New York Education Reform Commission

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EDUCATION COMMISSION OF THE STATES

- The only nationwide education interstate compact
- Founded in 1965 to enlighten, equip and engage education policy makers
- 53 member states, territories and the District of Columbia
- Web Site: www.ecs.org

OVERVIEW

- A brief overview of state takeovers
- “Mayoral” takeovers
- Recovery districts
- Lessons learned by states

State Takeovers

- 1989: first state takeover of a school district *(Jersey City, New Jersey)*
- Since that date over **50** districts have been taken-over/reorganized by states
- **29** states currently have some law in place for a state takeover/reorganization of school districts
- **23** states have enacted policies that allow them to take over individual schools

State Takeovers
Putting the Subject in Context

- It's been estimated that over 60% of state takeovers are for financial reasons
- Annually less than 25 districts are under some form of state control
- This equates to approximately 0.2% of all districts in the U.S.

STATE TAKEOVERS

- Different levels of state control:
  1. State takes full control of the district *(New Jersey)*
  2. State indirect control of the district *(Hartford, CT)*
  3. State plays an advisory role *(West Virginia)*

- In each case the state may or may not work with the district's previous leadership

STATE TAKEOVERS TRACK RECORD

- District Budgets/Operations
  - Eliminating nepotism within a school district
  - Improving a district's admin & financial management
  - Upgrading the physical condition of schools within a district
  - Implementing innovative programs *(small schools programs, extended learning time & inclusion of social services)*

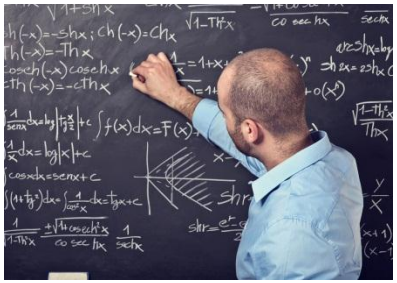
- Academic Results
  - "*State takeovers, for the most part, have yet to produce dramatic and consistent increases in student performance*"

Mayoral Takeovers

- Some feel that state takeovers are simply attempts to reduce local control over schools and increase state authority over districts

- In an attempt to retain local control some states have transferred the authority over the school district to the mayor *(Boston, Chicago, Cleveland & Detroit)*

- This model has been successful in Boston and Chicago but not in Cleveland and Detroit



Recovery Districts

- These districts are designed to takeover individual schools that are failing *(Louisiana, Michigan and Tennessee)*
- Recovery districts can run failing schools in multiple districts
- These district function differently from state-to-state
  - Louisiana: Schools become semi-independent charters once they are ready
  - Michigan: Schools will stay in the new district for 5 years – at that point the decision will be made to either stay in the recovery district, move back to the traditional district or become a charter school

Recovery District Funding

- "*..the daily operations of RSD schools cost about the norm for Louisiana districts*." [Fordham Institute, 2012]

- "*But the "one-time" turnaround costs* ($20 million + in federal grants) *have provided huge help*." [Fordham Institute, 2012]

- Facility funding:
  - The schools home district retains ownership of the individual school buildings

Making the Decision

- What constitutes a "failing district"?
  - Financial reasons
  - Academic reasons
  - Both

- How will you decide which schools are failing?
  - Districts will be identified on a case-by-case basis
  - Making use of a "failure formula" *(Ohio)*

- Will the district receive additional funding?
  - One time funding or ongoing? *(Louisiana)*
  - Will the funding be in the form of a loan? *(California & Penn)*
  - Will you make use of private funding? *(Michigan & Newark, NJ)*

Making the Decision

- Who will be running the new district?
  - State department of education
  - Independent board
  - Emergency manager
  - Private firm

- What powers will the takeover team have?
  - Hiring/firing of staff
  - Educational decisions
  - Termination of contracts
  - Collective bargaining
  - Chapter 9 bankruptcy

Lessons Learned

1. Know what your educational and financial goals for the district are before you begin – the more specific the better

2. Have a clear understanding of the state's exit strategy

1. The team you put in place needs to have the right skills to reach your goals

2. Make sure that the takeover team - and the public – understand what they have/do not have the authority to do

3. Keep the public informed and engaged

Detroit

- 1999: Reform board appointed by mayor and governor
- 2005: Voters of Detroit returned control to elected school board
- 2009: Appointment of emergency manager
- November, 2012: State voters reject emergency manager law
- December, 2012: Legislature creates new emergency manager law

Detroit

Reform Results

- Between 2002-03 and 2012-13 the district's enrollment decreased from 164,500 to 51,674
- The graduation rate has decreased each of the past three years
- The district's budget is now balanced and the districts debt has been reduced by $11.5 million to $72 million
- September, 2012: Education Achievement System *(Reform district)* takes control of Detroit's 15 worst performing schools

Detroit

- Lack of clear goals
- Exit strategy:
  - The exit strategy for the appoint board was to go to the voters after 5 years
  - There was no clear exit strategy for the emergency manager
- A fiscal manager was asked to make educational decisions
- There was not a clear understanding about what powers the emergency manager had
- Lack of public support

Louisiana

Recovery District

- Law passed in 2003 – first school in 2004
- In November, 2005 the New Orleans district said it would remain closed for an indefinite time – the role of NORD was greatly expanded
- Current breakdown of schools in New Orleans
  - Orleans Parish School Board: 6 schools, 14 charters
  - Recovery District: 3 schools, 57 charters
  - Other: 4 independent charters, 1 state school
  - 2,300 student attend private schools on vouchers
- The recovery district represents 80 schools in 5 Louisiana parishes

Louisiana

Reform Results

- Since 2007, the percent of students performing at grade-level on state has more than doubled (From 23% to 51%)

- New Orleans schools as a whole have increased their performance scores by 49.22% (School grades are still D)

Louisiana

Recovery District

- Clear goals - works with schools to establish them as semi-independent charters
- Exit strategy – charters that meet performance standards remain semi-independent
- Correct team - with both financial and educational backgrounds
- High levels of popularity with the public

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