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Fighting Inequality by Reinventing America's Schools

Progressives are rightly concerned about inequality, but some overlook the crucial role that underperforming public schools play in perpetuating poverty and inequality in America. The poor quality of many school systems is a serious impediment to social mobility for children from low-income and minority families, who can't easily pick up and move to communities with good schools. The number of students taking college remediation classes has soared, and too many students graduate high school underprepared to enter either college or the workforce.

First-rate schools are key to delivering on America's core promise of equal opportunity. That's true for U.S. students everywhere – not just for kids trapped in poor schools in poor communities. In international comparisons, even students from America's best suburban school districts consistently score below students from other advanced countries in Asia and Europe.

America's public education system was designed for the Industrial Era. The centralized, bureaucratic approach that we inherited from the 20th century no longer works for the majority of America's students. We need a new model, and fortunately one is emerging from cities that have embraced profound systems change, including New Orleans, Denver, Washington, D.C., and Camden, N.J. All have experienced rapidly improving student outcomes as a result.

These four cities are building 21st century school systems, founded upon the four pillars of school autonomy, accountability for performance, diversity of school designs, and parental choice. Essentially, 21st century school systems treat many of their public schools like charter schools, even if they call them "innovation schools," "partnership schools," or "Renaissance schools."

Although transforming our K-12 education system to meet the needs of the modern era is primarily the responsible of state and local governments, Washington can play an important catalytic role by creating incentives for change. **In particular, Congress can create financial incentives for states that strengthen charter authorizing and for districts that create autonomous schools, hold schools accountable for performance, and replace failing schools.**

THE CHALLENGE:

AMERICA'S K12 PUBLIC EDUCATION SYSTEM IS DESIGNED FOR THE INDUSTRIAL ERA

For a century, our public education system was the backbone of our success as a nation. By creating one of the world's first mass education systems, free to all children, we forged the most educated workforce in the world – a key pillar of our economic strength. But all institutions must change with the times, and since the 1960s, the times have changed. The Information Age economy has radically raised the bar students must meet to secure jobs that support a middle-class lifestyle. Meanwhile, America's public school population has grown more diverse, necessitating differentiated approaches to education. Yet our 20th century school districts too often produce cookie-cutter schools that fail to motivate or meet the needs of different students.

TRADITIONAL PUBLIC SCHOOLS ARE FAILING TOO MANY STUDENTS.

Overall, our traditional public schools "work" for less than half of our students. Of those who attend public schools, 17 percent fail on graduate on time. Even more graduate but lack the skills necessary to succeed in today's job market. Almost a

quarter of those who apply to the U.S. Army fail its admissions tests, more than a third of those who go on to college are not prepared for first-year courses, and half of college students never graduate. A large portion of middle- and high-schoolers are bored by their public schools; only one in three rate their school culture positively. And among developed nations, the United States ranks 18th or worse in high school graduation rates and in the bottom half in math, science, and reading proficiency.¹

TRADITIONAL SCHOOL STRUCTURES ARE BUREAUCRATIC, INFLEXIBLE, AND DISCOURAGE INNOVATION.

Our traditional public schools struggle to respond to the challenges of today's world, held back by their traditional district structures, rules, and union contracts. After all, 20th century bureaucracies were built to foster stability, not innovation.

By continuing to assign students to schools based on their neighborhoods, we not only reinforce racial and economic segregation – creating a system with schools of concentrated poverty and concentrated wealth – but we also limit our ability to create innovative schools with diverse and specialized learning models.

Moreover, by clinging to the hierarchal organizational model of a centralized system, we remove decision-making authority from those educating the students. Principals and teachers best understand the needs of their students, but they lack control over school-level decisions that affect student learning. Principals often do not control their staffs, budgets, curricula, or learning models: those decisions are made at district headquarters. They cannot adapt their schools to meet the specific needs of their students, because the centralized system has been designed to treat all students the same.

Since 1983, the U.S. has seen wave after wave of school reforms. Unfortunately, most have been of the “more-longer-harder” variety: more required courses and tests, longer school days, higher standards, and harder exams. Few have reimagined how school districts and schools might function.

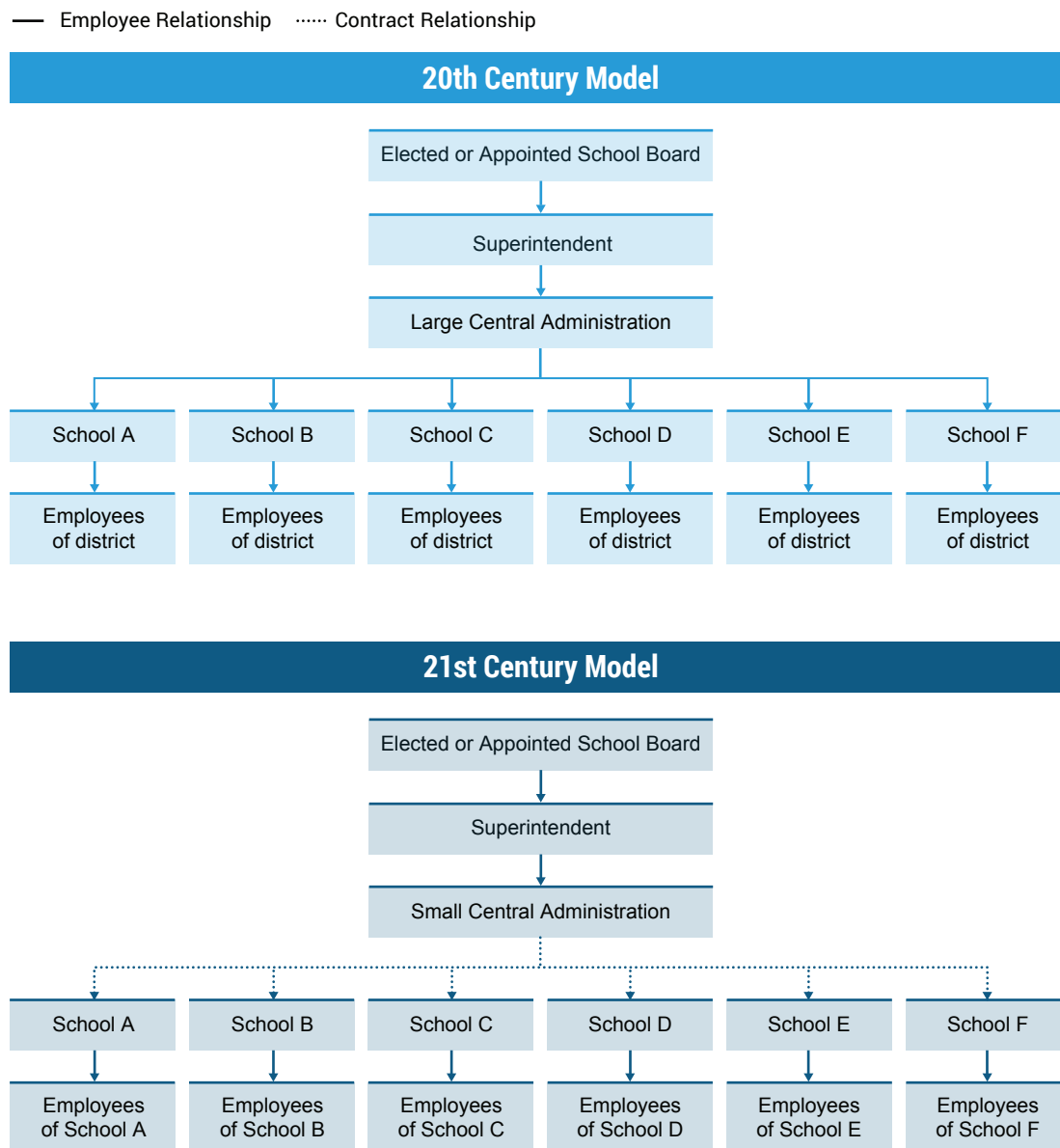
THE GOAL:

CREATE 21ST CENTURY SCHOOL SYSTEMS IN DISTRICTS ACROSS URBAN AMERICA

By embracing a 21st century school model based on accountability for performance, school autonomy, choice, and a diversity of learning models, we can create public school systems that meet the needs of all students. This model has created the fastest improvement in urban America, in cities like New Orleans, Washington, D.C., and Denver.

In such systems, the central office no longer runs all schools directly; instead, it is responsible for overall policy, oversight, enforcement of compliance, evaluation of schools, and matching school supply to demand. Most 21st century school systems are made up, at least in part, of public schools operated by independent organizations, usually nonprofits. They are freed from many of the top-down mandates that constrain district-operated schools, so school leaders can craft unique programs and make school-level decisions. In exchange for increased autonomy, these schools are held accountable for their performance by a district or authorizer, who closes or replaces them if their students are falling too far behind.

FIGURE 1: SCHOOL SYSTEMS IN THE 20TH AND 21ST CENTURY



Source: *Reinventing America's Schools*

Many of the public schools in these systems are schools of choice, but they are not allowed to select their students. If too many students apply, a school holds a lottery to see who gets in—ensuring that all families have an equal shot at quality schools. Districts that have embraced this approach have created computerized enrollment systems that give all families a chance to select their top choices—a kind of lottery for all students.

TABLE 1: SCHOOL SYSTEMS IN THE 20TH AND 21ST CENTURY

20TH CENTURY SCHOOL SYSTEMS	21ST CENTURY SCHOOL SYSTEMS
District is one organizational unit; all school employees are district employees.	District has a small central staff but contracts with separate organizations to operate schools. Teachers work for schools, not the district.
District steers the system and operates the schools.	District steers the system, but independent organizations operate the schools.
District controls schools through centralized rules and budgets.	District controls schools through accountability for results.
Most decisions about who to hire, pay, how to spend money, and how to design schools are made at district headquarters.	Hiring, budget, pay, and design decisions are made at schools.
Schools live on regardless of results; there are no consequences for student achievement levels (except for consequences in students' lives).	Schools in which students are falling behind are replaced; those in which students excel are expanded or replicated.
Most students are assigned to schools closest to their homes.	Most families choose their public schools.
Schools educate all students who are assigned to them.	Schools compete for students and funding follows student choices.

THE PLAN: INCENTIVIZE STATES TO CREATE 21ST CENTURY SCHOOL SYSTEMS

Although most education legislation occurs at the state level, Congress can incentivize states to create 21st century school systems.

Congress should offer financial incentives for those states that improve their charter laws. One approach would be to expand or revise the U.S. Department of Education's existing Grants to State Entities, awarded for the preparation, opening, replication, or expansion of high quality charters and for the improvement of state agencies that oversee charters.

The State Entities Program, one of six distinct grant programs included under the Department of Education's Charter Schools Program, replaced the State Education Agencies program in FY 2017. The State Entities Program expanded grant eligibility from state education agencies to governors, statewide charter authorizing boards, and nonprofit charter support organizations.² In FY 2017, the program distributed \$144.7 million in grants of varying amounts to nine states.³

Two proposed changes could improve this program. First, no state should qualify for a grant if it caps the number of charter schools it authorizes. Adding this requirement would direct more aid to states that are expanding their use of charters.

Second, in addition to the principal eligibility criteria, the application has six weighted priority preferences, through which a candidate can earn extra points in the selection process. The sixth preference, "best practices for charter school authorizing," should be worth double its current weight, and, to receive these points, a state entity should have to demonstrate that its authorizers close failing charter schools, rather than merely implement authorizer training. Currently, the state entity must only demonstrate the extent to which it has taken steps to ensure all authorized public chartering agencies implement best practices for charter school authorizing.

In order to be eligible for these preference points, states with multiple authorizers should also have to develop a clear guideline for authorizer accountability. In particular, it should require that authorizers close any charter school with student scores for academic *growth* that fall in the bottom 10 percent of public schools in the state for three years in a row. Applicants should also be required to have a strong process in place for preventing authorizers with a large portfolio of failing charter schools under their oversight from authorizing new schools. Similarly, applicants

should have a procedure in place for revoking authorizing status from authorizers who fail to shutter consistently failing schools.

In addition to modifying the existing State Entities Program, Congress should create a separate program that awards grants to school districts that partner with nonprofit organizations to take over and redesign district schools, with new staffs. The Texas Education Agency has implemented incentives for districts to create such “partnership schools,” and it is working well. In Texas, the nonprofits selected as partners must have acceptable academic performance and financial ratings for the last three years. When they enter the partnership, they get access to district facilities and better financial deals.⁴

Many urban districts have some form of the partnership model, including Denver, Indianapolis, Philadelphia, Atlanta, San Antonio, Tulsa, New Orleans, Camden, N.J., and Springfield, Massachusetts. The schools in the partnership are given autonomy to control their budgets, staffing, schedules, and learning models. In return, they are held accountable through multiyear performance agreements and replaced if they fail.

A federal grant program could encourage districts to enter partnerships with nonprofits, awarding \$2 million per school for each of the first three years. The first year would be a planning year for the takeover and redesign, followed by two years of operation. Deciding which schools would become partnership schools would be left to the districts.

These grant programs alone would not be as effective as districts redesigning their systems to operate on the pillars of autonomy, accountability, family choice, and diversity of school designs. But they would encourage states and districts to implement strategies that have proven to improve student outcomes more rapidly than any other methods used at scale.

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Endnotes

- 1 David Osborne, *Reinventing America's Schools: Creating a 21st Century Education System* (New York, NY: Bloomsbury, 2017), 1-2.
- 2 "Federal Charter Schools Program (CPS) and Authorizers," National Association of Charter School Authorizers, at <https://www.qualitycharters.org/research-policies/archive/federal-charter-schools-program/>.
- 3 "Awards," Office of Innovation & Improvement, U.S. Department of Education, at <https://innovation.ed.gov/what-we-do/charter-schools/state-entities/awards/>.
- 4 David Osborne and Emily Langhorne, "Texas has Ambitious Plans to Transform Urban Schools," *U.S. News & World Report*, Apr. 13, 2018, at <https://www.usnews.com/news/best-states/articles/2018-04-13/commentary-texas-has-ambitious-plans-to-transform-urban-schools>.



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