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**MONTHLY LETTER TO FRIENDS OF
THE CENTER FOR EDUCATION REFORM
No. 18**

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Dear Friends:

If reform could be adapted into a Broadway song, you might hear one sing, "Reform is busting out all over..." It's been a tremendously exciting few months, and now that most legislative, and in fact, school business has drawn to a close for the rest of the summer, there's a lot to catch-up on, and lots more to look forward to. We'll be taking a break, too, and will be back with a Monthly Letter in time for 'Back-to School.' Keep the cards and letters coming — we're grateful for all of your help, support and information!



Reform Milestones

If you've followed our communiqués closely, you know many of the states that were hotbeds of political activity these last few months. Some of these states realized enormous gains in pushing along the basic concept of restoring local control to the schools and to individual communities; others were stymied by the entrenched interests. Still others delivered huge surprises to those in their states, where not much had been predicted. Departing somewhat from previous formats, the following is a handy-dandy laundry list we've developed with your interests in mind:

- Hats-off to the midwest, where at the close of last month, legislatures in **Ohio and Wisconsin** passed through school choice programs for disadvantaged children. Milwaukee's was expanded to include parochial school and the eligibility of up to 15,000 children by 1996 (up from 1,500), and Ohio gave its beleaguered city of Cleveland a boost with 2,000 scholarships worth \$2,500 a piece, to allow some children who qualify for the free and reduced federal lunch program the option of attending any school. Reform efforts were not limited to choice, however...

...The Ohio state budget also sought to equalize spending for poorer districts by increasing subsidies for these areas, removed a requirement that the legislature authorize the Department of Education to seek Goals 2000 funding, and increased the Governor's role in education by giving him 8 appointments to the current eleven-member elected State Board of Education.

...Wisconsin's reforms gives school districts wide latitude to deliver education services that are not expressly forbidden by state or federal law. Essentially, school boards will now be able to contract with professional educators outside of the scope of district contracts and with private providers for educational programs and services. Charter school law, currently permitting only two charters in each district and sponsored by the local board, was altered to permit "one or more," thus in effect lifting the cap altogether. In every area except Milwaukee, the employees of charters are part of the district and thus subject to collective bargaining. It is likely that Milwaukee will have more success with its charters because that restriction is waived.

Of special note: These efforts were hailed by the Wisconsin Association of School Boards, as a milestone in pushing decision-making down to the local level. In fact, the WASB was instrumental in having these changes adopted. Senn Brown, chief lobbyist for the WASB, firmly believes that if the schools don't change, "we'll go the way of the trains." Thus, WASB stands out among many state school boards associations in being willing to allow local boards the flexibility to determine how best to educate their children. Great job!

- Our best to the school board in **Wilkesburg, Pennsylvania**, for keeping up their fight to bring about solid changes, and improvements, in the Turner School. While the district managed to spend about \$8,000 per student and maintain starting teacher salaries at \$35,000, only 1 of its 40 SAT takers scored above the national average in 1993-94. Their determination in contracting with the private firm, Alternative Public Schools, Inc., to drastically upgrade the curriculum, the attention the kids get and the professionalism of teachers has paid off. Pennsylvania Secretary of Education Eugene Hickok approved a plan that permits local districts in the Keystone State to undertake an alternative education plan if the current one, and its contracts, are not up to par.

Despite the looming lawsuit filed by the "blob" (for you newcomers, that's the term ascribed to the interest groups that don't seem to care about much besides themselves), the district is going ahead with its move to turn Turner around. The establishment's next move is to remove legitimate supporters from the process. Through its lawsuit, it's demanding the state appoint a special examiner independent of the state. In union eyes, any type of support for Wilkesburg is considered prejudiced and somehow invalid — apparently, all the way up to the secretary of education.

- While we're in this neck of the woods, let's look at the moves of two school boards that voted NOT to join the larger "parent" association, the Pennsylvania School Boards Association. Citing their disappointment over PSBA's negative and lead role in opposing Governor Ridge's reform plans,

the Bethel Park School Board (near Pittsburgh) and the Palmyra School Board (near Hershey) have withdrawn their allegiance, and in so doing, saved the taxpayers in each of their areas about \$7,000 for membership in PSBA.

"While not perfect, the Governor's plan was the first package in many years that was truly an attempt to reform a system that no longer can just be "tinkered" with," said the Palmyra Board. Such independently minded actions bode well for school reform. With attitudes and actions reminiscent of Animal Farm, groups like PSBA just assume that everyone will join, and naturally support the wishes of a select few who run the group. "Group think" mentality is finally starting to dissipate.

Pennsylvania reformers were not successful in their efforts to bring about charter schools, choice or other reforms, but the Governor is locked and loaded for another try come September.

- Across the river into **Delaware**, a public school choice bill sailed through the House and Senate in late June, along with a charter school bill that would have been a very strong law had it not been for teacher union pressure to require all teachers to be 100% certified and a gradual phase in period allowing for only 5 charters. The state PTA still remains unsatisfied. Others, however, outside the establishment, have wasted no time complaining. The DuPont Company is one of five corporations that has already undertaken to open a charter school in an area where a magnet school has failed in the past. Congrats to duPont for taking the lead and its risks with only children in mind!

- Over to **Minnesota**, where legislators there raised the cap on charter schools for the third time, permitting up to 40 now in the state, and allowing three to be chartered by universities. The school board in Mount Clemens was denied their proposal to open The Public School Academy as a charter school, but the superintendent there plans to go ahead with its contract with the Edison Project to manage the designated school. In a rush to emulate charter successes, **Louisiana's** legislation was recently signed into law, allowing for charters in eight school districts, that can be sponsored by teachers, parents, businesses or universities. And **Rhode Island's** House passed a bill hoping to do the same.

- The 30 charters that exist today in **Michigan** or will be started up this fall, are thrilling, exciting places to be. In the great lakes state, discussion is brewing about lifting their charter school cap totally, which currently sits at 75, expanding public school choice to allow students to attend any school in the state (like Minnesota's pioneer program that does the same), and giving all public schools freedom from curriculum, certification, and tenure rules. Schools could become independent operating entities, by a vote of the local school board or the electorate. These ideas are invigorating, and we hope they

make it through the state so that all schools, and not just charters, can have the flexibility that we know creates better schools.

- Although there are many limitations on charter schools in **Georgia**, three have been approved this year, and the state is offering grants of \$5,000 to encourage others to apply. The problem with laws like Georgia's which requires that charters request specific waivers, as opposed to being free from rules and mandates from the get-go, can best be summed up by this quote. It comes from a local PTA president, in explaining why her school did not ask for too much freedom: "We were afraid to ask for too much, so they wouldn't turn us down." Food for thought in other states considering placing such limitations on charter organizers.

- More local control news, this time bad, comes from **Pinckney, Michigan**, where reformers held the majority on the local school board, which had dared to consider the possibility of bringing in a private firm, like its Wisconsin neighbors very much want. This kind of thinking was too much for the local union chief, however, who put up two candidates of his own, positioned them as neutral, raised thousands of dollars from among school employees, and then handily defeated reformers Mike Gilbert and Rick Baumgartner. Union sympathizers now are in the majority. This should serve as a wake-up call for any communities who think they shouldn't pay much attention to often considered "inconsequential" races.

(Editor's Note: Don't forget that the Center has created the reformers' *School Board Candidate Briefing Kit*, designed to help the candidate better understand the issues and how to market them. Please call us at (202) 822-9000 if you'd like one, or know anyone running who could use some help in running.)

- The teachers' union in **North Carolina** is being rather unpleasant lately, too. While the legislature deliberated over its tuition tax credit bill, the union was working in concert with sitting Governor Jim Hunt, a Democrat, and former governor Jim Martin, a Republican, for a statewide letter blitzkrieg to teachers, and public pronouncements in opposition to Rep. Steve Wood's \$200 tax credit proposal. The chief lobbyist for the North Carolina Association of Educators, John Wilson, lectured members recently that "We have a right-wing, extremist faction in our legislature. NCAE will lie down in the street before we let one dime of public money go to private schools."

Imagine if he used that same rhetoric to assure the public that NCAE "will lie down in the street before we let one child graduate illiterate." Guess it doesn't make for as good theatrics!

- Educational Alternatives Inc. (EAI), a private for-profit firm specializing in management of schools, will undertake management of five **Hartford**,

Connecticut schools this fall. The original agreement with the district was for management of the entire district, but protests by opponents, including the teachers' union, led to the agreement between the Hartford board and EAI to scale back operations. The company reports it is happy with the deal; it is clear the original proposal to manage 32 schools would have been hard to navigate from the start if they were constantly battling the unions. Hartford Mayor Mike Peters, a school choice proponent, was instrumental in shoring up EAI's involvement in his city's troubled school system.

- And in another big city, reforms for **Chicago, Illinois'** schools will now permit principals to control hiring and firing, school schedules and hours. In addition, the new law forbids the union to bargain for matters relating to contracting out, school planning, and curriculum, among other things. In other words, the Chicago Teachers' Unions can bargain for teacher benefits only, which is exactly what was intended by such authority to begin with. That doesn't sit well with the union, who plans to file suit challenging their loss of power. (Hmmm. We wonder what law they'll use to claim authority over schools?) The new board placed in oversight of Chicago's schools, the Chicago School Reform Board of Trustees, will be appointed by Mayor Richard Daley and replace the old elected board. It will govern all facets of school operations for the next four years, and work towards ridding of so much of the corruption that plagues the city. (See last month's Monthly Letter for more on this).

Making boards accountable to big-city mayors, who are elected with education as one of their issues of concern typically, is a good move, that puts the accountability for education in the mayor's driver's seat. It is a move that others, like New York, are considering, with much consternation from the status quo, which normally dictate city wide board elections.

Looking A Gift Horse in the Mouth

The issue of "home rule," which galvanized the Texas legislature this spring, is being hotly debated in communities there. The concept is to allow districts to free themselves from state mandates, which they'd be able to maintain as long as they perform at levels established by the state. The home rule concept becomes a reality once 25% of the electorate agrees. Claiming they fear a low voter turnout, Arlington, Texas, home of reform-minded Rep. Kent Grusendorf, doesn't even want to attempt to get the initiative going. And to his suggestion that they wait until a more full turnout during the 1996 election, officials there balk that it's too complex in the midst of dozens of candidates running.

What's complex about returning power to the people? What's complex about taking nonsensical government rules out of the schools? Where there's a will, there's a way — but first there must be a will...

Wall Street's Ticker

Investment firms are getting more heavily involved in the education business. Salomon Brothers, an investment banking house, recently produced a report for investors aimed at changing their focus from advertising profits to investments in book sales — namely textbooks. Salomon analysts predicted that elementary and secondary school materials will generate as much as \$2.1 billion in 1997, and thus recommend that "selling content will be a better business than selling ad space" for the next five years. They've produced a great poster of the who, what and where in textbook adoption across the nation. For a copy, call Salomon analyst Virginia Seitz at (415) 951-1888.

Lehman Brothers is also in the business of tracking for-profit education ventures. Since Wall Street is usually a pretty good predictor of trends, we can surmise from their involvement that they expect more private sector involvement — and solutions, to shift from the occasional to the natural.

At a west coast education conference we sponsored in May, Edison Project Founder Chris Whittle predicted to a packed luncheon audience that in ten years, public education will not look anything like it does today. What he meant of course was not that sticks would replace bricks, or that walls would be torn down, but that new kinds of providers were entering the education industry daily, diversifying it, making it stronger, more lively, and more dynamic, thus able to help more and more different kinds of children. That process has obviously already begun, and is regularly picking up steam.

In his July 2 *Washington Post* business section article, financial adviser James Glassman tells education will be a major investment opportunity in ten years because "...nearly all of the \$400 billion that's spent on it each year flows to government entities and to non-profits, rather than to commercial firms. But it doesn't take a genius to predict that the folks whom manage education today won't still have their near-monopoly in the next century. By any objective standard, they have done a poor job — and the money to fund their inefficiencies is running out."

Charter Anecdote: In evaluating California's Options for Youth Charter School, UCLA independent evaluator James Catterall marveled at its focus on students who otherwise were unable to attend conventional schools because of conflicts with family and job responsibilities; students expressed "very high levels of satisfaction with the program, most often citing its flexibility." Student Mike Wilson agreed. As a father of an eight-month old baby, he will now be able to obtain a diploma "because of the charter school's flexibility." (*The Center's Charter School trilogy has just added a fourth piece, entitled 'Anecdotal Evidence.' Call us if you'd like a copy.*)

NAEP Revisited

The serious decline in student reading most evidenced by the recent National Assessment of Educational Progress is assuredly a result of many things. What is clear is that it is definitely not a result of any lack of spending. A look at the correlation between spending by states, as reported in the NAEP results, and the NAEP results themselves, shows no trend whatsoever. For example:

| <u>State</u> | <u>Per Pupil</u> | <u>Rank</u> | <u>NAEP</u> | <u>Rank</u> |
|---------------|------------------|-------------|-------------|-------------|
| New Jersey | \$9,317 | 1 | 220 | 13 |
| New York | \$8,527 | 2 | 213 | 25 |
| Dept. of Def. | \$8,510 | 3 | 219 | 14 |
| Connecticut | \$8,017 | 4 | 223 | 7 |
| Maryland | \$6,679 | 5 | 211 | 28 |
| Pennsylvania | \$6,613 | 6 | 216 | 18 |
| Rhode Island | \$6,546 | 7 | 221 | 10 |

No one in the top five in spending is in the top five in NAEP achievement!

Good Things Come in Small Packages

Last month we talked about certain epiphanies people had had in finally realizing the smaller schools are better theory. To this end, Deborah Meier (former principal, educator and very well respected nationwide) has penned a new book, The Power of Their Ideas: Lessons For America From a Small School in Harlem, and it is a must read! It's captivating and clear, and really well written. There are so many parts to quote, but this particular section really brings it all home:

...In our large cities, at least, such autonomy is mostly nonexistent. Principals are urged to "share power" with their parents and staff as though they currently have power to share. They don't. Schools need to have power in order to share it. Of course, good principals covertly find ways to exercise power. But precisely because they're covert, these are powers that can't be shared publicly. We don't need to ask what power schools need. We should start with giving it all to them, including full power over budgets, and then ask what larger social good requires us to remove any of this power and lodge it in another place, and at what cost.

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Sending Control Home

North Carolina's decentralization efforts continue, with the School Flexibility and Accountability Act streamlining purchasing regulations, allowing the local level more flexibility in how to apply funds. It awaits conference action. Indiana's reform package also addresses school flexibility. Recent "freeway school" legislation allows school boards to waive certain statutes and regulations touching upon everything from curriculum and textbooks to personnel and school construction. Florida's accomplishments focus on classroom-centered spending; 5% of money previously spent on administration must now be redirected toward instructional uses. Priorities rediscovered!

A New Breed of Chiefs

A new day is definitely dawning amongst many of the new chief state school officers, or as real people know them, state superintendents of schools. Many of those recently elected have taken only a few months to revamp the way their departments do business, embark on new ventures, and begin to explore how best they can help kids, rather than perpetuating existing bureaucracies. Back to Wisconsin, where the Governor got through his proposal to create a new cabinet-level appointment to run education, while a new 11-member appointed board will serve as a check and balance on the new agency. An elected position exists through the state's constitution, and will remain, but will lack any substantive involvement in education policy. Meanwhile, with Thompson's appointment, and pending appointments due from Ohio and Connecticut from reform-minded governors, we're confident that the "new breed" of chiefs will expand in numbers, and help ensure that schools are given the maximum freedom to thrive.

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And there you have it. As you look toward the fall, if you know you'll be needing assistance in any of your reform efforts, please let us know soon so we can help. Our agenda is filling up, and we'd like to be as available to as many of you as possible. If you have meetings coming up with an opportunity to spread the reform word, we'd love to provide you with materials. You've been great in keeping us apprised of your activities, and a special mid-summer thank you to all of our supporters who keep us going and help things like the Monthly Letter get distributed far and wide!

We started with a song, and end with one —

"See you in September...!"



Jeanne
Jeanne Allen