge, MA: New York City Charter Schools Evaluation Project.

About 84% of the city's nearly 43,000 students attend independent public charter schools, a higher percentage than anywhere else in the country, but dramatic gains have stretched across both these schools and traditional district schools operated within the city:

- In 2013, 68 percent of public school students in Orleans Parish attended schools rated A, B, or C, compared to only 17 percent in 2005 before Hurricane Katrina and the city's historic rebuilding effort. Today, only 6 percent of New Orleans students attend failing schools, compared to 62 percent in 2005.
- In 2012, New Orleans schools had an on-time graduation rate of 78 percent, up from 54 percent in 2005. Over the same time span, the city's percentage of college-ready graduates increased by 130 percent.
- The Louisiana Department of Education (LDOE) assigns a Student Performance Score (SPS) to each school. In the aggregate, New Orleans' public SPS has improved over 40 percent since 2008, making it the most improved school district in the state.
- New Orleans African-American students have moved from performing last in the State of Louisiana to outperforming the state average for African-American students by five percentage points.
- RSD schools achieved the largest gains on Louisiana's grade-level testing in 2013, while the Orleans Parish School Board schools maintained their spot as the third highest performing district.
- ACT scores in New Orleans are improving at a faster rate than the state and national scores.[22]

National evidence: Great schools and networks

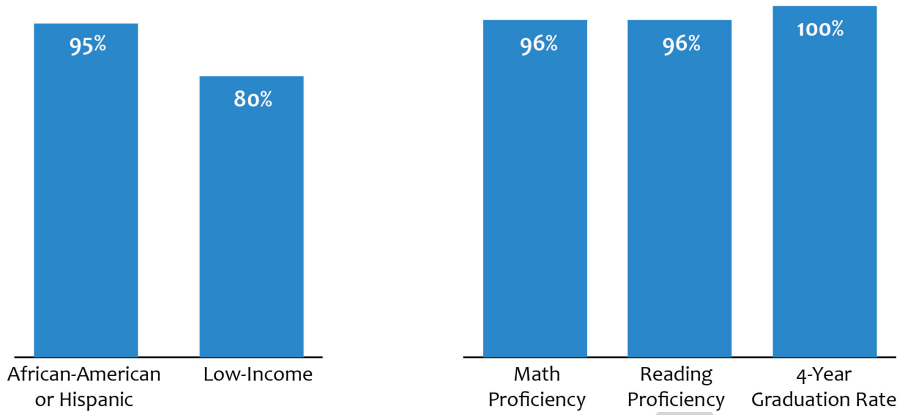
Nationwide, many individual schools and school networks have achieved dramatic results with low-income students. These successful schools and networks, including the following examples, offer scalable models of excellence.

Thirteen ***YES Prep*** charter campuses operate in ***Houston***, where the vast majority of students are from low-income households and households of color. YES Prep was awarded the 2012 Broad Prize for Public Charters because of their success closing the achievement gap for low-income, Latino, and African-American students.[23] 96% of YES Prep students were proficient on both Math and ELA state subject exams compared to 84% and 90% respectively for the state. 100% graduated high school, compared to 81% statewide and 70% in Houston Independent School District.[24]

[22] http://www.coweninstitute.com/wp-content/uploads/2013/11/NBTN.SPS_.20131.pdf; *The State of Education Reform in New Orleans* (2013, November). PowerPoint slide deck from educatenow and The Cowen Institute for Public Education Initiatives at Tulane University. Copy on file with author.
[23] http://www.broadprize.org/asset/2012%20TBPPCS%20Winner%20Profile.pdf
[24] http://www.yesprep.org/about/results

Figure 2.1 Evidence of Success — YES Prep (Houston)

8,000 students in 13 schools

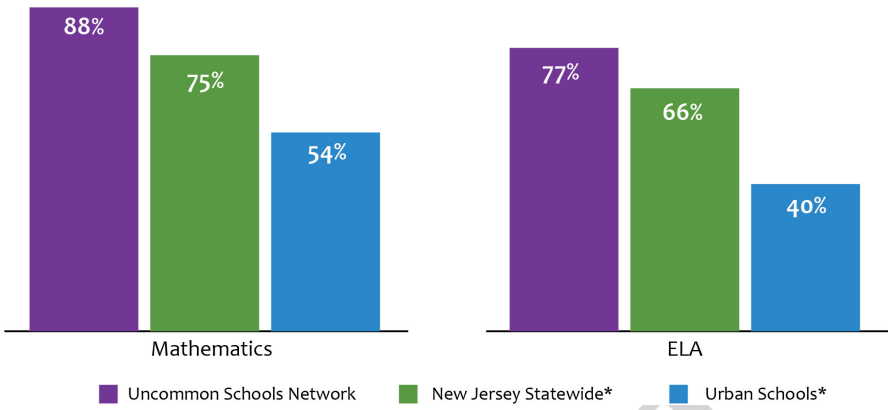


Note: Math and Reading proficiencies are listed as % scores on YES Prep Results page
Source: YES Prep (2014). "About YES, Results." Retrieved Jan. 2, 2014, from http://yesprep.org/about/results

Uncommon Schools operates 32 schools in Massachusetts, New Jersey, and New York, serving 7,900 students. Across the schools, the average student population is 98% black or Hispanic, and 78% receives free or reduced-price lunch. Uncommon Schools was awarded the 2013 Broad Prize for Public Charter Schools for demonstrating the most outstanding overall improvement in the nation for low-income students and students of color.[25] Uncommon Schools closed 56% of achievement gaps between its low-income schools and the state's non-low-income students.[26]

[25] http://www.broadprize.org/news/661.html
[26] Uncommon Schools was founded in Newark, New Jersey, in 1997. Since then, the charter network has expanded and achieved strong results in Massachusetts and New York, along with its proven success in Newark. Additional data and results from Massachusetts and New York can be found at http://uncommonschools.org/results-for-charter-schools

Figure 2.2 Evidence of Success — Uncommon Schools (Newark)
Proficiency Rates, 2013**



*Note: State and urban school data is from 2012. 2013 data will not be released until February 2014

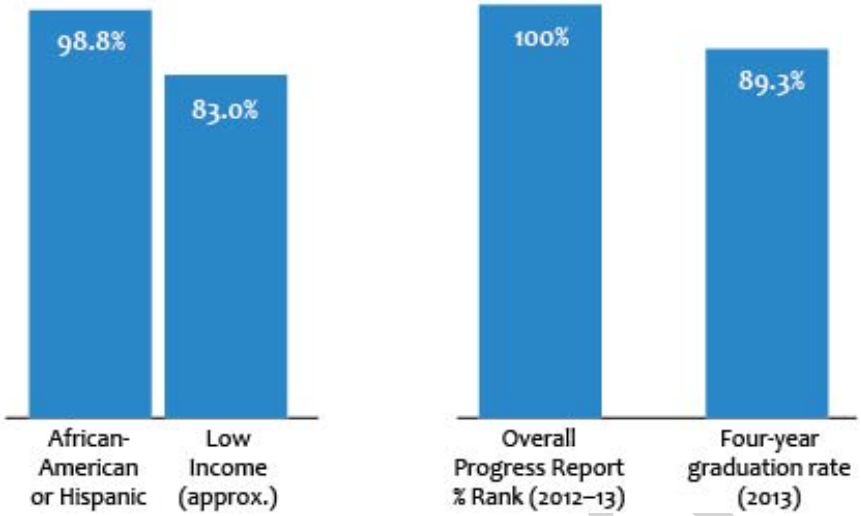
**Note: Proficiency rate is the percentage of students scoring "advanced" or "proficient" in grades 3-8

Source: Uncommon Schools (2014). "State Test Results for Uncommon Schools." Retrieved Jan. 2, 2014, from http://uncommonschools.org/results-for-charter-schools

New York City Small Schools. Many of New York City's small schools (discussed above and operating with more educator control and accountability) serve as strong examples of individual traditional district schools that help high percentages of low-income students achieve at high levels. The It Takes a Village Academy, for example, has for the past two years been the highest-performing school in the city, as measured by the NYCDOE's School Progress Reports.[27] In 2012-13, the school earned an A grade in every category of the school progress report, with a score of 105.9 points out of 100 (earning extra points for closing the achievement gap). In 2013, the school's four-year graduation rate was 89.3%, higher than other schools in the city serving similar student populations. The school's student population is 98.8% black or Hispanic, and 25.9% are English Language Learners. Approximately 83% of students at It Takes a Village Academy qualify for free or reduced-price lunch.[28] Other New York City small schools—including the Williamsburg High School for Architecture and Design, the Academy of Finance and Enterprise, and the High School of Computers and Technology—all serve demographically similar student populations and achieve at high levels.[29]

[27] http://schools.nyc.gov/OA/SchoolReports/2012-13/Progress_Report_Overview_2013_HS_K563.pdf
[28] FRL data obtained from Accountability and Overview Report from 2010-11, the most recent available at http://schools.nyc.gov/SchoolPortals/18/K563/AboutUs/Statistics/default.htm
[29] These three schools serve student populations that range from 76% to 96% of students qualifying for free or reduced-price lunch. All three were at the 96th or 97th percentile in their overall 2012-13 School Progress Report grade, have four-year graduation rates between 85% and 90%, and have extended, multi-year histories of exceptional performance.

Figure 2.3 Evidence of Success — It Takes a Village Academy

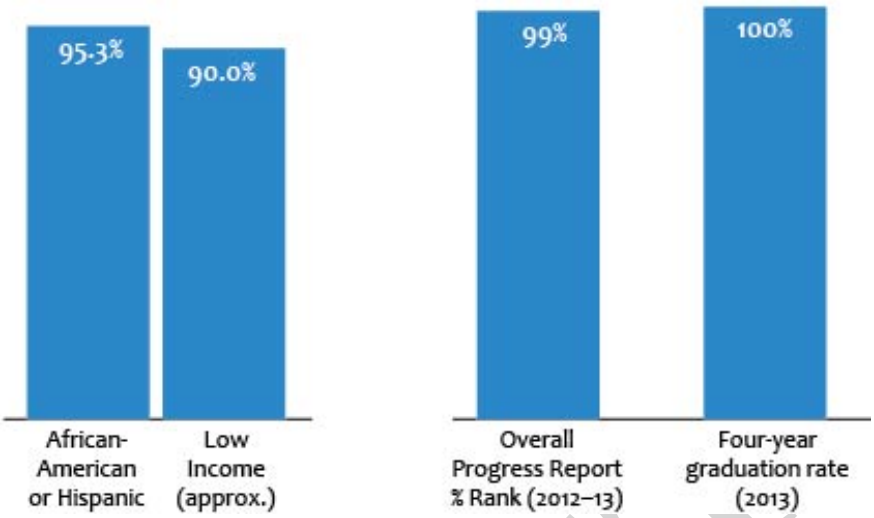


Sources: http://schools.nyc.gov/OA/SchoolReports/2012-13/Progress_Report_2013_HS_K563.pdf and https://reportcards.nysed.gov/files/2010-11/AOR-2011-331800011563.pdf

University Prep Charter High School Some charter schools are **unionized or created in partnership with leaders of local unions**, and the number of these charter schools is increasing. One example of a high-performing school that resulted from such collaboration is University Prep Charter High School in Bronx, New York. In 2009, representatives from the charter network Green Dot Public Schools and New York's largest local union, the United Federation of Teachers, signed an innovative collective bargaining agreement for University Prep.[30] The school ranks in the top five schools (99th percentile) in New York City, with a 100 percent four-year cohort graduation rate in 2012-13. That year's progress report showed that the school scored an A in every metric and scored 100.1 out of 100 points (due to extra credit for closing the achievement gap).[31]

[30] http://upchs.org/about/history/
[31] NYCDOE Progress Report 2012-13. Available: http://www.scribd.com/doc/183976599/Progress-Report-2013-HS-X393-pdf; School website, Achievements page http://upchs.org/about/achievements/.

Figure 2.4 Evidence of Success – University Prep Charter High School



Sources: http://schools.nyc.gov/OA/SchoolReports/2012-13/Progress_Report_2013_HS_X393.pdf and https://reportcards.nysed.gov/files/2010-11/AOR-2011-320700860920.pdf

Characteristics of District and Charter Schools that Help All Students Succeed

Not all schools are achieving at the level of those discussed earlier in this section, but by understanding what works for high-performing schools like these, cities everywhere can work to create similar opportunities for their students. Numerous studies over the years have compared successful schools with their more average or unsuccessful peers in an effort to identify the characteristics that set them apart.[32] While great schools differ from one another, and research studies have emphasized different qualities, several common themes emerge from this research:

- **A clear mission**. Great schools have a clear mission that is well-known to everyone involved, from the staff, to families, to the students themselves. They marshal all of the school's resources toward meeting that mission.
- **High expectations for all students**. Great schools are infused with a belief that all students can learn at high levels, regardless of their background. They do not rest until students who are behind have caught up, and other students have advanced to reach their potential.
- **Frequent monitoring and adjusting**. Great schools keep close tabs on how each student is progressing and then adjust instruction to meet each student's needs. While this monitoring involves "testing," it is less about annual standardized assessments and more about the daily and weekly work of teachers

[32] See Edmonds (1979). Other examples of research examining the qualities of successful schools include: Hoxby, C., Murarka, S., & Kang, J. (2009). *How New York City's Charter Schools Affect Achievement.* Cambridge, MA: New York City Charter Schools Evaluation Project; Carter, S. C., & Meyerson, A. (2000). *No Excuses: Lessons from 21 High-Performing, High-Poverty Schools.* Washington, DC: Heritage Foundation; Thernstrom, A., & Thernstrom, S. (2004). *No Excuses: Closing the Racial Learning Gap in Learning.* New York: Simon & Schuster; Waits, M. J., et al. (2006). *Why Some Schools with Latino Children Beat the Odds … and Others Don't.* Phoenix: Morrison Institute for Public Policy, Arizona State University; The Education Trust (2005). *Gaining Traction, Gaining Ground: How Some High Schools Accelerate Learning for Struggling Students.* Washington, DC; Merseth, K. K. (2009). *Inside Urban Charter Schools.* Cambridge, MA: Harvard Education Press.

understanding each student's progress and responding to that information flexibly.

- **Prioritizing great teaching**. Great schools understand the importance of great teaching, and so they focus intently on recruiting, selecting, developing and rewarding the best possible teaching staff.
- **Making time for instruction**. Whether by extending the school day and year, or organizing the school day to maximize time with great teachers, or both, great schools ensure that students have enough time to learn at high levels.
- **Safe and orderly environment**. Great schools are safe places where students have sufficient order to be able to concentrate on their work every day.
- **Home-school connection**. Great schools are well aware that students' home lives have a big impact on their learning, and so they proactively forge connections with families and organizations in the community that can address students' out-of-school needs.
- **Instructional leadership**. Great schools do not leave all of the above to chance. The school principal and teacher-leaders lead the school team to bring these qualities to life. That means giving constant feedback to teachers to help them improve their craft and continually revisiting the school's processes and organization to make it work as well as possible for students.

Great schools put these principles into action in different ways, so that no two great schools look exactly alike. Yet these themes recur in multiple studies, suggesting they provide a robust profile of what great schools do.

Moving from pockets of excellence to success at scale. The examples earlier in this section illustrate what great schools can do for their students, regardless of background. But in urban systems across the country, the reality is that such successes are rare. While New York, New Orleans, and some charter networks have managed to achieve some level of scale with these results, the challenge facing states and cities is **how to create the conditions that enable this kind of success, not just in pockets, but across entire communities**. The following sections combine lessons from these snapshots with the empirical research on what has worked in high-need urban schools to illustrate two core conditions that enable great teachers and leaders to help all students achieve at high levels: **educators run schools** and **schools are held accountable for results**.

Educators Run Schools

High-quality school leaders and their teaching teams are essential to school-level decisions that drive improvements in student outcomes. Leadership matters. A strong school leader can have a significant impact on student academic achievement and on a school's ability to retain the best teachers. Research has shown that having a highly-effective school leader raises learning gains of a typical student by between two and seven months in a single school year, while having an ineffective leader lowers student achievement by the same amount. In addition, a larger proportion of less-effective teachers leave schools led by the most successful school leaders, meaning better teachers follow better school leaders.[33] Leaders are second only to

[33] Branch, G. F., Hanushek, E. A., & Rivkin, S. G. (2013). "School Leaders Matter: Measuring the Impact of Effective Principals." *Education Next*, 13(1), 62-69. Available: http://educationnext.org/school-leaders-matter/; Branch, G. F., Hanushek, E. A., & Rivkin, S. G. (2012). "Estimating the Effect of Leaders on

teachers – discussed below – in the list of in-school factors that make the most difference for student learning.

Individual skills and competencies play a significant role in determining which school-level educators excel and which under-perform. But evidence also suggests that a core set of conditions exists for some school, but not others, that enables great leaders to do their work well and maximizes their impact on students and teachers:

- the ability to establish a clear, focused mission
- authority to build a team of capable, committed educators
- freedom to determine how resources are allocated to best serve the needs of students and teachers

For example, an extensive study of best practices in six urban districts led researchers to the conclusion that to support great leaders, districts should "give [them] the professional development, tools, support, and authority they need to organize all their people, time, and money in ways aligned with their school's instructional vision for meeting student needs."[34]

Perspectives of Kansas City Residents: Educators Running Schools

Focus group meetings and interviews held in October-December 2013 to inform the development of this Plan offered support for the notion that increased independence would enable schools to meet the needs of the district's diverse student population. Although participants offered a wide variety of opinions, many felt that the current structure of the district restricts operational and fiscal discretion in both traditional district and signature schools. Interview and focus group participants pointed to examples in KCPS where they felt broader discretion might have protected initial gains that were disrupted by district intervention, including at Southwest Early College Campus.

KCPS teachers and community leaders were enthused about the prospect of attracting stronger school leaders with a more independent school structure. They also frequently cited discretion over budget and personnel decisions as essential to efficient and effective school management.

KCPS parents and community leaders were divided over exactly how much freedom schools should retain. However, focus group and interviewee opinion reflected a general consensus that, while a central office should set rigorous standards, schools should be empowered to make decisions concerning the development and delivery of instructional content that both resonates with their diverse student populations and school cultures, and meets those standards. Too many decisions, we heard, have to be made "downtown."

KCPS community leaders articulated concerns over schools' lack of control with respect to the selection of high-quality teachers who reflect the diversity of the students and are invested in the community.

School leaders need the ability to establish a clear, focused mission

In high-performing schools, everyone from the school leader and board members to teachers, families and students, understands and demonstrates an abiding commitment to the school's unique mission. In a 2001 study, three prominent education analysts looked at one hundred schools, collecting input from hundreds of

Public Sector Productivity: The Case of School Principals," *NBER Working Papers* 17803, National Bureau of Economic Research, Inc.

[34] Education Resource Strategies (2010). *Time and Attention in Urban High Schools: Lessons for School Systems*. Watertown, MA: Author.

interviewees and thousands of survey respondents, and synthesizing available data. Their findings suggest that schools need unique missions aligned with their philosophies and values, to guide school leaders' decisions and foster "distinctiveness, coherence, and focus."[35]

Among the attributes common to successful schools are:

- clear and commonly understood definitions of a graduate's character and skill set
- a team of people who agree on a common plan for achieving those goals
- a fierce determination to solve problems at home or at school that might interfere with learning
- norms about learning and behavior that all adults and students agree on and enforce[36]

School leaders need the freedom to develop these attributes with their teams, through the pursuit of distinctive approaches to instruction and provision of student services. Unfortunately, the typical school system still makes many important decisions at the district level—including decisions on use of time, money, staff, instructional methods, technology, facilities, professional development resources, and outside partnerships.[37] Having these critical decisions made for them by others impedes school leaders' ability to develop distinctive school cultures and establish clear, focused missions. Recently, some school systems have started bucking the trend, pursuing the dramatically different approach of giving school-level leaders control over these key decisions, and holding them accountable for the results.[38]

School leaders need the authority to build teams of capable, committed educators

Principals at highly effective schools have the authority to build teams of educators dedicated to their schools' success. In a study of high-performing schools across five states, all principals identified the ability to select members of their staff as a key factor that leads to strong student achievement.[39]

The significance of school control over teacher selection is supported by a growing body of research that shows excellent teachers—those in the top 25 percent of the profession in terms of student progress—produce significant student-learning growth during the academic year. Jonah Rockoff of Columbia University and Thomas Kane of Harvard University, for example, conclude that students taught by the top quartile of teachers make dramatically more learning progress than students taught by bottom-quartile teachers.[40] Researchers from The Brookings Institution report that

[35] Finn, C. E., Manno, B. V., & Vanourek, G. (2001). *Charter Schools in Action: Renewing Public Education*. Princeton University Press, p. 228.
[36] Lake, R. (2013). *Good Governance Starts and Ends with Strong Schools* [weblog post]. Seattle, WA: Center on Reinventing Public Education. http://www.crpe.org/updates/blog-good-governance-starts-and-ends-strong-schools; Hill, P., Foster, G. E., & Gendler, T. (1990). *High Schools with Character*. Seattle, WA: Center on Reinventing Public Education.
[37] Hill, P. (2013). *Defining and Organizing for School Autonomy*. Seattle, WA: Center on Reinventing Public Education.
[38] Hill, P. (2013).
[39] Ableidinger, J., & Hassel, B. C. (2010). *Free to Lead: Autonomy in Highly Successful Charter Schools* .Washington, DC: National Alliance for Public Charter Schools. Available: www.publicimpact.com/images/stories/Issue_Autonomy_free_to_lead.pdf
[40] Sanders, W. L., & Rivers, J. C. (1996). *Cumulative and Residual Effects of Teachers on Future Student Academic Achievement.* Knoxville: University of Tennessee Value-Added Research and Assessment Center; Kane, T., Rockoff, J. E., & Staiger, D. O. (2006). "What Does Certification Tell Us about Teacher Effectiveness? Evidence from New York City." NBER Working Paper Series, Vol. w12155. Cambridge,

"having a top-quartile teacher rather than a bottom-quartile teacher four years in a row would be enough to close the black-white test score gap."[41]

An evaluation of four urban school districts with 90,000 teachers and 1.4 million students found that highly effective teachers help students learn two to three additional months' worth of math and reading compared with the average teacher, and five to six months more compared to low-performing teachers.[42] These findings are corroborated by a team of researchers from Harvard and Columbia that concludes that high value-added teachers (top 5%) have an immediate positive impact on students test scores in the grades they teach.[43] Principals must have authority over teacher selection decisions to ensure that each classroom has a teacher equipped to optimize student learning gains.

The effects of excellent teachers extend far beyond single year achievement gains. Students assigned to better teachers are *more* likely to attend college, earn more money, live in better neighborhoods and save more for retirement and *less* likely to have children as teenagers.[44]

To achieve the best results, then, educators within schools need the authority to select teachers who are likely to succeed at the particular school. They need to be able to offer compensation and career opportunities that make their schools as attractive as possible to promising candidates, and highly likely to retain great teachers. And they need to be able to organize their school team so that all students, not just a fraction, have excellent teachers in charge of their learning. None of this is likely if all key decisions about hiring, compensation, retention, and school organization are housed in the central office.

In Kansas City, for example, schools must work within a single salary schedule that pays teachers less than surrounding districts and less than the national average for teacher pay.[45] With lower pay and a high level of challenge, KCPS is at a severe disadvantage when it comes to attracting and retaining excellent teachers in their schools. To create the conditions for great schools to thrive, educators at the school level need the authority to invest much more in teacher pay, making their schools the most attractive places to teach and work.

Educators need the freedom to determine how resources are allocated to best serve the needs of students and teachers

School leaders need to be able to control resources with minimal bureaucratic red tape. They need the flexibility to take steps such as paying more for teachers who have demonstrated excellence in the classroom or at leading other teachers; hiring extra tutors; investing in proven technologies and the infrastructure to support them; expanding art programs; or creating partnerships with social service agencies — whatever it takes to improve student achievement. Specific solutions will vary from

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MA: National Bureau of Economic Research. Retrieved from www.dartmouth.edu/~dstaiger/Papers/nyc%20fellows%20march%202006.pdf

[41] Gordon, R., Kane, T., & Staiger, D. O. (2006). *Identifying Teacher Performance on the Job.* Washington, DC: The Brookings Institution. Retrieved from www.brookings.edu/views/papers/200604hamilton_1.pdf

[42] TNTP (2012). The Irreplaceables: Understanding the Real Retention Crisis in America's Urban Schools." http://tntp.org/assets/documents/TNTP_Irreplaceables_2012.pdf

[43] Chetty, Raj, John Friedman and Jonah Rockoff (2012). "The Long-term impacts of teachers: Teacher Value-added and student outcomes in adulthood." http://obs.rc.fas.harvard.edu/chetty/value_added.html

[44] http://obs.rc.fas.harvard.edu/chetty/value_added.html; http://tntp.org/assets/documents/TNTP_Irreplaceables_2012.pdf

[45] KC teacher pay from Missouri DESE Comprehensive Data System (2013).

school to school, making it vital to place these decisions at the school level where school leaders, teachers, and other stakeholders can work together to design the optimal school for their students.

Yet too often, educators have little control over resources. In our analysis of KCPS finances for example, we found that **only 52 percent of KCPS spending is budgeted at school locations,[46] and an even lower percentage (5 percent) is truly discretionary funding in the hands of educators.**[47] The rest is controlled centrally, including decisions about school staffing allocations, school program allocations, compensation, and most other important instructional and non-instructional services.

While the term "resources" may imply that we are talking only about the use of funds, research actually points to a broader set of resources that make the difference – dollars, yes, but also people (discussed above) and time. In one study, for example, nine "Leading Edge" urban high schools outperformed most high schools in their districts by embracing such practices as:

- Clearly defining an instructional model that reflects the school's vision, learning goals, and student population and making tough trade-offs that prioritized use of people, time, and money to support that vision.
- Devoting an average of 233 equivalent days more over a four-year high school period to core academics than traditional district schools, primarily by strengthening core academic expectations and individual and small group academic support.
- Building a school schedule that strategically advances the school's instructional model and addresses student needs.[48]

Determinations about how best to use instructional time are among the most significant schools and school systems face. Researchers from Stanford University, the University of Pennsylvania, and the National Bureau of Economic Research found a longer school year and more English instruction time are positively associated with student achievement.[49] Researchers at Harvard and Princeton University found that more instructional time and high-dosage tutoring were associated with stronger student performance.[50]

[46] FY13 financial data provided by KCPS on November 4, 2013.
[47] Afton Partners analysis of KCPS FY13 financial data. See Appendix A for details.
[48] Education Resource Strategies (2010).
[49] Hoxby, C. M., Murarka, S., & Kang, J. (2009). *How New York City's Charter Schools Affect Achievement.* Cambridge, MA: New York City Charter Schools Evaluation Project. Available: www.nber.org/~schools/charterschoolseval/how_NYC_charter_schools_affect_achievement_sept2009.pdf
[50] Dobbie and Fryer (2011). http://www.nber.org/papers/w17632.pdf "Getting Beneath the Veil of Effective Schools: Evidence from New York City."

Perspectives of Kansas City Residents: Wraparound Services

Participants in interviews and focus groups sounded a consistent call for more attention to wraparound services to meet students' out of school needs.

Teachers, administrators, community leaders and family members agreed that many of KCPS' most fragile students start kindergarten at a severe disadvantage. The standard school day and year, we heard, are insufficient to close the gap before high-stakes testing begins in the third grade. While participants recognized funding constraints, there was broad support for expanding pre-school programs to address this challenge. Many participants also supported extending the school day and year.

Teachers, school leaders and volunteer coordinators called for wraparound services so that students enter the classroom ready to learn. Participants suggested that services need to address the physical and mental health challenges faced by KCPS' high-poverty students. Some talked about students who, for example, struggled to read because they had impaired vision but no access to an eye-doctor. One focus group discussed a school that allowed families to use on-site laundry facilities in exchange for volunteer work. Participants cited a wide range of needed services, but there was general agreement that school leaders would be in the best position to prioritize which services were most needed by their students and their families.

Principals need the authority to create unique instructional programs and structure the school day accordingly. Considerable research exists on approaches to organizing instructional time, and sufficient freedom allows principals to identify the model that best suits the needs of their student populations and the talents of their teaching staffs.[51] Perhaps double doses of reading or math instruction will help struggling students. Perhaps a longer school day or year is needed, or weekend tutoring academies. As long as students are on track for success, school leaders and their teams should have that kind of flexibility.

Schools are Held Accountable for Results

Providing school leaders with flexibility in the areas discussed earlier in this chapter, as many successful schools do, makes it essential for schools to be accountable for results. High performing schools are not just independent. They are also held accountable by the public agency that oversees them under a performance agreement, and by families.

Schools have clear performance agreements governing their work

Focused accountability can motivate school leaders and staff and drive the committed work necessary to achieve excellent results. While research on school accountability is more limited than studies of school autonomy, we can point to some research and expert conclusions that suggest how systems ought to approach accountability.

Funded by the U.S. Department of Education, the Center for Reform of School Systems convened a panel of experts that included superintendents, a counselor to the U.S. Secretary of Education, and leading professors from Harvard and Vanderbilt

[51] For a review of research on extended learning time, see http://www.cps.edu/Programs/DistrictInitiatives/FullDay/Documents/CaseForMoreTime_BriefReview.pdf

universities. The panel designed four principles for successful district accountability:[52]

- District accountability systems must empower schools but also provide strong capacity for excellence.
- Student achievement must be the dominant measure of school performance.
- All functional units — principals, teachers, and central office staff — must be held accountable for results.
- Accountability must mean both positive and negative consequences for everyone in the system.

Perspectives of Kansas City Residents: Accountability for Results

Interview and focus group participants discussed the roles and responsibilities of the district's central office and of individual schools. There was broad agreement that the central office should be charged with establishing rigorous standards and holding schools accountable for performance.

Area superintendents recognized the challenges of managing a high-poverty, transient student population but reiterated a commitment to maintaining high expectations for all students and holding schools and teachers accountable for students' progress.

KCPS teachers underscored the importance of data-driven accountability. We heard that there is a lot of testing but a comparative lack of useful data generated to help teachers personalize instruction for struggling students.

KCPS leadership likewise expressed a desire to see accountability systems that were not simply about data and supporting technology systems, but about supporting schools in acting on the information conveyed by assessments. Teachers should know which students are struggling and be able to identify appropriate interventions. In addition, as "CEOs of their own learning," as one focus group participant called them, students should be able to track their own progress and goals.

Teachers and district leaders focused on the importance of accountability based on clear performance metrics.

Cecilia Rouse and her colleagues conducted a five-year, three-round survey of public elementary schools in Florida linked with detailed administrative data on student performance to show that schools facing accountability pressure changed their instructional practices and that these responses could explain a portion of the test score gains associated with the Florida school accountability system.[53] Schools faced with increased accountability pressure tended to take several actions, including:

- focus on low-performing students
- lengthen the amount of time devoted to instruction
- adopt different ways of organizing the day and learning environment of the students and teachers
- increase resources available to teachers

[52] McAdams, D. R., et al. (2003). *Urban School District Accountability Systems.* Houston, TX: Center for Reform of School Systems. Available: www.ecs.org/html/educationissues/accountability/mcadams_report.pdf

[53] Rouse, Cecilia Elena, Jane Hannaway, Dan Goldhaber, and David Figlio. 2013. "Feeling the Florida Heat? How Low-Performing Schools Respond to Voucher and Accountability Pressure." American Economic Journal: Economic Policy, 5(2): 251-81. Previously published working paper available at: http://www.caldercenter.org/PDF/1001116_Florida_Heat.pdf

These changes in instructional practice help to explain more than 15 percent of the test score gains of students in reading and over 38 percent of the test scores gains of students in math.

Excellent school systems give families choice among high-quality school options

Accountability to the public via the public agency that oversees schools is the most important way great schools are held accountable. But engaging families can add further accountability to the system. All families deserve the opportunity to send their children to schools that fit their needs, and to have options that will help them grow and succeed. It is not enough for school systems to offer families multiple alternatives if none of the available options provides a reliable path to success. It is also not enough for systems to provide high-quality schools accessible to some students – like magnets or Signature Schools – while others languish in persistently low-performing schools.

As former New York City Public Schools Chancellor Joel Klein wrote recently, "Many middle-class families have plenty of choice (even beyond private schools): they can move to another neighborhood, or are well-connected enough to navigate the system. Those families who are least powerful, however, usually get one choice: their neighborhood school. That has to change."[54]

Every child should have access to a great public school in his or her neighborhood. But what happens to children when their neighborhood school is chronically failing, or doesn't provide the academic, artistic, athletic, or cultural programming their parents prefer? Why should the parents of children who can pass academic or language tests be able to choose magnet or "Signature Schools", when parents of other students lack options within the system? Providing more options is one central way a school system can empower parents to hold schools accountable for doing a great job with their students.

To create a successful system-wide culture of school choice, it is essential that parents and students be active agents in the process of choosing among diverse schooling options. A system that is driven by parent and student choice will create more diverse options to appeal to students' varying needs, and those schools that fail to attract enough students will be replaced by other schools with a better chance of success.

Empirical research conducted by Stanford University economist Caroline Hoxby has shown that when families have a wider array of schooling options, whether within the school district or between public and private schools, public schools produce higher student learning results. Furthermore, parents who have access to more schooling choices tend to be more involved in their children's schooling.[55]

Funding should follow students to the best available educational alternatives

Public oversight and family choice come together as instruments of accountability in systems that enable funding to "follow" students to the schools their families choose. As noted above, high-performing school systems ensure that dollars reach classrooms, where essential teaching and learning occur, rather than being directed

[54] Klein, J. (2011, June). "The Failure of American Schools." *The Atlantic.* Available: www.theatlantic.com/magazine/archive/2011/06/the-failure-of-american-schools/8497

[55] Hoxby, C. (1998, March). "What Do America's 'Traditional' Forms of School Choice Teach Us about School Choice Reforms?" *FRBNY Economic Policy Review.* Available: www.ny.frb.org/research/epr/98v04n1/9803hoxb.pdf

into bureaucratic functions of public education. Beyond this, strong school funding systems are set up so that money follows students into the schools that their families select. Some students, such as those with disabilities or those learning English, receive additional resources to support their learning needs.[56]

The Center on Reinventing Public Education conducted a six-year study on school finance, concluding that in order to help money flow from less to more productive uses, school finance systems should "fund students, not programs or adults."[57] Summarizing the study, report authors recommended that school finance systems provide funds to schools based on student counts, with principals given authority to allocate and manage those funds at the school level. In a separate report, researcher Marguerite Roza asserted that funding needs to be available to principals in "dollars, not district-bought resources, on a per-pupil basis."[58] This would allow school leaders the freedom to make decisions that best meet the needs of their students and schools.

Without portability of school funding, the accountability function fails, Roza suggested in a 2013 report for the Center on Reinventing Public Education.[59] By enabling the movement of funds, a district can create "pocketbook power," which incentivizes schools to attract students, keep full enrollment, and boost student performance, according to the report.[60]

Every child should have the best possible start in school (pre-K)

By around age five, a child's brain has reached 90 percent of its adult volume, having firmly set the foundations of his intellect, personality, and skills.[61] More than half a century of research has shown that children who have the opportunity to enroll in high-quality preschool programs fare better over time—in school and in life.[62] They enter school scoring significantly higher in reading and math. They are less likely to drop out of school, repeat grades, or need special education services. And they are more likely to attend college.[63] Numerous studies have shown how the effects of high-quality pre-K play out over time. For example:

- The landmark HighScope Perry Preschool Study placed a group of low-income students at high risk for failure in high-quality preschool programs, and compared their performance over time with a group of their peers who received no schooling. The students in the preschool program outperformed the other

[56] Hill, P., Roza, M., & Harvey, J. (2008). *Facing the Future: Financing Productive Schools.* Seattle: Center on Reinventing Public Education. Available: http://www.crpe.org/publications/facing-future-financing-productive-schools

[57] Hill, P., Roza, M., & Harvey, J. (2008).

[58] Roza, M. (2008). *Allocating Anatomy: District Resource Distribution Practices and Reform Strategies.* Seattle: Center on Reinventing Public Education. Available: www.crpe.org/cs/crpe/download/csr_files/brief_sfrp_aa_may08.pdf

[59] http://www.crpe.org/sites/default/files/rr_10_sba_2013_jan13.pdf

[60] http://www.crpe.org/sites/default/files/wp_rr_phantommenace.nov12.pdf

[61] Child Welfare Information Gateway (2009). *Understanding the Effects of Maltreatment on Brain Development*. Washington, DC: Author. Available: https://www.childwelfare.gov/pubs/issue_briefs/brain_development/brain_development.pdf

[62] MinnCAN (2011). *Clearing a Path to Quality Pre-K*. Minneapolis, MN: Author; Wat, A. (2010). *The Case for Pre-K in Education Reform: A Summary of Program Evaluation Findings*. Washington, DC: Pre-K Now, Pew Center on the States.

[63] Heckman, J. J. & Masterov, D. V. "The Productivity Argument for Investing in Young Children." *Review of Agricultural Economics* (2007): 29(3), 446-493; Warren, J. (2010). "Economist's Plan to Improve Schools Begins Before Kindergarten." *The New York Times*; Barnett, W. S. (2008). *Preschool Education and Its Lasting Effects: Research and Policy Implications* (Boulder and Tempt: Education and the Public Interest Center & Education Policy Research Unit); Schweinhart, L. J., Barnes, H. V., & Weikart, D. P. (with Barnett, W. S. & Epstein, A. S.) (1993). *Significant Benefits: The High/Scope Perry Preschool Study Through Age 27.* Ypsilanti, MI: High/Scope Press.

group on school achievement and literacy tests through age 27. They also achieved a high school graduation rate of 77 percent, compared with 60 percent for those who did not experience the high-quality preschool program.[64]

- Meta-analyses show that high-quality pre-K programs can halve the school readiness gap between children in poverty and the national average.[65]
- Chicago children who attended a prekindergarten program were 29% more likely to graduate high school than peers who did not; conversely, Chicago children who did not attend pre-kindergarten were 70% more likely to be arrested for a violent crime.[66]

Nationally, every dollar invested in high-quality prekindergarten saves taxpayers up to seven dollars in reduced costs for remedial and special education, welfare, and related costs.[67] Research by Nobel Prize-winning University of Chicago economist James Heckman shows that the public receives $48,000 in benefits for each at-risk child who enrolls in even a half day of public preschool.[68]

Conclusion

As an increasing number of schools serving high-need students are showing what is possible, the primary goal of school system leaders should be to create the conditions that enable such schools to form and thrive. Without that system-wide push for these conditions, individual pockets of excellence will continue to pop up. But their successes will not spread widely so that all students in the community benefit. And, their success may not be maintained if new leadership comes into a district and sweeps aside past efforts in favor of a new set of reforms. The key to spreading and sustaining excellence is setting the conditions across an entire system of schools so that educators run schools, schools are held accountable for results, and quality preschool lays the foundation for success in the K-12 years.

[64] Schweinhart, L. J., Montie, J., Xiang, Z., Barnett, W. S., Belfield, C. R., & Nores, M. (2005). *The High/Scope Perry Preschool Study Through Age 40: Summary, Conclusions, and Frequently Asked Questions*. High/Scope Educational Research Foundation.
[65] Barnett, W. S. (2008). "Preschool Education and Its Lasting Effects: Research and Policy Implications." Boulder, CO, and Tempe, AZ: Education and the Public Interest Center & Education Policy Research Unit.
[66] Pre-K Now. "The Benefits of High-Quality Pre-K." Fact sheet. Available: www.preknow.org/advocate/factsheets/benefits.cfm
[67] Pre-K Now. "The Benefits of High-Quality Pre-K."
[68] Heckman, J. J. (2010). *Invest in Early Childhood Development: Reduce Deficits, Strengthen the Economy*. Available: www.heckmanequation.org

Chapter 3. A Plan to Create the Conditions for Success

In the next three chapters, we detail a plan that Missouri could use to create the conditions for success in any of its unaccredited districts. In **this chapter**, we describe a system for governing the schools in one or more districts designed to empower educators to run schools and hold schools accountable for achieving great results for students. In **Chapter 4**, we explain how the state could make the transition from today's system to a system like the one described here. And in **Chapter 5**, we discuss how the state could return a revived system to local control in the future, while maintaining the conditions great schools need to thrive.

Overview

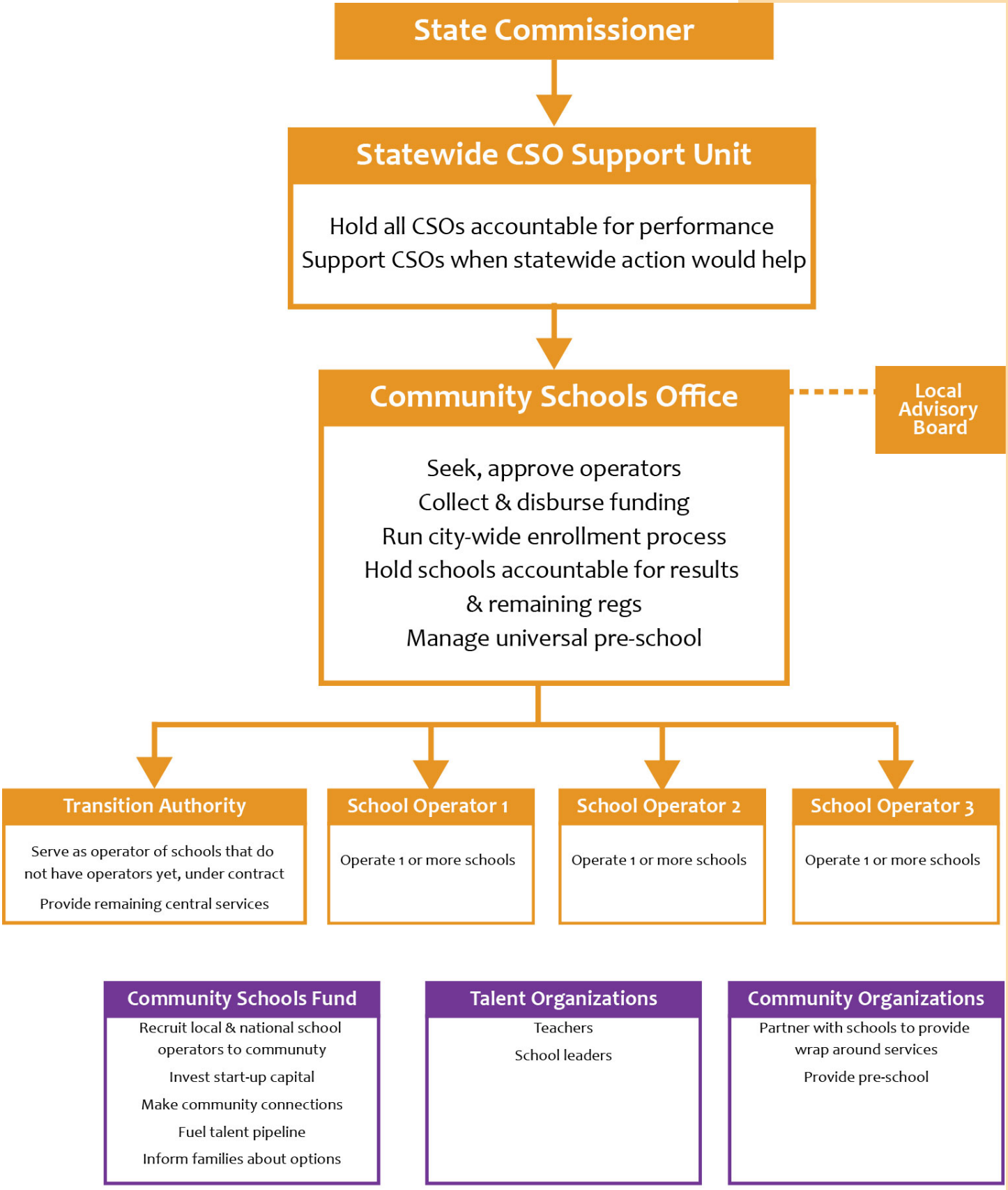
This is a plan to change how public education is organized and delivered in a community. Under this plan:

- Educators and community members would gain the power to create and operate nonprofit schools that meet the needs of the students they serve.
- Millions of dollars would be unlocked to pay for the highest priorities, such as: paying teachers substantially more, funding city-wide access to high-quality preschool, and offering wrap-around services to meet children's out-of-school needs.
- Students would gain access to high-quality schools within their neighborhoods and beyond.
- The school system would shift its focus from operating schools directly to finding the best possible nonprofit operators, empowering them to run schools, and holding them accountable for results. Schools that succeed would grow to serve more students. Those that continually fall short would be replaced with better options.
- The school system would continue to perform critical functions such as operating facilities, providing transportation, ensuring that all students have access to great schools, and serving as a steward of the public's funds.

The following sections describe this plan in detail. The key elements of the plan include the following, also shown in Figure 3-1:

- A **Community Schools Office** (CSO) that would oversee public education across the community
- A variety of **school operators**, all of them nonprofit, carefully selected and held accountable for the results they achieve with students
- A **funding system** that would maximize the dollars controlled at the school level by educators
- Publicly funded **preschool** for all 3 and 4-year-old students across the community
- A **Transition Authority** that would operate schools directly until the school's educators or a nonprofit partner are able to run them
- A **Community Schools Fund** that would gather donations to provide the community with a strong supply of great teachers, leaders, and school operators.
- **Statewide support** for CSOs, including carrying out some functions at the state level to facilitate the work of local CSOs.

Figure 3.1 Organizational Chart



Community Schools Office

In each community with one or more unaccredited school districts in need of state intervention, the state would establish a "Community Schools Office." Like a conventional school district, the Community Schools Office (CSO) would serve as the governing authority for public education in the community. Like a conventional district, the CSO would take responsibility for ensuring that every child residing in the community has a place in a public school. And, like a conventional district, the CSO would handle certain core administrative functions that make sense to be housed centrally, such as overseeing school facilities and running the transportation system.

But the similarity with a conventional school district ends there. Unlike a conventional district, the CSO would not, after a transition period, directly operate any of the community's public schools. Instead, it would carefully select a variety of nonprofit school operators – discussed in detail in the next section – that run each public school in the community. Each operator would have a "performance agreement" with the CSO – a legal agreement that specifies exactly what the operator must accomplish with students in order to continue operating the school. In return for agreeing to meet those expectations, the operator would receive assurance that its educators could operate the school as they see fit, to meet the needs of its students.

Successful operators could continue doing their good work. Indeed, the CSO could ask them to take on additional students and campuses, spreading their excellence to even more students within the community. Expansion would be purely voluntary for schools, which could elect to stay at their current size or grow. If, on the other hand, operators fall short, the CSO would replace them with new operators. Through this process, the CSO would ensure that over time, a greater number of students in the community would have access to a great school.

The following subsections address the details of the CSO's key functions.

CSO Management and Governance

Until a return to local governance (see Chapter 5), each CSO would be an agent of the state. The CSO would be led by an Executive Director who reports to the State Commissioner of Education. The State Board of Education would appoint an Advisory Board made up of a cross-section of the community's citizens to provide counsel to the CSO. Unlike today's local boards of education, however, the Advisory Board would not be the legal governing body of the community's public schools. While the CSO's Executive Director would rely extensively on the Board for community input into decisions, the Executive Director would be solely accountable for leading the CSO and overseeing all of the community's public schools. Like the school operators overseen by the CSO, the Executive Director would operate under a performance agreement with the state, specifying an ambitious set of targets for improved student performance year after year.

Selecting School Operators

The CSO's central responsibility would be the selection of nonprofit organizations that receive performance agreements to operate one or more schools within the community. Operators may include teams of educators currently working within a public school in the community; nonprofit organizations within the community; surrounding school districts already operating successful schools serving similar

student populations; existing successful charter schools in the community; or existing successful charter schools from other communities. (The range of possible school operators is discussed in more detail below.)

Since the CSO would be relying on these operators to run all of the community's public schools, instituting a rigorous selection process with very high standards would be one of the CSO's most vital functions. Key elements of the process should include:

- Issuing a widely disseminated **call for proposals**, inviting educators and organizations locally and nationally to submit applications to operate schools within the community.
- Providing **training and support** for community members interested in designing and leading their own schools, thereby empowering the community to introduce the specific kinds of schools they want for their children.
- Establishing a **clear set of criteria for approval**, focusing on factors such as the strength of the operator's governing board; the strength of the school leaders the operator would place in charge of its school(s); the school's plan to place an excellent teacher in charge of each child's learning; the school's evidence-based plan for instruction and school culture that matches the needs of the intended student population; the strength of the operator's financial and operational plans for managing the school(s); and, if applicable, the operator's track record of managing public schools serving similar populations.
- Carrying out a **rigorous process to vet applicants** against those criteria, including detailed analysis of data from any schools currently run by the operator; CSO review of the operator's written plans; and in-person interviews structured to yield information that sheds light on how well the applicant meets the CSO's criteria.
- Making **decisions based on objective information** about how well applicants meet the criteria.

Performance Agreements with Operators

Since the CSO would not run schools directly, its principal instrument for overseeing schools would be the performance agreements with nonprofit operators. The CSO's performance agreement with an operator would contain the following critical elements:

- **Performance expectations**. The agreement would spell out how well the operator's schools must perform in order for the CSO to renew its agreement on metrics such as student proficiency, student growth, post-secondary outcomes, financial and organizational viability and other measures of value to the community. The agreement would specify the level of performance each school must meet by the end of a five-year term, along with year-by-year targets to meet the five-year benchmark. The agreement would clarify the CSO's options in the event that a school's performance lags behind these annual or five-year targets, including the terms under which the CSO may revoke the agreement in advance of the term's end date. While the CSO may develop an agreement with an operator to run more than one school, the performance agreement would clearly specify performance expectations for each individual school and would empower the CSO to renew, not renew, or revoke the operator's authority to operate individual schools.

- **Operator's authority**. Since the CSO would hold operators strictly accountable for performance, it would grant substantial authority to the school's educators on important matters. Specifically, each operator would select its own teachers and leaders; determine an instructional program and school culture designed to meet state academic standards and the specific needs of the operator's students; establish a daily and annual schedule and determine how to use time within the school day; allocate its funding to meet its students' needs; and establish and maintain its own governing board, which is the legal entity under agreement with the CSO. The agreement would make the provision of these autonomies legally binding, not subject to infringement by the CSO. This firewall would mean that the CSO would maintain its role not as a direct operator of schools, but rather as the agent that selects operators and then holds them accountable for student results.
- **Resources**. The agreement would specify the level of resources the school would receive from public sources, based on the funding system described in a subsequent section. As described there, this system is designed to maximize the level of resources placed at the disposal of educators and to drive dollars to schools based on the need of their students. The agreement would also specify that schools may supplement public funds with grants and donations.
- **Constraints**. While the intent of the CSO would be to give operators as much autonomy as possible to manage their schools, the CSO must insist that operators adhere to core legal requirements inherent in public education, such as non-discrimination in admissions and employment; upholding other student and civil rights such as the rights of students with disabilities to a free and appropriate public education; fulfilling health and safety requirements; operating in a non-religious fashion; and meeting other requirements deemed essential by the Missouri Board of Education. In addition, operators would have to administer required assessments and submit all other information needed by the CSO to assess whether the operator's schools are meeting performance expectations and other requirements.

  One important form of constraint would be setting a community wide policy regarding student expulsions. A critical responsibility of the CSO would be to ensure that all students have a place in a school deemed strong enough to be part of the system. With that responsibility, the CSO could not simply allow schools to decide which students they would admit (discussed next) or whom they would expel without having alternate plans to provide the expelled child with appropriate educational opportunities. A uniform policy would mean schools would be more likely to keep students enrolled. If a student were to be expelled duly under the system, the CSO would retain responsibility for finding a place for that student to attend school.

Student Enrollment

Another critical function of the CSO would be to manage a community-wide enrollment process so that all students would have access to great schools in their neighborhoods and, if their families so choose, elsewhere in the city. This process would combine neighborhood preference – giving students the chance to attend close-by schools – and choice, enabling families to seek out options other than their neighborhood schools if those other options better meet their needs.

Informing families about their options. Directly or in partnership with the Community Schools Fund (described below) or other community organizations, the CSO would make detailed quantitative and qualitative information available to families about all of the schools available in the community. This information would be made available on the Internet, but also made accessible to families via public libraries, community-based organizations, pediatricians' offices, and other places families are likely to frequent.

Community-wide lottery process. Several districts around the country, including Denver, New Orleans, New York City (at the high school level), and Washington, DC have created systems in which students may seek to enroll in schools across the city. Rather than require families to apply to individual schools, all of these districts have moved toward systems in which families apply to a central service, ranking the schools they would like to attend. In the system proposed here, students who rank their neighborhood schools first would be automatically admitted. Students seeking to attend other schools would be prioritized using a random lottery, and an objective central system would then assign places to students based on their preferences and their lottery positions. Research on systems of this kind has found that the vast majority of families receive their top choices, parents tend to choose high quality schools, and that over time low-income families become more engaged in the school process.[69]

The limited role of selective admissions schools. In districts such as Kansas City, some schools currently run selective enrollment processes that require incoming students to meet standards for prior academic performance, foreign language proficiency, and other factors. If these schools are high-performing enough to remain part of the CSO's portfolio of schools, the CSO would likely allow them to maintain their selective enrollment practices under their performance agreements. In addition, the CSO could choose to issue agreements to new selective enrollment schools over time. Selective schools, however, should cover a relatively small fraction of the community's overall school spaces to ensure that all students, not just those who already have advantages, gain access to excellent schools. The CSO would maintain the vast majority of schools as open enrollment, assigning students by lottery if applicants exceed the number of available spaces at a particular school.

Easing the challenge of student mobility. One issue we heard raised in many interviews and focus groups, including with district staff, was the large number of KCPS students who are mobile, changing schools from one year to the next or even within the school year. Student mobility has been shown by research to be correlated with lower levels of student achievement. While we did not investigate this phenomenon, stakeholders suggested anecdotally that mobility was due to students changing residences frequently. The plan proposed here would not address residential mobility directly, but could provide mobile students with a critical benefit: the ability to stay in the same school, with transportation, even if their families move. Some families might decide to switch schools anyway as part of a move, but they would not have to do so.

Limited Central Services

Finally, the CSO would carry out a limited set of central services, much like a traditional school district. The difference would be that the CSO would strive to

[69] See A+Denver's report on the Denver school choice process: Mary Klute (2012). *Evaluation of Denver's SchoolChoice Process for the 2011-2012 School Year* (Denver: A+ Denver).

minimize this list to the essentials, enabling the vast majority of funding (and authority) to flow to schools as described below in the Giving Educators Control of Dollars section. This limited set of functions would include:

- **Facilities management and planning**. The CSO would assume ownership and operation of all of the district's existing school facilities and would carry out construction and any major renovations centrally, while responsibility for cleaning, basic maintenance and minor repairs would shift to schools. The CSO would also continue to serve as the planning agency for school facilities, working with other municipal departments to forecast future needs, issue bonds, and carry out needed construction and renovation projects. The CSO could manage the community's facilities portfolio creatively to economize and free resources for the core work of schooling, but it would uphold the central responsibility of assuring that every child has a safe, educationally appropriate school building.
- **Transportation**. To ensure that every child has access to great schools their families choose, the CSO would continue to operate a community-wide transportation system. Otherwise, a student might technically have the option to attend a given school, but not practically be able to do so because she has no way of getting to that school every morning. The CSO would operate the transportation system as efficiently as possible to maximize the resources available for schools. Over time, the CSO may be able to transition some or all transportation funding and responsibility to school operators, some of whom may prefer to run their own transportation systems in line with their own schedules and other needs. In such cases, the CSO's role would shift from providing the service to making sure that operators meet the fundamental obligation to ensure that all children have a way to get to school and that lack of transportation would not be a barrier to any child's attendance.
- **Stewardship of funds**. Though the CSO's objective would be to transfer as much funding as possible to the school level (see Giving Educators Control of Dollars), it would serve the purpose of receiving funds from public sources, retaining a portion for its own functions, and disbursing the rest to the schools. Local tax dollars and state and federal education funds would flow first to the CSO, and then to schools. The CSO would enlist auditors to ensure that funds were being managed in the public interest.
- **Local education agency status for special education.** Public schools in the United States have a special responsibility to ensure that students with disabilities receive a free and appropriate education under federal and state law. Laws designate a local education agency (LEA) as the responsible party. In Missouri, LEAs are school districts and public charter schools. In the system envisioned here, the CSO would serve as the LEA for all of the schools under agreement with it, but only for special education and federal funding sources.[70] This does not mean that the CSO would operate all of the community's special education services in a top-down fashion. Instead, as with all educational decisions, the CSO would spell out in the agreement that the school operator would be responsible for determining the educational program for students, including students with disabilities.

[70] This status would not make the CSO a "district" within the Missouri accountability system. As a result, accreditation and the transfer law would not apply to the CSO. Instead, the state would have specific performance expectations for the CSO that set the terms under which the system could return to local control, as discussed in Chapter 5. The CSO and schools it oversees would receive annual performance reports just like all systems and schools, ensuring they are held to the same or a higher standard.

But the CSO would perform three unique functions related to special education. First, through the student enrollment process described above, it would ensure that students with disabilities have the same access to multiple options as do other students. Second, as the LEA, it would monitor school operators' compliance with laws and regulations related to special education and access to students with disabilities. As shown in the sample budget in the Giving Educators Control of Dollars section below, the CSO would retain sufficient resources for this purpose. Finally, the CSO would facilitate cooperation across operators to meet the needs of students that are especially difficult to meet in a single-school setting. As has happened in other systems we studied, this facilitation may involve the creation of special education cooperatives to share resources or the establishment of shared centers within certain schools to serve students with common needs from multiple schools.

School Operators

A fundamental difference between this plan and prior efforts to change the trajectory of Missouri districts such as Kansas City is that this plan would rely on nonprofit "school operators" as critical agents of change and improvement in public education.

School operators in this plan would be nonprofit organizations that take responsibility for running one or more of a community's public schools. As described in the previous section, they would be carefully vetted by the CSO before becoming empowered to run schools. And they would enter into a performance agreement that binds them to meet high expectations for student performance and to fulfill all obligations fundamental to public education.

Some may read the phrase "school operators" and conclude that this is a call for "privatization" of public education. In fact, nothing could be further from the truth. First, only nonprofits would be eligible to become school operators – organizations bound by law to carry out charitable and educational purposes. **For profit school management organizations would not be eligible**. Second, the schools operated by these nonprofits would be public in every important respect. They would not charge tuition. They would be open to all resident students. They would not discriminate in admissions or employment. And most importantly, they would be accountable to the public via the performance agreement they sign with a public agency, the CSO. Their ability to continue operating the school would depend on their students achieving the results the public expects them to achieve. We would argue that these features would make operators "public" in more ways than many existing public schools—operators would be more accessible and more accountable to the public.

Sources of School Operators

Identifying school operators to lead all of a system's schools would take time. As detailed in subsequent sections, we envision a multi-year transition over which an increasing number of schools would become independent. The CSO's Transition Authority (see below) would operate schools during their transition to independence. In the meantime, a key function of the CSO would be a vigorous effort to cultivate and identify high-quality operators.

School operators could come from a variety of sources. Here are some likely examples:

- **Already successful local schools**. The first place the CSO would turn to find school operators would be to a district's already successful schools. Even in unaccredited districts, some schools provide top-notch educations. In our research on Kansas City, for example, many stakeholders pointed to Lincoln College Preparatory Academy as a stand-out. For schools that already meet the CSO's high standards for approval, the CSO would encourage educators at the school to form a nonprofit and become one of the new system's first independently operated schools. The same goes for already successful public charter schools in a community, which the CSO would encourage to expand via operating additional campuses.
- **Already successful surrounding districts**. In Missouri's recent discussions of unaccredited districts, a promising development has been the collaboration of multiple districts – including both accredited and unaccredited – to develop proposals for how the state should proceed. One feature that shines through in these plans is the willingness, even eagerness, on the part of many districts that surround unaccredited systems to play a significant role in helping those systems improve. Under the plan proposed here, districts would have a direct, tangible way to do just that; they could apply to operate one or more schools in the new system. To win approval, they would have to show the CSO that they already had a track record of successfully serving students similar to those in the target schools.
- **Schools that become successful during the transition**. As we describe in detail below, the CSO's Transition Authority would run all schools not yet in independent operation. Some of these schools would improve enough that, like today's successful schools, they would become eligible for independent operation.
- **Existing local nonprofits**. Most communities are home to numerous nonprofit organizations that already have deep connections in the community and may have a track record of serving youth outside of school. The CSO would encourage such organizations to apply to become school operators.
- **Newly formed school operators**. As independent school operations become the norm, enterprising educators and other citizens would see the opportunity to envision new schools and propose them to the CSO. As discussed below under Community Schools Fund, this process could be accelerated and made more effective by a strong effort to "incubate" promising ideas and talented leaders.
- **Already successful school operators from elsewhere**. Finally, organizations that already operate successful schools in other parts of the state or nation may apply to the CSO to run schools in the community, with strong local advisory boards to ensure community voice. As discussed in Chapter 2, an increasing number of such organizations have emerged around the country. Some of these nonprofits are now seeking opportunities to expand their impact to other cities. As the Community Schools Fund (detailed below) recruits prospective operators, the CSO would have more potential applicants in the pool of operators.

Strengthening the Environment for Schools

The CSO's aim would be to place all of the community's schools into independent operation over a period of years. Doing so would require the CSO and its partners to make the community as attractive as possible to prospective operators, whatever their source.

We have conducted extensive research on what school operators seek when they decide whether to start or expand in a given location. Some of the factors, like the availability of start-up capital, lie largely outside the CSO's control, leading to our recommendation below regarding the creation of a Community School Fund. But the CSO would be in a position to offer operators most of the conditions they need:

- **Control of substantial resources**. As detailed in the Giving Educators Control of Dollars section below, our financial analysis of Kansas City Public Schools suggests that a CSO in that city would be able to make **over $10,000 in per pupil funding** available to school operators, based on FY13 KCPS expenditures.
- **Clear, legally binding autonomy**. Operators do not want to rely on the current leadership's intentions when deciding whether to open a school in a community. Instead, they want to know that if they open a school and it is successful, they would be able to continue operating it into the future even if the individual leaders who granted them the initial opportunity have left. Our proposed plan gives school operators clear, legally binding agreements that specify operators' autonomy and resources and the terms under which their agreements would be renewed. In addition, as discussed in Chapter 5, we propose a long-term governance arrangement under which operators could count on the ability to continue operating in the same fashion well into the future.

The Mix of School Operators

It is impossible to predict the exact composition of the operator landscape at the end of the transition, but we envision a healthy mixture of locally originated and external operators; of operators running a single school and operators running small networks of schools; of schools that are essentially "neighborhood schools" designed to meet the needs of a variety of students; of schools that are more specialized in their appeal; and so on.

We also envision that the mix of schools would change over time as students' needs change, and as some operators prove themselves more effective and more appealing to families than others. This evolution is in fact one of the factors that gives this kind of system the potential to produce stronger results over time compared with a system in which all schools are operated centrally.

Giving Educators Control over Dollars

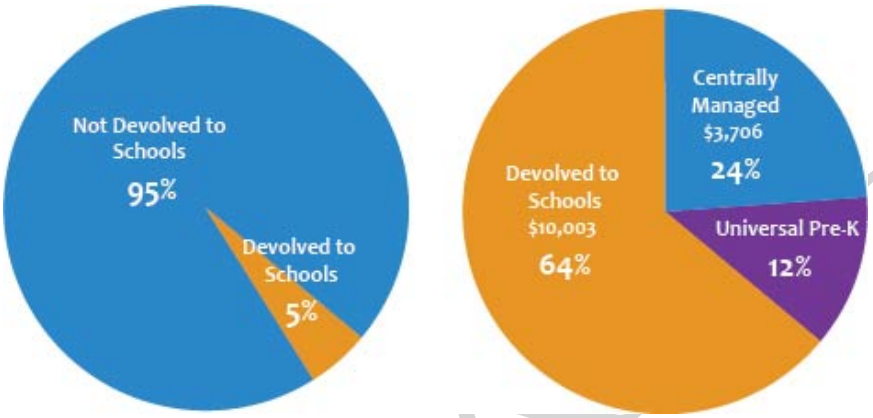
As explained in Chapter 2, one of the critical conditions enabling great schools is empowering educators, the people closest to the "action" of teaching and learning, to allocate resources in ways that meet the needs of their students. In most school districts, by contrast, the central office controls most of the resources. Missouri districts are no exception. In Kansas City, for example, Chapter 2 describes how only 52 percent of total district funds were part of school budgets in FY13, and *only 5 percent of expenses were truly controlled by principals*.

As a result, a key part of this plan would shift a significant amount of funds from being centrally managed to school-controlled. This change would allow educators to use funds in ways they see best for improving student achievement, including flexibility to pay teachers more and offer a variety of student support services.

Here, we illustrate this shift using the example of Kansas City Public Schools, though a similar transformation would be possible in other unaccredited districts moving to this new approach. We used FY13 actual expenditures from KCPS's official funding

report to project how a new system could work (See Appendix A for a more detailed explanation of KCPS's current finances.) Shifting responsibility and funding for most services to school control in Kansas City would allow close to **64 percent of funds to flow directly to schools and classrooms** and be controlled by educators, in contrast to only 5 percent truly controlled by principals in FY13 (see Figure 3-2). **That would represent a shift of more than $143 million a year into the hands of educators closest to the students.** Figure 3-4 provides an overview of what the shift would mean. Figures 3-3 and 3-5 shows the specific categories of funding that are centrally controlled today vs. educator-controlled in our proposed approach.

Figure 3.2 KCPS FY13 Spend under Steady State vs. New Model



Keeping Critical Functions Central

Even with a new model that empowers educators, certain functions and services would remain centrally controlled, based on four criteria:

1. System-Wide Obligations – Certain obligations would likely remain with the system of schools no matter how or how many students are enrolled in the system. Examples of these obligations, which would need funds to be reserved for centrally, include debt service, post-retirement health care contributions, contributions to address unfunded accrued actuarial liability of the pension system, tuition to other districts, and any other district legacy costs.

2. Non K-12 System-Wide Priorities – Our recommendations include certain investments in initiatives and services, such as universal pre-kindergarten and adult education services, that are not part of the responsibility of K-12 schools. These priorities would have funding reserved for them centrally.

3. Accountability & Operational Oversight – There are certain accountability and operational activities that must be conducted and reserved for centrally in order to create the conditions for high-quality schools to thrive. Under this plan, a Community Schools Office is charged with approving school operators to manage independent schools and hold them accountable. While these functions require substantially fewer resources than a typical district central office, they still must be adequately funded to ensure high quality approval and oversight of schools. During the transition period, the CSO also operates a Transition Authority, which manages schools prior to their

becoming independently operated. *Please see Appendix B for a sample CSO budget.*

4. Economies of Coordination – Some school and student services require coordination across all schools to deliver optimal services to students and families, such as centralized facilities and capital planning and student transportation services, which are best conducted through centralized routing and staggered school bell schedules. (Additional discussion above in the Community Schools Office section.)

Figure 3.3 shows which services are proposed to remain centrally operated under this plan and the rationale for maintaining centralization.

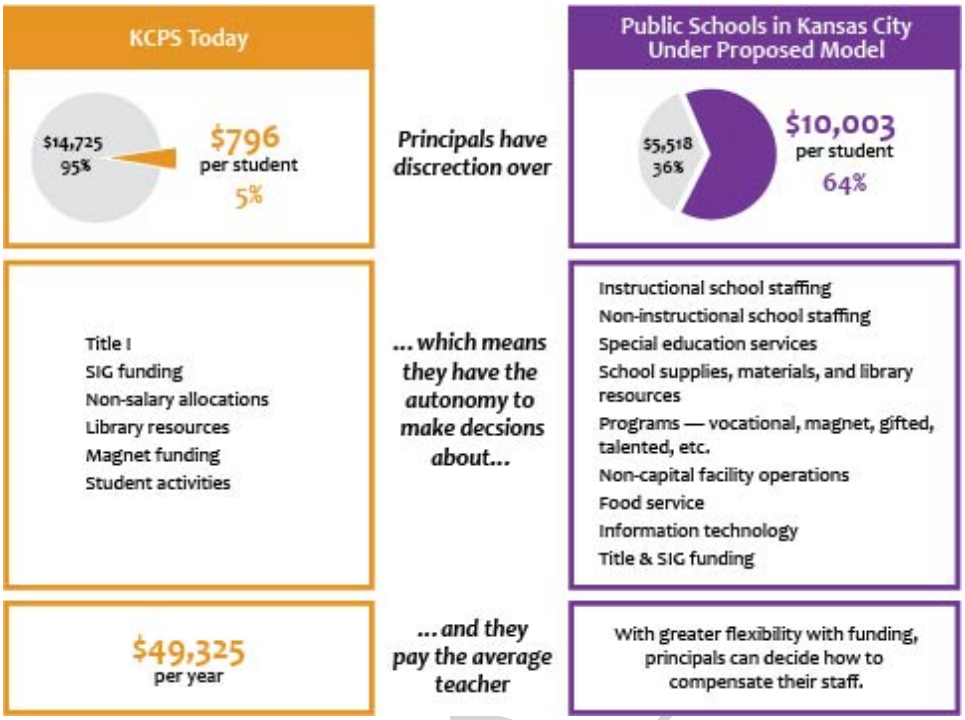
Figure 3.3

Community Schools Office **Transition Authority**	Accountability & Operational Oversight
Student Transportation Services **Capital Outlay**	Economies of Coordination
Universal Pre-Kindergarten **Adult Basic Education**	Non K-12 system-wide priority
Debt Service **Legacy Costs** **Tuition to Other Districts** **Post-Retirement Healthcare Contributions** **Pension UAAL Contributions**	System Wide Obligation

Shifting $143 Million to Educator Control

For the purposes of illustrating the impact of this framework for school funding, we used FY13 expenses as reported in KCPS' Comprehensive Annual Financial Report, or CAFR. While our plan uses only funds that were spent in FY13 based on KCPS' CAFR, it allows for a much higher level of per-pupil funding to go to schools — estimated to be $10,003 per pupil compared to an estimated $796 under principal control in FY13. That entails a shift of $143 million into the hands of educators to make decisions in the best interests of their students. *Please see Appendix B for details on the $86MM of FY13 dollars that would remain centrally managed in the new model, including $28MM dedicated to universal pre-school.*

Figure 3.4 Shift in funding from current state to end state — overview



Today, principals in Kansas City control a miniscule amount of the district budget, comprised primarily of some school supply expenses, library resources, Title I, School Improvement, student activity funds, and Magnet funding. Under the proposed framework, school principals would gain increased flexibility in some major areas:

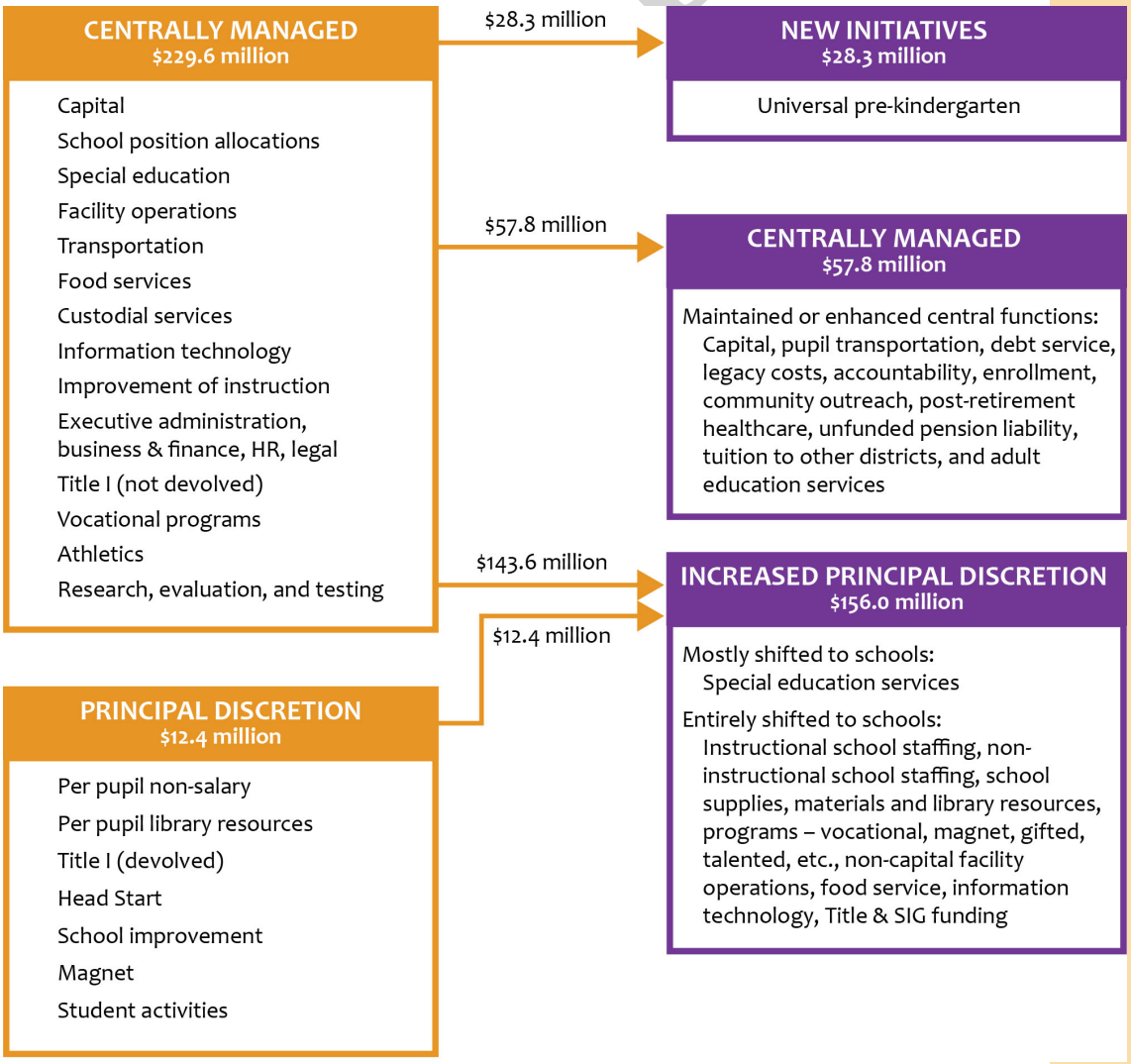
1. School Staffing. Currently, schools receive position allocations. In the new model, principals would make decisions about how best to design and operate their schools.[71] They would receive dollars and make budgetary decisions on staffing, compensation and non-personnel expenses based on their plan for serving their students' needs. Removal of school position allocations and rigid compensation schedules represent the most significant

[71] KCPS utilizes the Missouri School Improvement Program ("MSIP") standards for staffing. This means that student enrollment determines the amount of funding and the number of positions allocated to each school. Per the district, "KCPS strives to meet or exceed the minimum standards as set by the State for staffing schools." There are three main types of positions allocated to schools:
1. Baseline positions – we refer to these as baseline positions because every school receives these positions regardless of how many students they have. These positions include a full-time Principal, School Clerk, Counselor, and Computer Teacher; half-time support from Librarian and Library Paraprofessional, and 1/3-time support from a Local Bookkeeper.
2. Supplemental administrative positions – schools receive additional administrative resources if they meet certain enrollment thresholds. These positions include Vice Principals, as well as additional School Clerks, Local Bookkeepers, Librarians, Library Paraprofessionals, and Counselors; and Visual and Performance Arts teachers for elementary school.
3. Teacher positions – general education teachers are allocated to schools based on enrollment, by adhering to the student-to-teacher ratios set forth in the MSIP standards. The student-to-teacher ratios for FY14 are as follows
   a. Grades K-2: 25 to 1
   b. Grades 3 & 4: 27 to 1
   c. Grades 5 & 6: 30 to 1
   d. Grades 7-12: 33 to 1

shift of control in this new model. Schools could use this new discretion to pay teachers more, offer them new career opportunities, give them better professional development and support, and organize their whole team in a way that leads to the best environment for teaching and learning. While schools would not be part of a city-wide bargaining unit that set salaries and conditions for all of a system's schools, teachers would remain fully empowered to join unions and collectively bargain with individual school operators if they so choose.

2. Special Education and Other Needs-Based and Program Funding. In addition, school leaders could make decisions about how to best utilize program and need-based dollars to serve their students, including: instructional staffing and services for special education students, bilingual programs, and ROTC and Equity Schools programs. Coordination of related services for students and serving as the formal "Local Education Agency" (LEA) responsible for special education would remain centrally managed responsibilities within the CSO.
3. Select Operational Expenses. Services such as non-capital facility operations, food service, supplies, athletics, and non-capital information technology would also shift to the school level, enabling schools to direct these resources in alignment with their overall strategies for achieving results for students.

Figure 3.5 Shift in funding from current state to end state – by main category of spending



Allocating Per Pupil Funding Among Schools

The estimated $10,003 per pupil (using FY13 expenditures) that would be available to school operators is an average. One of the CSO's responsibilities would be to ensure that school funding would create optimum conditions for high-quality school operation, within the confines of the funds available for public education in a community. The CSO would create and implement a community-wide school funding formula that allocates dollars to schools on a per pupil basis, weighted by student need, allowing dollars to be controlled by schools and to follow students to the school that families select.

This recommended school funding framework could be applied in each future year as schools transition into the new governance model. It is important to note, however, the total dollars available to the system of schools, impacting the per pupil funds available to schools, would change compared to what is portrayed above with FY13 dollars. In particular, changes during the next few years could include:

1. Debt service obligations. According to KCPS' amortization schedules, annual debt service is projected to decline in future years, compared to FY13, because a significant part of its debt is scheduled to mature in FY14. There could also be a need for new debt to be issued depending upon capital project needs of the school facilities.
2. Capital Planning. The district is currently embarking on a Facilities Master Plan, which could outline a need for significant facility-related investments or changes in future years.
3. Enrollment & Related Sources of Funds. KCPS projects a reduction in enrollment of 15 percent over the next three years. Changes in enrollment would impact revenues available from local, state, and federal sources. One goal of shifting to a new system is to entice more families to stay within, or transfer into, a community's system of public schools.
4. Pension (KCPSRS): The Kansas City Public School Retirement System (KCPSRS) had an unfunded actuarial accrued liability (UAAL) of $132 million, according to the KCPSRS actuarial report dated June 30, 2012 for values as of January 1, 2012. As of January 1, 2012, the actuarially required contribution exceeds the statutory employer contribution (7.50 percent of payroll) by 3.30 percent of payroll. It is possible that annual pension obligations could change in future years. KCPS currently pays employer contributions of 7.5 percent of eligible payroll out of school budgets.
5. Post-Retirement Health Care Contributions (OPEB): KCPS administers a defined benefit health care plan that provides medical and long-term care insurance benefits to eligible employees and their spouses. In FY13, the District contributed $1.995 million to this plan, an 18 percent increase from the prior year's contribution, and the plan had a UAAL of $12.7 million as of July 1, 2012. Contributions to OPEB could change in future years, based on the needs and status of this plan.
6. Transition Authority: A Transition Authority would oversee schools before they become independent. The cost of this Transition Authority should decrease over time, as schools transition. Ideally, it would go away entirely. To be conservative, however, our end-state budget contains $688,000 a year to continue operating the Transition Authority at a minimal level if some schools have not yet transitioned to independence.

While these changes would lead to different exact numbers from the scenario described above, they should not affect the CSO's ability to move in the direction of school-based funding with a substantial shift of dollars into educators' control.

Multi-district CSOs. In cases where a CSO oversees schools in more than one school district, it would need to take care to ensure that funding generated by a given district's schools was spent only on those schools. It would be vital not to cross-subsidize one district's schools with another's funding.

Preschool for All

The need for high-quality preschool for all emerged as a central theme of our interviews and focus group discussions in Kansas City. And decades of research by Nobel Prize-winning economist James Heckman and others makes clear that academically oriented preschool helps students succeed in school and even has long-term benefits for their employment, income, health and other outcomes.[72]

In our financial analysis, reported above and in Appendix A, one of our goals was to identify resources that could be freed to devote to preschool. In the Kansas City example, the analysis suggests that $28 million annually could be freed for preschool, while still leaving ample resources for the CSO's functions and for school-controlled expenditures. That would allow over 7,400 students located in zip codes where KCPS currently has elementary schools to be served in quality preschool programs with per pupil funding for those students similar to KCPS' current spending on early childhood services of over $3,700 per pre-kindergarten student.

In addition, we would argue that state and federal governments should be supporting preschool at a substantially higher level, due to the demonstrated long-term benefits. Additional funds from these sources could be used to enhance programming.

Given this report's focus on K-12, it is beyond our scope to lay out a full design for such a system, but we offer some guiding ideas for one. In most communities, a variety of organizations provide preschool, including public schools, community-based organizations, faith-based organizations, and small-scale providers. Rather than create a whole new organization to provide preschool with the freed resources, the CSO instead could seek to mobilize this existing set of providers and entice new ones to form, enabling families to choose the options that fit their needs. This approach would require:

- **Provider vetting system** – a process to rate preschool providers against a set of criteria to determine which ones should become eligible (and remain eligible) to receive funding from this new source.
- **Funding allocation system** – a method of allocating dollars to families. If not enough funding is available in the short term to provide universal preschool, the CSO could direct more of the funding to the highest-need families, either by limiting the program to those families or by adjusting the funding upward based on need.
- **Information system** – an approach to give families the information they need to find the best preschool options for their children.

Given the CSO's focus on approving independent school operators and holding them accountable and on allocating flexible funding to schools, the CSO may be the ideal agency to administer a preschool funding program. If the CSO wanted to retain its exclusive K-12 focus, however, it may choose to identify or catalyze an organization

[72] Heckman, J. J. (2010). *Invest in Early Childhood Development: Reduce Deficits, Strengthen the Economy.* Available: www.heckmanequation.org

that could specialize in preschool and route this funding source to that organization to administer.

Transition Authority

While our plan centers on the idea of independent organizations operating nonprofit public schools throughout a community, a CSO could not simply shift to that kind of system immediately. A multi-year transition – described in more detail in Chapter 4 – would be needed. The primary reason for a multi-year transition is the need to grow a "supply" of high-quality school operators. Some already exist in most communities: already successful public schools, including surrounding school districts. These operators may be able to run 10 to 20 percent of the system's schools immediately. Reaching the other 80 to 90 percent would require time to cultivate local school operators and, if needed, attract those from other cities.

During this transition period, the CSO would house an entity called the "Transition Authority," charged with operating all schools not yet in independent operation. In the first year or two of the transition, this unit would resemble a conventional school district in some respects. It would operate a set of schools directly. It would provide a set of centrally run services for those schools.

But even from the start, the Transition Authority would be quite different from most conventional school districts, in two respects. First, for the schools it would operate, it would shift almost all its focus to one priority: **making them the most attractive possible places for teachers and leaders to practice their craft**. The Transition Authority would revamp itself and its schools to make them magnets for talent, where educators could work in selective teams, develop on the job, and have substantial opportunities to earn more and advance in their careers by teaching and leading in the community's schools.

Second, the Transition Authority would aim from the beginning to "put itself out of business" by **shifting all of its schools to independent operation over time**. This is one reason for the "talent magnet" strategy; as schools increasingly become led and staffed by high-performing teams and meeting expectations for improvement, they would become eligible for independence.

Not all schools, of course, would rise and transition in this way. Research on turnarounds in schools and other sectors suggests that many of the attempts would fall short. As a result, the CSO would work with partners to **cultivate the supply of additional operators that could assume the management of schools**. Over time, this process would lead to a mix of schools in the system: some previously successful schools, some newly successful schools, and some schools that would be under the leadership of new nonprofit operators. See Chapter 4 for a more detailed discussion of this transition process.

Community Schools Fund

One advantage of the Community Schools Office would be its ability to focus on a limited set of core functions, at the center of which is selecting independent school operators and holding them accountable for performance. To complement the CSO's work, we also recommend that leaders in any community with CSOs establish a "Community Schools Fund" that sits outside the system and aggregates private funding to support school success.

The Community Schools Fund could play a number of roles depending on the community's needs, but the following roles are the most important to the success of this plan:

- **Cultivating school operators.** The Community Schools Fund would aim to boost the supply of great school operators as rapidly as possible. Drawing on experiences from cities that have sought rapid scale-up of an independently operated school sectors, some potential approaches to building this supply include:
  - *Tapping local resources.* Most communities already have a vibrant array of organizations that work with young people, often with great effect, but outside of the K-12 context. These may include before- and after-school programs, community sports and recreation programs, museums, local higher education institutions with youth outreach programs, and many other possibilities. The Community Schools Fund would identify these organizations, discuss the possibility of school operation as an offshoot of their work and, if they decide to proceed, provide start-up and planning funding for them to hire new team members and develop solid proposals.
  - *Other "incubation."* In addition to organizations, a community likely has numerous individual educators and other leaders who are well-equipped to operate schools with some support. The Community Schools Fund would issue a request for applications from such people, run a rigorous selection process, and then provide intensive support for winning individuals and teams (e.g., a year's worth of salary and benefits, planning funds, and office space).
  - *Scale-up assistance.* Already high-performing schools or surrounding districts may be ideal candidates as school operators. Successful efforts like this already are active in several cities and can be used as starting models to be adapted to Missouri communities. As described below, CSOs may coordinate with the state in the event that statewide outreach to operators may be valuable to recruit operators seeking multi-city scale within a region.
- **Fueling the supply of teachers and school leaders**. No activity is more important to school success than attracting and retaining the most effective teachers and school leaders. While school operators would play the lead role in staffing their schools, the Community Schools Fund would help by raising funds and forging partnerships with organizations that can help with this supply. The Fund could support local institutions of higher education, teacher unions, teacher prep programs like Teach For America, and other teacher organizations to give schools the best chance of filling teaching positions and leadership slots with top-notch candidates.
- **Providing families and the community with useful information about schools**. To empower families and community members, the Community Schools Fund would work, perhaps in partnership with other local organizations, to provide a useful base of information about school options within the community. The CSO would produce reports showing schools' results on a variety of measures. The Fund would supplement these data with qualitative information about each school's offerings and, over time, feedback and insights provided by families themselves about each school. The Fund would provide this information online, but also find other ways to disseminate it such as through community-based organizations, public libraries, and other places where family members of school-age children are likely to go for information and support.

- **Catalyzing "wrap-around services."** The plan outlined above would provide schools with substantially more control over their resources. One way they may seek to use that flexibility is by obtaining out-of-school services their students need, often referred to as "wrap-around services." The Community Schools Fund could help facilitate this process in various ways, such as identifying common needs across schools; creating an inventory of existing providers of needed services; catalyzing investment to create or expand services that are not currently available or adequate; and helping school operators collaborate through joint purchasing or the formation of cooperative service agreements.

While the Community Schools Fund would work in partnership with the CSO, it would need to remain independent of the CSO. In this way, it would serve as both a support and an agent of community-based accountability. To maintain its independence, the Community Schools Fund would finance its activities with contributions from local and national donors.

Statewide Support for CSOs

If Missouri were to establish multiple CSOs across the state, it would need to build some capacity at the state level to oversee and support the network. We do not recommend the creation of a large unit at DESE to do this work, but rather a lean office with only a small number of employees and three primary purposes.

First, the office would hold CSOs accountable for improving their schools' performance. The CSO would no longer be a "district" under MSIP or MSIP's successor. Instead, it would have a specific performance agreement with the state with expectations that exceed that of traditional district "accreditation." Individual schools would receive annual performance reports, as would the CSO, just like a conventional district, ensuring that the public could understanding how CSOs are performing relative to the past and to the state's districts. The state would need to see substantial, sustained improvement in performance in order to consider changing the system's governance status, as discussed below in Chapter 5. The state office would monitor each CSO's progress on these metrics, working with the CSO's executive director to address any challenges. Replacing the CSO's executive director would be one course of action open to the state if improvement is not proceeding rapidly enough or if the CSO is otherwise not on the right track.

Second, the office would report on the progress of CSOs to the state board of education, the legislature and the public. This could take the form of periodic presentations in public forums, but we also recommend publishing an annual report on CSO results, comparing each CSO's data with both the performance of its own district(s) prior to CSO status and with comparable districts that are not organized as CSOs.

Finally, the state office would provide a limited set of supports for CSOs in cases where a statewide activity appears beneficial. For example, one key activity would be recruiting successful school operators from other regions to operate within CSO-led systems. Many successful operators are looking for geographies in which they can achieve considerable scale, which often means operating in more than one city. As a result, the state could organize an initiative to recruit operators to Missouri, holding out the possibility of working in multiple cities over time. This initiative could tap the governor, state commissioner, statewide civic and business leaders, and others to

play a role in convincing high-quality operators that Missouri is an attractive place to expand their work with students.

Another example of statewide support could be linking CSOs in a network so that they could share lessons learned and look for opportunities for collaboration, whether those involve working jointly to develop needed policies and materials (e.g., RFPs for new school operators) or seeking economies of scale and other benefits of joint purchasing (e.g., going together to hire a vendor to handle community-wide student enrollment processes). Over time, Missouri would be able to make the most of the opportunity presented by CSOs by leveraging the power of the network of communities all using a similar governing model to achieve dramatic improvements for their students.

Chapter 4. Making the Transition to a New Approach

The state could not simply flip a switch and enact the new approach we are proposing. This chapter outlines a multi-year transition process, beginning in fall 2014. As the chapter details, the transition would involve numerous activities designed to transform the system over time. The overall theme, however, is simple: keeping and attracting the best possible educators and leaders to the community's schools at all levels:

- **Teachers**: Every school district has large numbers of dedicated, high-performing teachers who know their students and understand how to meet their needs. Retaining these teachers, and attracting new high-performing teachers with the same dedication, would be one of the CSO's most important aims in the transition period. It would accomplish this in two ways: (1) offering teachers who work in schools operated by the Transition Authority the chance to earn much higher pay and have much greater career and development opportunities than they do today; and (2) Engaging school operators who are able to attract teachers with appealing compensation and opportunity packages.
- **School Leaders**: Keeping a district's best school leaders while attracting an ongoing supply of great leaders would be a critical priority for the CSO. The CSO would pursue this goal in two ways: first, by awarding agreements to nonprofit operators who then create their own pipelines of excellent leaders: second by offering leaders a compelling opportunity within Transition Authority-operated schools. As a key part of that opportunity, leaders who prove successful in a Transition Authority school would have the chance to operate that school, and perhaps others, within the new system under performance agreements with the CSO.
- **School Operators:** The plan in Chapter 3 is designed to make Missouri communities as appealing as possible to prospective operators of schools, whether they are local educators or organizations, or come from other locations. Wide performance agreement guaranteed autonomy, access to school facilities, and control of over $10,000 per pupil would lay the groundwork for this appeal. The CSO would build on this appeal in the transition period by partnering with the Community Schools Fund to incubate and attract operators and by following through on the promised autonomy and resources.
- **The CSO's own leadership:** Both the CSO as a whole and the Transition Authority would need top-notch leadership to carry out this ambitious agenda, likely a combination of local residents with deep community knowledge and individuals recruited from elsewhere to bring needed skills and experience. The opportunity to shape a path-breaking system design should appeal to the caliber of leaders needed.

The transition plan described here would have two phases: Year Zero, and Years One through Five, each of which is the subject of a section below. A final section addresses how the state can act in parallel to address the quality of charter schools in the community even as the CSO is addressing district school quality.

Year Zero

We anticipate the CSO's work would begin in the fall, after the start of the school year, due to the timing of the release of state testing information. In Year Zero, the CSO would assume operation of the school system under the Transition Authority. We call this "Year Zero" to emphasize that it would be a year of preparation while schools continue to operate continuously without widespread immediate changes.

The section outlines the key activities in Year Zero.

Identify top-notch leadership for CSO and Transition Authority

While interim leaders could shepherd the system in the immediate transition, a priority for the state would be to identify exceptional leaders to head both the CSO and the Transition Authority and to fill out their leadership teams. A comprehensive search for both local and national candidates would be essential to setting these organizations up for success.

Create Transition Authority to operate most schools in Year Zero

As Year Zero begins, the Transition Authority would assume the management of the existing school district. While its fundamental duty in the short term would be to continue operating all of the community's schools, here we focus on four specific activities the Transition Authority would undertake to boost schools' chances of success:

- **Leadership focus**. The Transition Authority would evaluate all current school leaders and launch a vigorous effort to recruit talent as needed for school leader roles in schools that appear likely to remain under the Transition Authority in Year One. Keeping the system's best leaders and bringing in new school principals from the teaching force or from outside the district would be the first step toward turning around the system's struggling schools and giving them the best shot at independent operation.
- **Inventory existing district initiatives.** Any district striving to improve would have multiple initiatives underway. The Transition Authority would seek to gain an understanding of these in order to determine which ones are worth continuing in schools it operates directly.
- **Teacher talent strategy.** The Transition Authority also would develop and execute a strategy to attract and retain the highest caliber teaching force possible in schools it operates. As described in Chapter 3, part of this strategy would include partnering with teacher pipeline organizations to ensure a steady flow of promising recruits. But more specifically, the Transition Authority would aim to offer teachers in its schools a dramatically new and better "deal" that involves:
    - the ability to earn **far higher pay**,
    - the opportunity to **develop on the job and advance in their careers** without leaving the classroom, and
    - the chance to participate in a school turnaround that results in the **school becoming educator-run** as an independent operator.

  To make this possible, the Transition Authority would seek to create what Public Impact, one of the authors of this report, has called an "Opportunity Culture," in which new school designs created with substantial teacher input make it possible for excellent teachers and the teams they lead to reach all of a

school's students, with teachers able to earn substantially more within budget.[73] As schools piloting these models in Charlotte-Mecklenburg Schools have demonstrated, teachers are able to earn **20 percent above a community's regular teacher salary scale** in these new models, with teacher–leaders earning at least **50 percent more**.[74]

- **Turnaround planning.** For each school that it would continue to operate, the Transition Authority would work with the school's leadership team to develop and begin executing a turnaround plan for the school. Based on research about successful turnarounds across sectors, these plans must:[75]
    - Be based on deep analysis of the school's detailed student performance data and existing practices to identify the biggest needs and areas for improvement;
    - Include a vigorous effort to engage family and community members in the work of turning around the school, essentially waging a "turnaround campaign" that generates substantially support and involvement;
    - Focus on a few high-priority goals on which the school can achieve "early wins" that build momentum for change and continued improvement;
    - Include a strategy, as described above, to make teaching in the school as attractive as possible for existing high-performing teachers and promising new teachers;
    - Involve the ongoing sharing and analysis of data about the school's progress toward both ultimate success and "leading indicators" of success, so that the school can make mid-course corrections and the Transition Authority can act swiftly if, as is likely in many cases, the school is not improving fast enough.

Deep-dive financial analysis

As part of developing this report, we engaged the financial analysis organization Afton Partners to examine publicly available information about one unaccredited school district, Kansas City Public Schools, and help us develop recommendations about how to direct more the system's existing funding to schools (see Appendices A and B). Upon beginning to operate a district, the CSO would be in a position to carry out a much deeper dive into a system's operations and finances. The aim of this deep dive would be to identify cost-savings that could then be used to free even more resources for schools than those we have modeled here.

The degree of potential savings would vary from district to district. Kansas City Public Schools, for example, has been praised for improving the district's financial viability and operational efficiency in recent years, and Afton's analysis finds evidence of financial health after a period of "right sizing" in response to enrollment changes. As a result, for our analysis and recommendations here, we have not assumed any additional cost savings would be possible in a district like KCPS. A deep dive, however, would still be warranted in light of the plan's intent to direct maximum resources to schools.

[73] See Public Impact, "Extending the Reach of Excellent Teachers and their Teams," available: http://opportunityculture.org.
[74] For details on these financial models, see Public Impact, "Paying Teachers More: Financial Planning for Reach Models," available: http://opportunityculture.org/reach/pay-teachers-more/.
[75] For a summary of this research, see Emily Ayscue Hassel and Bryan C. Hassel, "The Big U-Turn," *Education Next* (Vol. 9, No. 1, Winter 2009), 21-27.

Develop performance agreement for each school

The CSO's primary role, once schools are independently operated, would be to hold them accountable for student performance as well as any other obligations schools have under the new system. The centerpiece of this accountability would be the performance agreement the CSO would enter into with each school operator, specifying the operator's precise freedoms, resources, performance expectations, and obligations.

But this agreement mechanism would apply to schools not yet in independent operation as well. All schools within the system, whether independently operated or not, should have a performance agreement with the CSO to facilitate decisions in the future about how to proceed with each school, as discussed below. As a result, developing the performance agreement framework is a critical early step for the CSO.

Identifying the first operators of independent schools

In Year Zero, the Transition Authority would operate all schools. A high priority for the year is to identify a set of operators who would be prepared to assume independent operation in Year One, with ideally 20 to 25 percent of schools shifting to independent operation in July of Year One.

To make that happen, the CSO would have to move swiftly in Year Zero to:

- Set a **clear, high bar for becoming a nonprofit school operator**. For existing schools, this bar would need to be aligned with MSIP expectations; only schools already showing strong performance should be eligible. For operators running schools elsewhere, the CSO would endeavor to determine whether the school meets MSIP-equivalent performance benchmarks in its schools in other states. For other organizations (e.g., community based groups or teams of educators), the CSO would focus on the quality of the proposed school governing board and leadership, and on the quality of the proposed plan for educating students.
- Create a **process for applying** and receiving independent status. The CSO would issue an RFP that sets forth what applicants must submit in writing and outlines the steps leading up to approval, such as interviews with prospective board members and school operator personnel.
- Partner with the Community Schools Fund, the state, and others to **reach out to prospective operators**, locally and beyond. With less than a year until opening, the most likely candidates for Year One operation would be local operators of existing schools, specifically:
    - **Existing high-performing district campuses**. Individual schools within the district could apply for independent status. The school's leadership, educators, and/or community supporters would create an independent nonprofit with a governing board that would be the official body entering into an agreement with the CSO to operate the school. Independent operation would give the school's educators substantially more control over the school's affairs and resources, making this an attractive option. Schools could become independent as individual schools; or, they could band together under a single operator. For example, all of a community's already high-performing schools might form a single nonprofit operator that could develop an agreement with the CSO and operate some joint services or other mutually beneficial activities.

- **Surrounding districts with a track record** of successfully educating low-income students willing to operate schools within the target community. As the debate over unaccredited districts in Missouri has proceeded, one welcome development has been the engagement of superintendents not just from unaccredited districts, but from their neighboring districts, in seeking solutions. To tap that regional spirit, we propose that the CSO reach out actively to nearby districts that have achieved success with students similar to those in the CSO's population. Increasingly, "suburban" districts have diverse student bodies; they include schools whose demographic composition resembles that of urban schools. The CSO would seek to enlist successful districts as potential operators of schools within its system.
- **Existing high-performing community charter schools.** Charter schools are already independently operated, under contract with their "sponsor" in Missouri's terminology. Under this plan, the CSO would invite high-performing charter schools to take one of two actions: (1) make their existing school(s) independently operated schools under an agreement with the CSO, or (2) expand by assuming operation of one or more district schools. Why would a high-performing charter school decide to take either path? The CSO would make this attractive to charter schools by offering: a level of autonomy comparable with that offered by their sponsors, a higher level of resources with the $10,000+ funding per pupil, and access to district facilities. It is important to note, however, that the CSO would remain the Local Education Agency (LEA) and the charter school would not be an LEA. Not all eligible charter schools would likely take part, but through this "offer" the CSO would have the best chance of attracting successful charter schools to serve students within the new system.

Outreach to (a) local organizations that do not yet operate schools but may be good candidates for incubation, and (b) organizations operating schools in other cities could proceed as well, but would be likely to yield schools in Years Two and beyond rather than in Year One because of the time necessary for those activities.

Create community-wide enrollment process

Since giving families access to the best schools possible for their children would be a key system priority, creating a community-wide enrollment process would be an early must. This process must: give all families information about their options; give them numerous accessible ways to indicate their preferences among schools (including both high-tech and low-tech methods); lay out a clear, realistic timeline for families to submit their preferences, learn about the results, and then make decisions (including a separate set of timelines for families who move to the community late in the year or during the school year); and create a computer-based system that runs "lotteries" for over-subscribed schools (with a weight for students from the neighborhood) and allocates slots in a way that maximizes the proportion of families who receive their top-choice schools.

Develop the universal preschool funding system to begin operating in Year One

Design of the universal preschool funding system is beyond the scope of our report, but this would remain a critical task for the CSO in Year Zero. Necessary steps in Year Zero would include:

- **Deciding the administrative mechanism**. The CSO may well be the best positioned entity to administer the community's preschool funding program. But the CSO should explore alternatives; some communities may have pre-existing organizations with strong capacity and deep ties to families of preschool age children that make them ideal to assume these functions on behalf of the CSO, enabling the CSO to focus on its considerable K-12 obligations.
- **Provider selection and approval**. Since the intent of the universal program would be to tap existing providers of preschool rather than create an entirely new system, creating a process for selecting and approving providers, initially on an ongoing basis, would be critical. Changing existing state law to enable preschool ratings would be helpful. The CSO or its designee would also need to develop a mechanism to enable funds to flow to approved providers based on documented enrollment.
- **Family outreach**. Finally, the CSO or its designee would need a strong process for informing families through a variety of means about the availability of free, high-quality preschool and the procedures to tap into this resource. Certainly not all families would opt in, but no family should miss the chance simply because they are uninformed.

Years One through Five

During Years One though Five, schools would begin to operate independently, with that number increasing steadily over the five-year period with the ultimate aim of 100% in independent operation. Other schools would remain operated by the Transition Authority, which would vigorously seek to boost their performance with the aim of setting them up for independent operation. So in some ways, Years One through Five would largely involve a continuation of the work described in Year Zero: operating schools through the Transition Authority, seeking and approving new nonprofit operators, running the community-wide enrollment process, and holding schools accountable for results.

Two areas of activity, however, are worth describing in more detail here because they would change over the course of Years One through Five.

How schools transition to independent operation

As the CSO aims to transition schools to independent operation, it could do so in several ways depending on the circumstances. Here are the four most likely paths to independence:

- **Already successful schools become independent**. As described below, the most immediate source of independent schools may well be a relatively small number of schools within an unaccredited district that, despite the district's overall struggles, are achieving results with students. Allowing these schools to carry on without disruption—and with more autonomy and funding control—would be essential.
- **Successful turnarounds preparing school for independent operation**. As the Transition Authority enacts its turnaround and talent strategies, some schools would emerge as successful. We say "some" because even in the private sector, where managers have all the freedom they would like and access to investment capital, major change efforts only succeed a fraction of the time. But for that set of schools, early success would become a path to independent operation.
- **Transfer of entire school (or part of a school) to an independent school operator**. Because only a fraction of turnarounds are likely to work, and because

operators may step forward who can promise a relatively fast path to success relative to a turnaround, the CSO would not wait until years have passed to turn over schools to highly qualified school operators that apply. Since many independent school operators seek to run schools that are smaller than average, it is possible that the CSO would elect to transfer an existing school to two or more independent operators, creating multiple schools within a single facility.

- **Phase in of an independent school operator**. Some operators would prefer not to assume operation of an entire school at once, but would rather phase in over time (e.g., grade by grade). While the CSO would actively seek and prefer operators that could move more quickly, it would remain open to this approach if it could bring top-notch school operators into the community. The Transition Authority would continue to operate the remainder of the school during the phase in, but rather than attempting a permanent school turnaround, the Authority would aim to achieve the best possible results with the remaining classes as they complete their time at the school.

A dynamic system. We should note that in calling for independent operation of schools, we are not in any way suggesting that we believe all independently operated schools would be successful. Some independently operated schools would lag behind the CSO's high expectations.

This prediction underscores the need for the CSO to regard its job not as making a one-time transition to a set of independent operators who would then run schools as a perpetual entitlement, but rather as the manager of a dynamic system in which, over time, the most successful operators expand to serve more students, replacing less successful operators. That willingness to "replace" not just once, but on an ongoing basis, would be key to the CSO's ultimate success.[76]

How the Transition Authority would wind down central services as independent operation increases

One challenge in the approach outlined here is that in the first years, the Transition Authority would need to continue providing many services centrally to schools that it would operate directly. In Years Zero, One, and Two, the share of schools operating independently likely would remain below 50 percent. But as time goes on, the demand for central services would diminish as independently operated schools would handle these functions themselves or outsource them to organizations other than the Transition Authority. If all costs could vary precisely with usage, the wind down would be simple and natural. But with some costs fixed at least in part, the Transition Authority would face a set of issues in how best to wind down its services.

While there is no silver bullet solution to this challenge, advance planning could facilitate a smooth wind down. Early modeling of services — which should persist, which could wind down more quickly, and which might present the most severe fixed cost issues, would facilitate planning to mitigate problems on the horizon. It would also make it easier to communicate expectations to central office staff members and schools.

It is worth noting here that while the Transition Authority would wind down central office services over time, there is no reason to expect that the overall number of jobs

[76] This kind of dynamic system is what Paul Hill, Robin Lake, and their colleagues at the Center on Reinventing Public Education have called a "portfolio," invoking the idea of a set of investments that may change over time as some produce stronger returns than others. Clearly the ideas in this report owe a great debt to this "portfolio" thinking, about which one can learn more at http://www.crpe.org/portfolio.

in schools and school services would decline. Activities would shift to different entities, whether those are school operators or outside providers of services. But we are not proposing any downsizing in the overall level of effort related to public education in a community. In fact, if the CSO were successful, enrollment in area schools might increase as the system attracts families to move into the community or return their children from private to public education. But because jobs are likely to shift, the CSO should make every effort to work with city and state officials to help individuals affected seek out new opportunities, whether within the refashioned public education landscape or beyond.

Improving the Charter Sector

Our attention in this report has been squarely on revamping unaccredited school districts into more effective systems of schools in which all children have access to great schools. But in some Missouri districts, such as Kansas City Public Schools, a significant share of public school students attend public charter schools, not district schools.

A few local charter schools are achieving strong results for students. In our plan, as noted above, these schools would be eligible to become independent schools with performance agreements with the CSO and to apply for the chance to assume the operation of other schools within the system.

But many other charter schools in Missouri are not achieving strong results, and too many are in fact sub-par. So any serious attempt to improve public education in a Missouri community like Kansas City must also include addressing the quality of the charter sector.

States have two primary levers in the face of low-performing charter schools. First, state policymakers generally determine which agencies have the power to sponsor (or "authorize") charter schools. When charter schools are lagging in performance, it is typically because their sponsors had lax approval processes, weak systems of ongoing oversight, unwillingness to close or replace failing charters, or some combination thereof. In these cases, the state should act to remove the sponsor's authority to continue issuing charters and, in extreme cases, to shutter the sponsor and require all of the schools chartered by the sponsor to seek other authorizers.

Missouri's Board of Education can take this action now. The state could improve the system by instituting a regular (e.g., annual) sponsor review with clear standards and processes. Over time, this would weed out the least effective sponsors and, perhaps, improve the quality of those that remained.

The state's second potential lever would be to act in the case of specific charter schools that have chronically failed to perform and improve, but have not been closed or replaced by their sponsors. The state faces more uncertain legal terrain here and has, in the past, failed to overcome legal challenges to wielding this authority. State legislation that clearly empowered the Missouri Board of Education to act decisively in the case of chronically low-performing charter schools could go a long way toward improving the quality of the state's charter sector.

Conclusion

Over time, a CSO-led system would provide "a great school in every neighborhood." But this would not happen overnight. Through a combination of effective turnaround strategies, identification of excellent school operators, and decisive action in cases of

chronic low-performance (including charter schools), the CSO can, over a period of five years, transition to a much higher-performing system poised to help students achieve even better results in the future.

Chapter 5. Long-Term Governance of Urban Systems in Missouri

When a public school district loses its accreditation it falls under the authority of the Missouri Board of Education. Historically, the Board has intervened in unaccredited districts by appointing a Special Administrative Board (SAB) of experts to govern the troubled school system. However, in instances where the Board of Education has created an SAB to govern districts, SABs have largely maintained the traditional district structure and approach. While financial and operational practices have often improved, academic performance has not improved substantially.

We propose a new approach designed to both meet the need of the Board of Education to intervene effectively, and to create a pathway for unaccredited systems to regain local governance authority as student results improve.

State-Led Governance then a Return to Local Control

As previously noted, the new system we propose centers around a Community Schools Office (CSO) that sets high standards for all schools, manages performance agreements with non-profit school operators, and holds those operators accountable for student success. The State Commissioner of Education appoints the Executive Director of the CSO. The State Board of Education appoints an Advisory Board that includes diverse local leaders and stakeholders. The CSO's Executive Director reports directly to the Commissioner and operates under a performance contract with the state, specifying an ambitious set of targets for improved student performance year after year. Thus, as with Missouri's previous approach to intervention in unaccredited districts, our recommendation is that the State Board of Education maintains ultimate governance responsibility during the period of intervention.

During state intervention, the CSO would not be subject to accreditation rules or student transfers. It would operate under a performance agreement with the State Board that spelled out its high standards for student performance gains and absolute targets for subsequent years. If and when the portfolio of non-profit school operators under performance agreements with the CSO achieves sufficiently strong results, then the CSO could regain accreditation as a system. In that case, the state will return the CSO to local governance. In the Kansas City example, Kansas City voters would again elect a board of education to govern the CSO. However, the scope of authority for the new board would be substantially different than that of current local boards of education.

Both the board and the CSO will have a different set of powers. As we described in earlier chapters, the CSO will not operate like a traditional district; hence, its governance model must be similarly reimagined. An accredited CSO and locally elected board will focus their work on:

- Setting high standards for performance agreements with school operators to manage schools
- Renewing and revoking such agreements based on operators' success at meeting performance expectations and other contractual obligations
- Receiving and disbursing local, state, and federal funding to school operators and its own operations pursuant to contracts with operators and through a transparent student-based funding methodology for schools

- Running a system-wide enrollment process to allot spaces in schools to students
- Providing a city-wide transportation service to ensure that a student can access whatever school in the city best meets his or her needs
- Overseeing a system-wide expulsion policy to ensure all students are served fairly across different school operators
- Overseeing compliance with basic federal and state legal requirements for public education
- Directly or in partnership with community organizations, reporting school and system-wide results to the city's residents annually
- Offering a limited number of optional additional services to school operators where economies of scale might exist such as personnel background checks; food service, and IT support
- And partnering with external organizations to draw a steady flow of talented teachers, leaders, and school operators to the city's schools

Under these limitations, the board and CSO will **not** engage in other activities typical of today's urban boards and central offices such as:

- Setting school curricula and teaching methods
- Determining use of time and money at the school level
- Holding contracts with labor unions, curriculum vendors, or professional development providers
- Making personnel decisions regarding school-level employees
- Setting disciplinary/school culture policies (beyond enforcing compliance with basic obligations and overseeing a shared expulsion policy)

The newly constituted board is subject to the same accountability provisions as all districts in Missouri. The board — and the CSO — can again lose its accreditation and face state action if its performance falls below state-established thresholds. However, unlike the current school district and local board governance model, this new model is far more likely to sustain success when success is achieved.

With power redistributed to educators and parents, the CSO and the locally elected board will focus primarily on holding schools accountable and providing the community with important information about school performance and quality. That means that successful schools – governed by non-profit boards of local community members and education experts – will not be subject to the typical instability common to traditional districts. Freed from the concerns about when the superintendent will leave, or who will win the next school board race, school leaders and educators can instead focus on driving ever-greater gains in student achievement.

Appendix A: Kansas City Public Schools Financial Overview[77]

Kansas City Public Schools ("KCPS" or the "District") is the 11th largest district in the state of Missouri based on 2012 enrollment, with an expense base of greater than $200MM. KCPS educates over 15,000 students in grades K – 12, in 34 schools, including 25 elementary schools, 8 high schools, and the Manual Career Technical Center [1].

Figure A-1. Key Metrics at KCPS.

2013 Key Student / Teacher Metrics	
Staff [78]	2,300+
Avg. Teacher Salary [79]	$49,325
K-12 Enrollment [80]	15,596
Student-to-Teacher [81]	19 to 1
Free and Reduced Lunch [82]	84.5%

[77] Appendix prepared by Afton Partners. Data in this Appendix is sourced from the 2013 Comprehensive Annual Financial Report (CAFR), unless otherwise stated
[78] Source: Kansas City Public School Comprehensive Annual Financial Report (CAFR), 2013
[79] Source: Missouri DESE Comprehensive Data System (2013)
[80] Source: KCPS data submission 11/3/2013
[81] Source: Missouri DESE Comprehensive Data System (2013)
[82] Source: Missouri DESE Comprehensive Data System (2013)

KCPS Historical Enrollment & Spending

FY13 enrollment at KCPS was 15,596[4], representing a 42% decline over the past decade. Northern sections of the District have increased in enrollment; however, this increase in the northern sections has been more than offset by declining enrollment in the southern sections of the District[83]. The decline in enrollment has led to a downward trend in revenues for the school district and lower utilization of staff, classroom space and other educational services. Meanwhile, Kansas City charter schools[84] have grown to serve more than 9,500 students as of FY13, an increase of 49% since 2006.

Figure A-2. Enrollment at KCPS schools from 2004 – 2013.

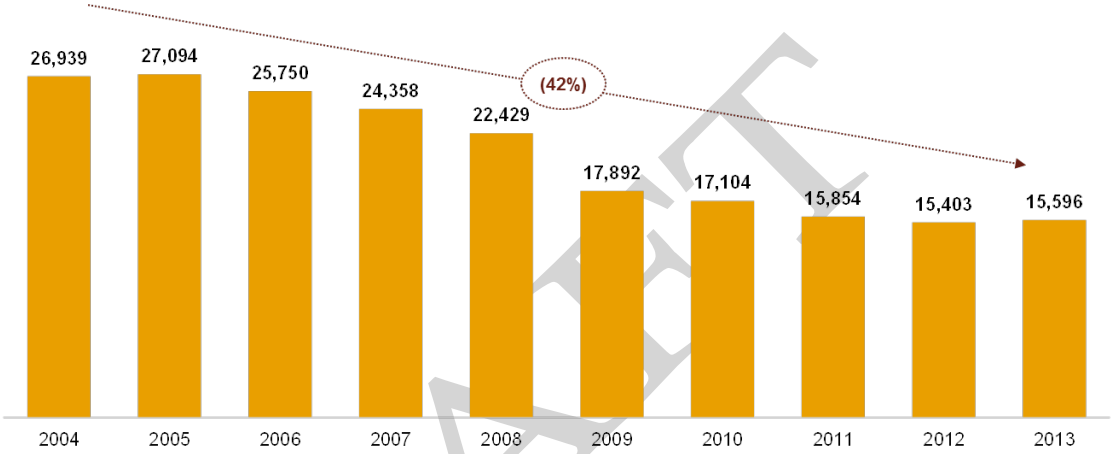
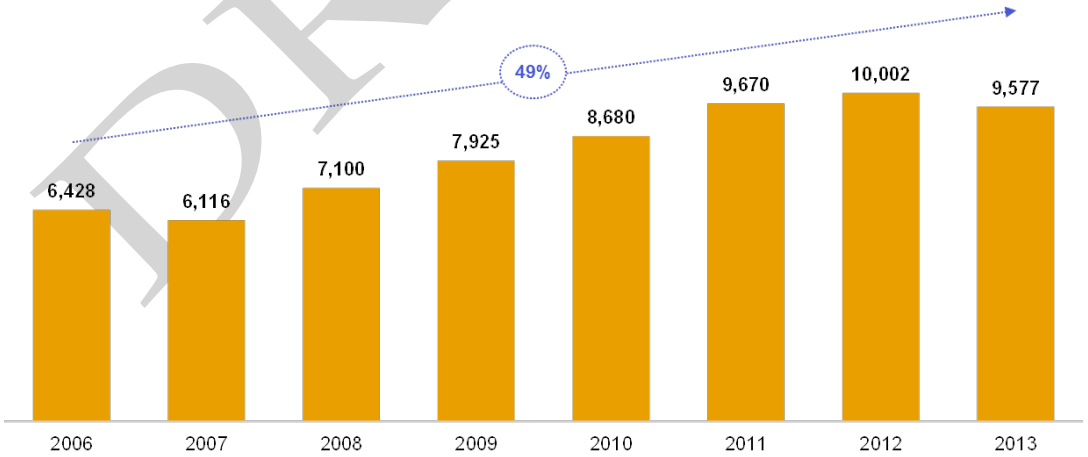


Figure A-3. Enrollment at KCPS charter schools by year.

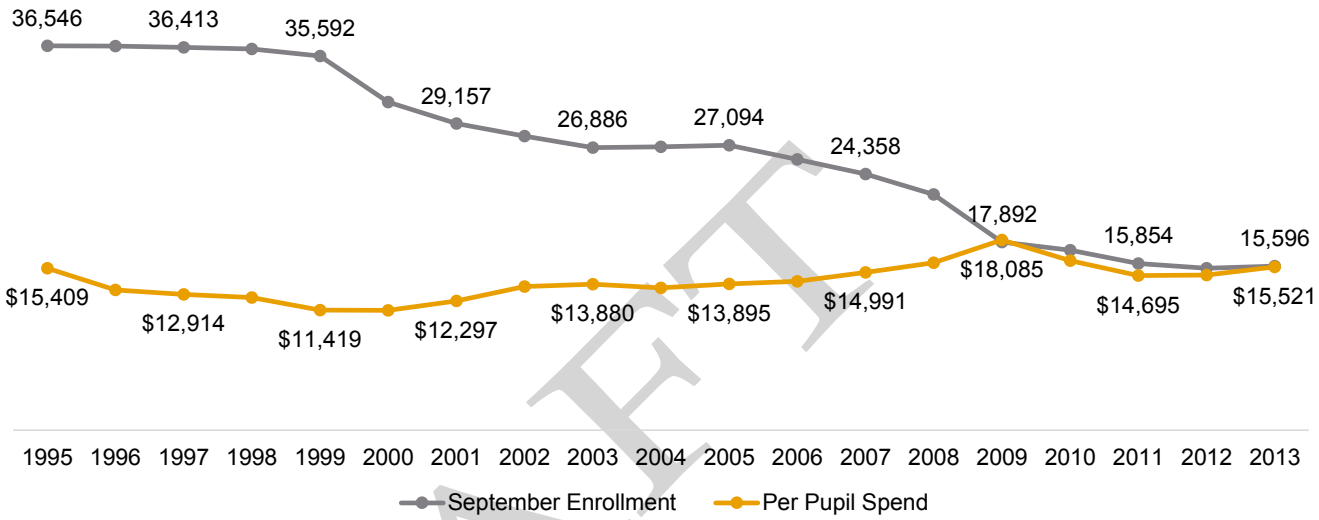


[83] http://www.kshb.com/dpp/news/education/kansas-city-public-school-district-considering-changes-due-to-fluctuating-enrollment

[84] There are 22 Kansas City charter schools, which operate as Local Education Agencies (LEAs), separate from KCPS.

The graph below depicts KCPS' per pupil funding over the past two decades, which reached its peak in 2009 at $18,085 per pupil (in 2013 dollars), and has since dropped by 19%. KCPS spent $15,521 per pupil in 2013[85].

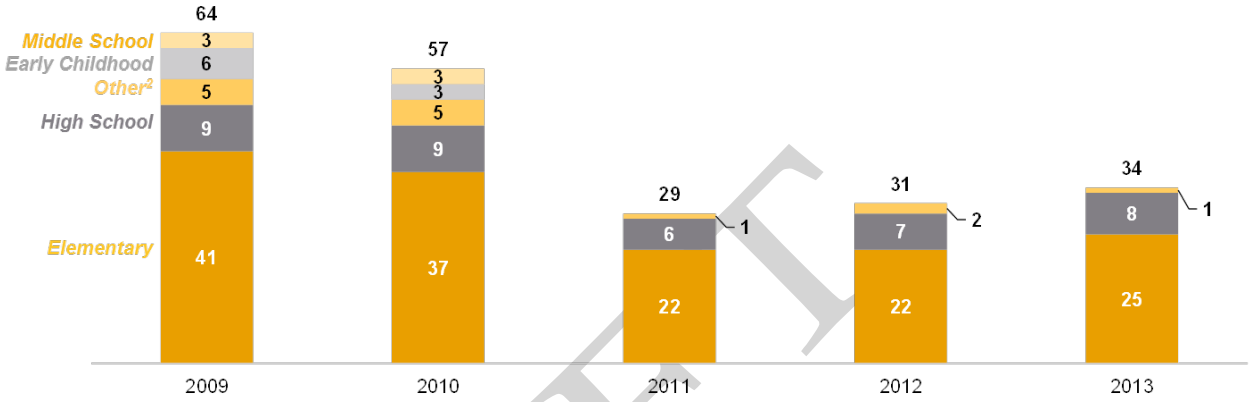
Figure A-4. Enrollment vs. Per Pupil Spending (Adjusted for CPI: 2013 dollars), 1995-2013.[86]



[85] KCPS FY13 Comprehensive Annual Financial Report ("CAFR").
[86] Source: K-12 September Enrollment and the Current Expenditures per Eligible Pupil from KCPS' FY04, FY12, and FY13 Comprehensive Annual Financial Reports ("CAFR"); adjusted 2013 dollars were calculated using the inflation calculator on www.bls.gov. FY13 Expenses are from the 2013 CAFR, while enrollment is based on data provided by the district on 9/13/2013, which is a more accurate representation of KCPS enrollment in FY13.

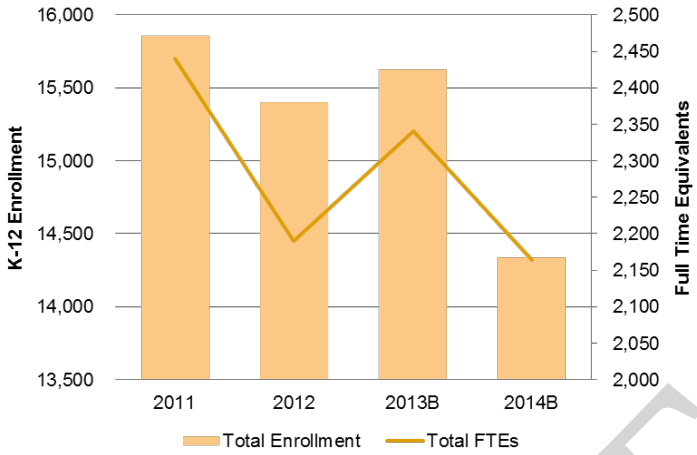
More recently, as a result of the District's decline in enrollment, KCPS has reduced the number of schools it operates by 30 schools (47%) since the 2009 school year. The remaining schools also have higher average enrollment in 2013 vs. 2009, at 459 students vs. 308 students[87], respectively. From school year 2011 to school year 2013-14 (budget), KCPS has seen a decline in enrollment of 10%, coupled with staffing reductions of 11%.

Figure A-5. Number of KCPS schools by school type, by year.



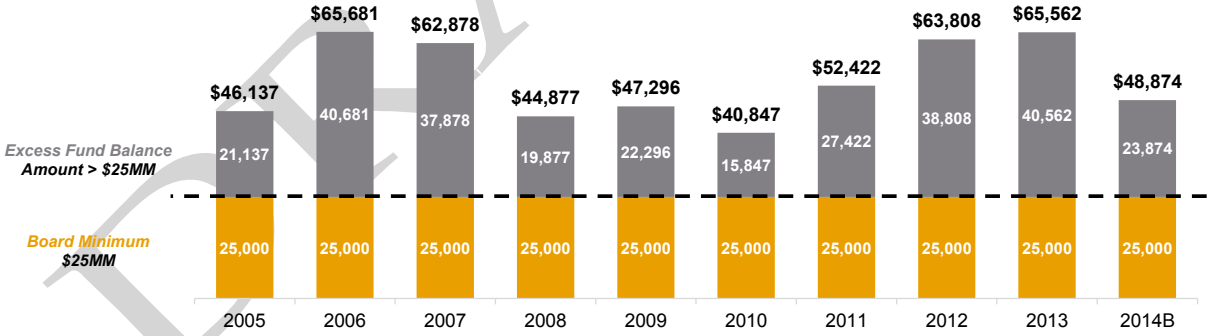
[87] 2009 average is based on 2009 K-12 enrollment and K-12 schools (KCPS CAFR, 2012). The 2013 average is based on 2013 K-12 enrollment data.

Figure A-6. KCPS Enrollment vs. KCPS Full Time Equivalent Staff ("FTE").



Although KCPS enrollment has dropped by 42% since 2004, the District has maintained a general fund balance over this same period in excess of the Board's minimum policy of $25MM. As of the FY13 CAFR, the general fund balance was over 32% of general fund revenues. Also as of the FY13 CAFR, the District maintains a long term debt to revenue ratio of less than 0.25[88].

Figure A-7. General Fund, Fund Balance 2005-2014B ($000s).



[88] FY13 CAFR: Long Term Liabilities = $56,399,424 and Governmental Revenues = $226,407,562.

KCPS – Revenues & Expenses in Recent Years

KCPS revenues have declined over the past four years from $260MM to budgeted $216MM in FY14. Local and county revenues are primarily from property tax collections and some local investments. State revenue is primarily from the state basic funding formula. Federal revenues come from operating grants and contributions.

Figure A-8. FY2013 KCPS Total Revenues ($226MM).

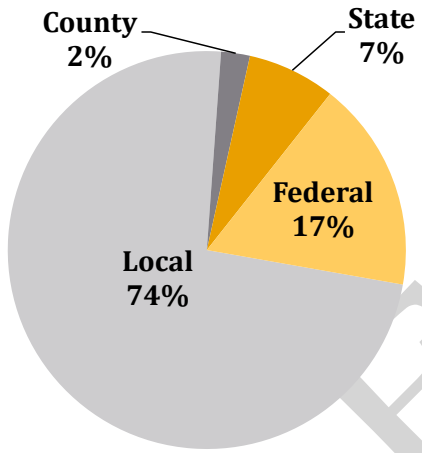
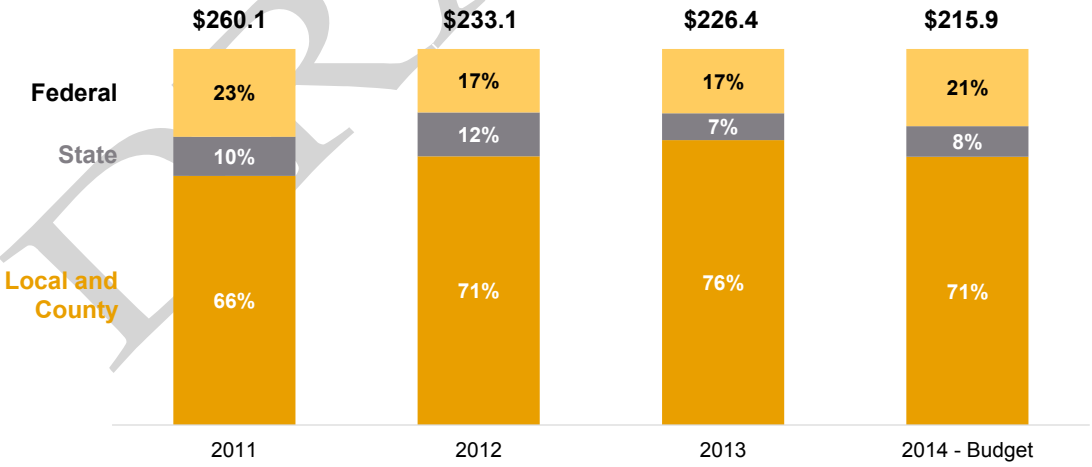
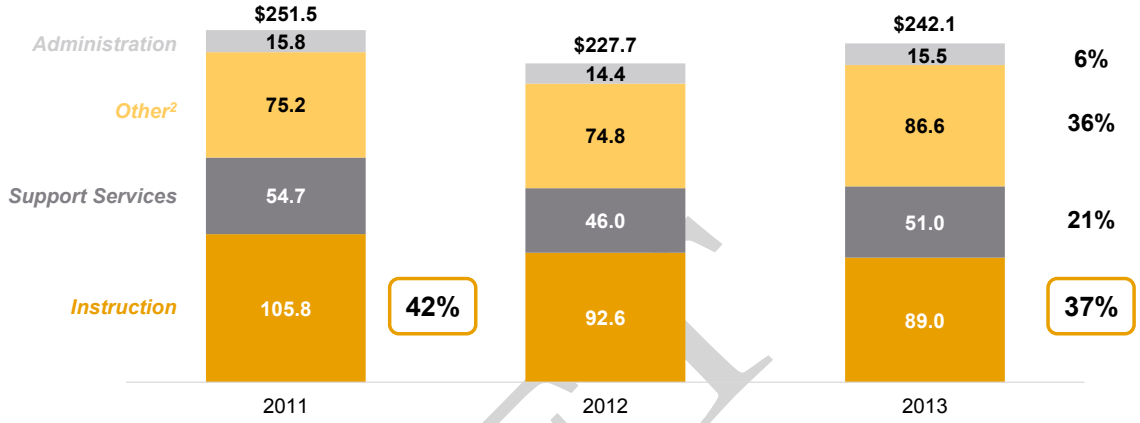


Figure A-9. Distribution of revenues by source, 2011 – 2014.



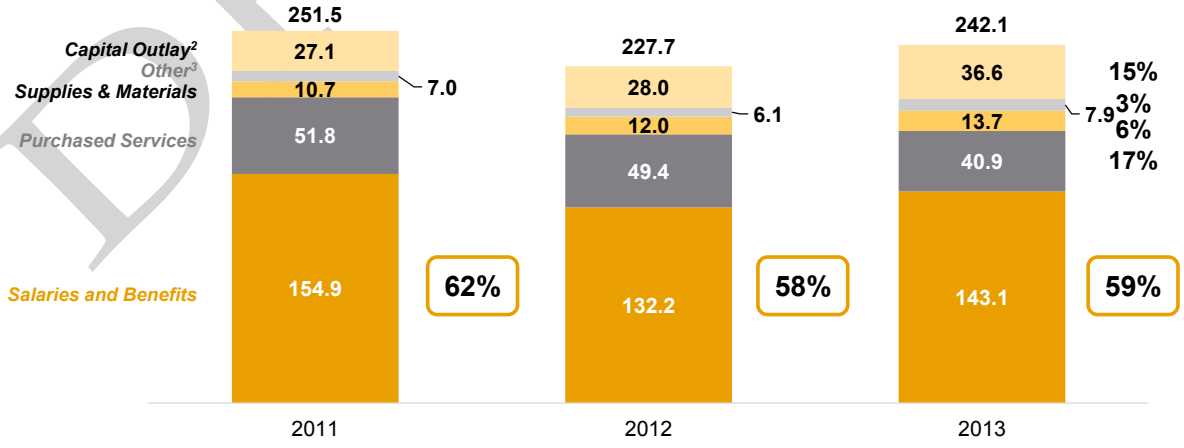
The largest driver behind the decline in revenues from 2012 to 2013 was a reduction in basic formula state aid, which declined 46% from FY12 to FY13[89], driven by reductions in state funding rates and a decline in enrollment. While revenues decreased from 2012 to 2013, district expenses increased, driven mainly by increased expenditures funded by the capital fund balance.

Figure A-10. KCPS Budget by major expense category ($MM).



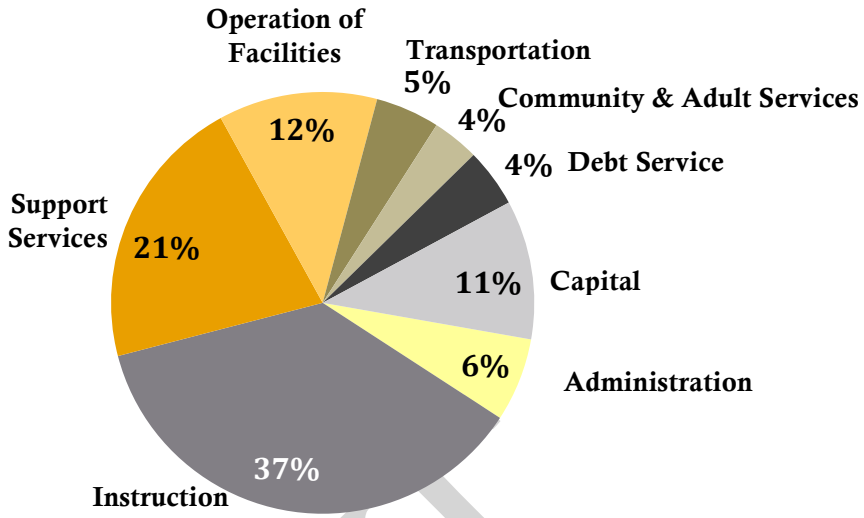
As seen in Figure A-10 above, KCPS spent less than 40% of its budget in Instruction in FY13, and the figure below shows that KCPS spent close to 60% of its budget on salaries and benefits.

Figure A-11. KCPS Spending by major type ($MM).



[89] From $18,970,494 in FY12 to $10,148,186 in FY13, according to the FY13 CAFR

Figure A-12. FY2013 KCPS Total Expenses ($242MM)[90].



[90] 88% of Capital spend consisted of Facilities improvements and renovations

School Funding Methodology

The District's current school funding methodology provides little flexibility to schools and does not distribute funding to schools with an approach designed to maximize site-based autonomy. KCPS funds its schools primarily through teacher position allocations and other program related funding[91]. Coupled with the fact that schools must pay teachers based on a salary schedule that is centrally controlled, principals have little control over the funding in their school budgets. The figures below show that while KCPS school budgets represent only 52%[92],[93] of the overall district spending in FY13, *only 5% of the District's expenses were truly controlled by principals*.

Figure A-13. KCPS FY13 Spend by Location ($242MM).

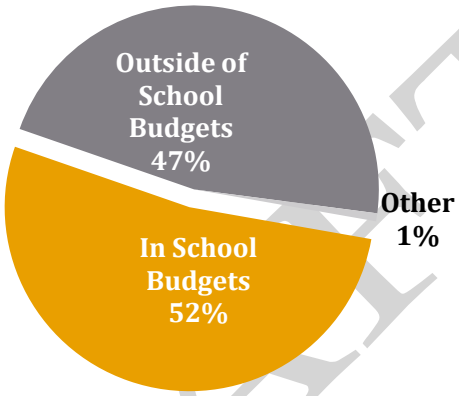
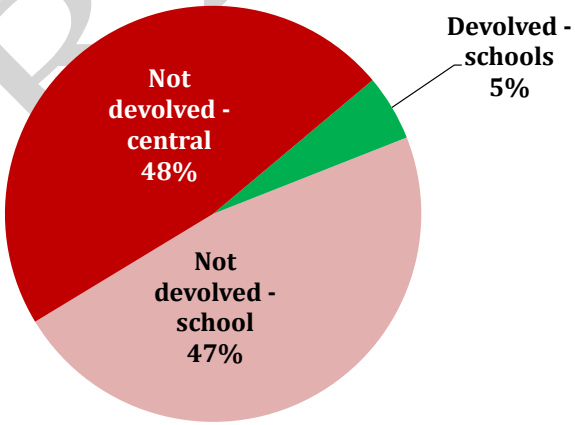


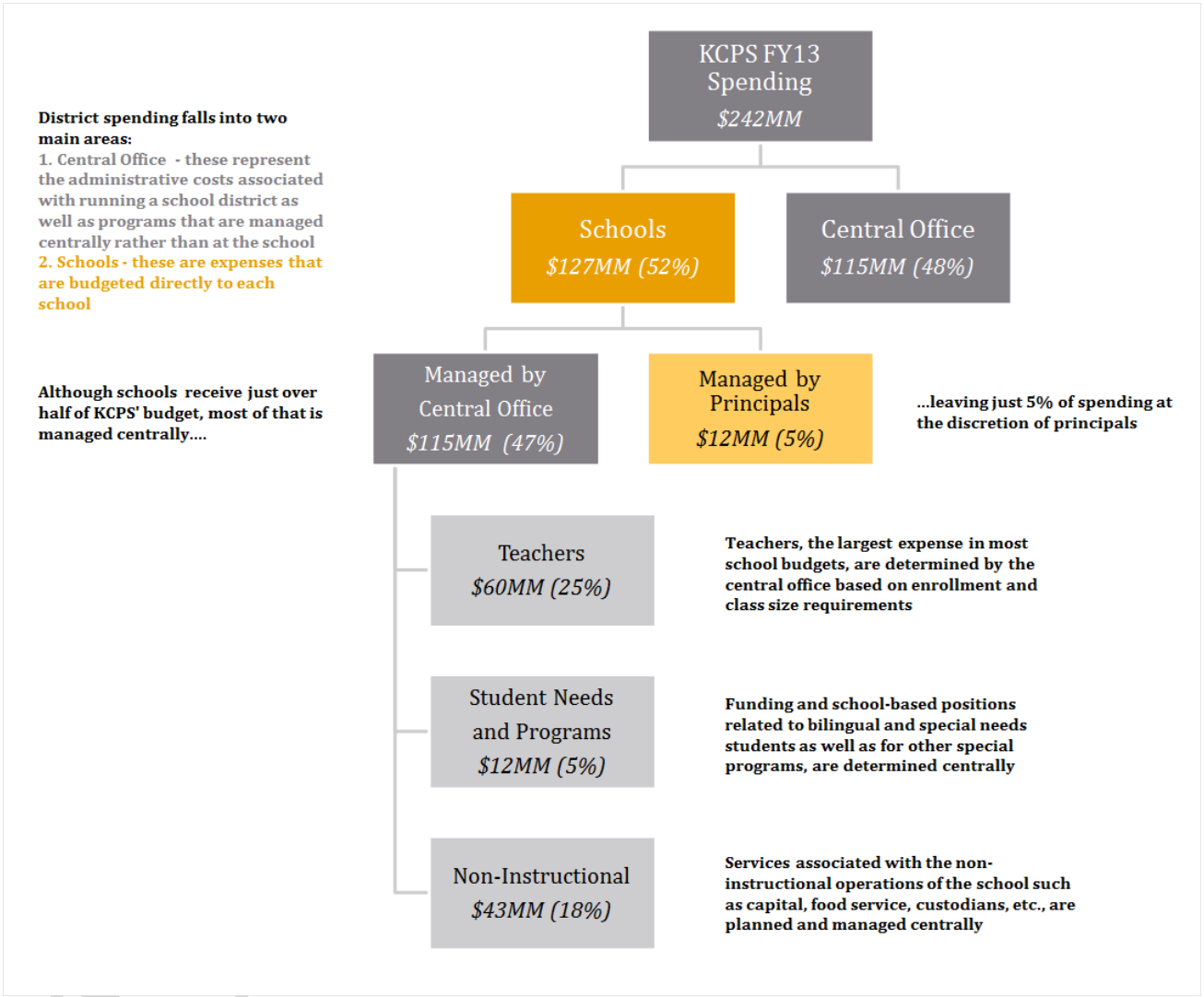
Figure A-14. Level of school fiscal discretion – current state - KCPS FY13 spending.[94]



[91] KCPS utilizes the Missouri School Improvement Program ("MSIP") standards for staffing. This means that student enrollment determines the amount of funding and the number of positions allocated to each school. Per the district, "KCPS strives to meet or exceed the minimum standards as set by the State for staffing schools." There are three main types of positions allocated to schools:
1. Baseline positions – we refer to these as baseline positions because every school receives these positions regardless of how many students they have. These positions include a full-time Principal, School Clerk, Counselor, and Computer Teacher; half-time support from Librarian and Library Paraprofessional, and 1/3-time support from a Local Bookkeeper.
2. Supplemental administrative positions – schools receive additional administrative resources if they meet certain enrollment thresholds. These positions include Vice Principals, as well as additional School Clerks, Local Bookkeepers, Librarians, Library Paraprofessionals, and Counselors; and Visual and Performance Arts teachers for elementary school.
3. Teacher positions – general education teachers are allocated to schools based on enrollment, by adhering to the student-to-teacher ratios set forth in the MSIP standards. The student-to-teacher ratios for FY14 are as follows
   a. Grades K-2: 25 to 1
   b. Grades 3 & 4: 27 to 1
   c. Grades 5 & 6: 30 to 1
   d. Grades 7-12: 33 to 1

[92] FY13 spending line items provided by KCPS on November 4, 2013..
[93] There is also $2.2MM of Other expenses related to alternative schools or funding not attributed to a location.
[94] "Other Spend" is included in Not devolved - central

Figure A-15. Calculation of Funds at School's Discretion



Appendix B. Projected Sample Budget for Community Schools Office[95]

	FTE	Average Salary & Benefits	Amount	Notes
Community Schools Office	**38.0**		**$5,251,000**	
CEO	**1.0**	**250,000**	**250,000**	
Performance Contracting	**2.0**	**121,000**	**242,000**	
School Authorization	**2.0**	**121,000**	**242,000**	
Accountability Managers	**4.0**	**98,000**	**392,000**	
Portfolio Management & Planning	**1.0**	**121,000**	**121,000**	
Non-Labor Costs			**375,000**	**Site visits, accountability reviews, annual reporting, ongoing needs assessment**
Special Education - Oversight	**10.0**	**90,000**	**900,000**	**1 Dir of SPED, 6 program specialists, 3 admin clerks**
Special Education - Non Personnel			**300,000**	
Universal Pre-K Coordinator	**1.0**	**90,000**	**90,000**	**All other PK support staff costs are included in the per pupil spending estimates for the PK program**
Bilingual Coordinator	**1.0**	**90,000**	**90,000**	
Community Outreach - Personnel	**5.0**	**68,200**	**341,000**	**Director of Communications, Government and Media Relations, Parent Coordinators**
Community Outreach - Non Personnel			**150,000**	**Translation services, marketing, advertising, coordination with enrollment**
Enrollment - Oversight	**4.0**	**47,000**	**188,000**	**Citywide enrollment process, general and special education**
Enrollment - Non Personnel			**175,000**	
Administrative Support	**7.0**		**1,145,000**	
Finance	3.0	105,000	315,000	Manage school fundiing methodology, budget, accounting, payroll, central salaries
Operations - Capital & Transportation	1.0	105,000	105,000	
HR	1.0	124,000	124,000	Hiring and benefits admin for CSO and transition authority
Legal	1.0	121,000	121,000	
IT	1.0	105,000	105,000	
Non labor costs			375,000	Audits, legal, IT support
Contingency			**250,000**	
Transition Authority	**6.0**		**$688,000**	
TA Executive Director	1.0	131,000	131,000	
Performance Assistance	1.0	121,000	121,000	Assist schools in improving performance and leadership to earn autonomy
Portfolio Management & Planning	1.0	121,000	121,000	Transition assistance
Operate Central Office Services	3.0	105,000	315,000	SPED, Transportation, etc.
Total CSO and Transition Authority	**44.00**	**-**	**$5,939,000**	
Total CSO and Transition Authority (per pupil)			**$381**	

[95] Appendix prepared by Afton Partners.

Centrally Managed Functions under the Proposed Model

Services to be Centrally Controlled	FY13 Amount	Source
Community Schools Office	$5,251,000	see Appendix
Transition Authority	$688,000	see Appendix
Student Transportation Services	$11,846,805	FY13 CAFR
Capital Outlay	$25,817,835	FY13 CAFR
Universal Pre-Kindergarten	$28,252,771	Estimate - $3,782 pp for 7,470 students
Adult Basic Education	$875,305	FY13 CAFR
Debt Service	$10,842,071	FY13 CAFR
Tuition to Other Districts	$490,042	FY13 CAFR
Post-Retirement Healthcare Contributions	$1,995,243	FY13 CAFR
Pension UAAL Contributions	$0	FY13 CAFR
Total	**$86,059,072**	