



# The Louisiana Recovery School District: Lessons for the Buckeye State

By Nelson Smith

*Foreword by Terry Ryan and Emmy Partin*

January 2012



# Table of Contents

<b>Foreword</b> .....	<b>2</b>
<b>The Louisiana Recovery School District</b> .....	<b>4</b>
Essential background: Why was the RSD created?.....	4
Legal framework.....	5
Performance.....	7
Governance .....	8
Leadership.....	10
Facilities role .....	11
Human capital.....	12
Political support .....	14
<b>What can Ohio learn from the RSD?</b> .....	<b>15</b>
Key differences between OH and LA .....	15
Lesson for Ohio .....	16
<b>Acknowledgements &amp; Author information</b> .....	<b>19</b>
<b>A quick look at other recovery-style districts</b> .....	<b>20</b>
<b>Endnotes</b> .....	<b>21</b>

# Foreword

Is it time for Ohio to take bolder steps toward turning around its most troubled schools and districts? If so, what might the alternatives look like?

Ohio's current patchwork of 610 local school districts, managed by elected school boards (with additional 300+ independently managed charter schools and dozens of vocational schools and county educational service centers), has its roots in the Progressive Era. The belief at the time was that all children needed a decent basic education and the best way to ensure that—and to keep education out of messy, corrupt conventional politics—was by empowering an elected group of civic-minded leaders to run the schools with the help of expert professionals. Columbia University's Gene Maeroff captured that worthy ideal when he wrote, "A local board of education is – in its ideal form – a group of citizen-volunteers who give unselfishly of themselves, usually without remuneration, to look after the affairs of the school system and, by extension, the community."<sup>1</sup>

This system of local control may have worked well in a lot of communities around the U.S. and across the Buckeye State during much of the 20th century, but in recent decades some major urban school districts have fallen into fiscal and academic disaster with elected school boards in charge. (So have schools in a great many smaller places.) Mayors in some of those cities have stepped in to take charge of their public schools. Don McAdams, president of the Center for Reform of School Systems, explains:

The move to mayoral control of urban districts happens not just because policy makers believe education is integral to the success of a city and must be aligned with other functions of city government; it occurs also, perhaps, primarily, because policy makers believe that elected school boards bring personal and special interest agendas to the board table, micromanage, and make it almost impossible for superintendents to manage. Sadly, this is often the case, and one of the reasons such cities as New York, Chicago, Philadelphia, Detroit, Cleveland, and Boston, to name some of the most well-known cities with appointed boards, have chosen this governance model.<sup>2</sup>

Yet mayoral control of the schools is just one option for rebooting schools and districts, fixing them, turning them around, and pulling them out of fiscal and/or academic collapse. States have tried forced mergers of districts, state takeovers, and market competition through charter schools and other choice programs. The federal government has spent many millions on "school turnarounds."

It is hard to revitalize gravely ill schools, however, without tackling the governance arrangements that led them—or at least enabled them—to fail in the first place. And it is clear that many lawmakers, in Ohio and elsewhere, have lost patience with the persistence of dismal schools and districts overseen by troubled elected school boards at the expense of student learning and taxpayer dollars. So have innumerable mayors, business leaders,

and others concerned about academic achievement, institutional productivity, and national competitiveness.

Cleveland's mayor gained significant authority over the schools in 1997 with the hope of turning around the city's long-suffering public-education system, but with little success. Other Buckeye districts have struggled for years to help their children learn—and to operate within their means. Six districts are currently rated Academic Watch (equivalent to a D) by the state (based on their performance through 2010-11), and another eight are on the state's fiscal emergency list. Youngstown, arguably the state's most troubled school district, is being overseen by an academic distress commission appointed jointly by the state superintendent and the district's board president. As academic demands increase and the economy continues to struggle, more Ohio districts may face academic and/or fiscal emergencies.

In looking for alternatives to simply doing more of the same, Ohio policymakers are wise to look at the experiences of other states. Among the boldest and most interesting of these is Louisiana's Recovery School District (RSD), which is accomplishing both significant gains in student achievement and consequential impacts on district-level standards and governance. Its success has already drawn the attention of policymakers in other states and similar entities are now operating in Michigan and Tennessee (see page 20). The RSD has been in business long enough (since 2003) to produce some important lessons for Ohio policymakers, so long as major differences in state contexts are also given due consideration.

This paper asks if and how the RSD concept might be a model for Ohio. We asked Nelson Smith, former president and CEO of the National Alliance for Public Charter Schools, to investigate this question because of his long interest in Louisiana and the Alliance's role in supporting post-Katrina reforms. We are profoundly appreciative of Nelson's work here, and hope this report fosters a long-overdue discussion across Ohio about how to fix troubled schools and districts that have proven incapable of fixing themselves due to broken governance and failed systems of management and operations.

**Terry Ryan,**  
*vice president for Ohio programs and policies*

**Emmy L. Partin,**  
*director of Ohio policy and research*

# The Louisiana Recovery School District

## **Essential background: Why was the RSD created?**

Its name seems to evoke Hurricane Katrina, but the Recovery School District was originally intended for relief from academic, rather than natural, catastrophe. And its story begins well before the floods of 2005.

In 1998, with support from Governor Mike Foster, the Board of Elementary and Secondary Education (BESE) put in place the Louisiana School and District Accountability System. As one of toughest such programs in the nation, its regime of testing and sanctions presaged the federal No Child Left Behind Act of 2002 (NCLB).

Yet the actual performance of the Louisiana public education system remained gravely deficient. New Orleans in particular became a poster child for dysfunction and corruption, its aging physical stock crumbling and enrollment declining by 25 percent between 1995 and 2005 as parents with means left town or placed children in private schools.<sup>3</sup> By 2004, 54 of Louisiana's 73 "academically unacceptable" schools were located in Orleans Parish.<sup>4</sup> However, many more of the Parish's 128 public schools were failing at less dramatic levels: on Louisiana's 2004 high school exit exams, 96 percent of New Orleans Public School students fell below basic proficiency in English and 94 percent fell below basic in math.<sup>5</sup>

The system had eight superintendents between 1998 and 2005, with fractious oversight by the Orleans Parish School Board (OPSB). In July 2005, after an FBI investigation led to 11 arrests of school-system employees, the state hired the corporate-turnaround firm Alvarez & Marsal to run the district's finances. Despite a mild uptick in academic performance in 2005, the city remained an academic wasteland, with 63 percent of its schools rated "academically unacceptable" (compared to eight percent statewide) and a graduation rate of just 56 percent.<sup>6</sup>

Two years before Katrina, the state had taken an important step toward turning around the worst of its underperforming schools. Leslie Jacobs, a businesswoman then serving on BESE, proposed a statewide "Recovery School District" with extraordinary powers that could take control of individual chronically-failing schools. Senator Gerald Theunissen (R-Jennings)\* and Representative Carl Crane (R-Baton Rouge) sponsored enabling legislation that required a constitutional amendment before implementation; it won ratification in the 2003 general election.

Louisiana thus joined a growing movement toward direct state accountability for failing schools. According to the Education Commission of the States, by 2004 there were 29 states that permitted state takeovers of school districts for academic bankruptcy, fiscal mismanagement, and other problems. Twenty-three states provided for takeovers of school buildings.<sup>7</sup>

\* Theunissen ran originally as a Democrat and switched registration in 2000.

# Legal framework

Although the bulk of failing schools were in New Orleans, the RSD was created as a statewide entity aimed at turnaround of schools rather than takeover of districts. Based on Chapter 11 bankruptcy law, it could override existing contracts, including those governing personnel. Schools could be transferred into the RSD if they failed to meet minimum academic standards for four consecutive years and were in a district “academically in crisis” (i.e., with more than 50 percent of its schools rated “academically unacceptable”). Pierre Capdau Elementary in New Orleans was the first school taken over under this authority, opening in August 2004 as a Type 5 charter managed by the University of New Orleans.<sup>†</sup> In early 2005, an additional four schools were taken over and chartered. Two of these opened prior to the hurricane.

Then Katrina hit. After the initial shock, local and state leaders pressed to get schools reopened. Desperate to act but having laid-off teachers and staff to stave off bankruptcy, the Orleans Parish School Board made a surprising move. On October 28, 2005, it approved 20 charters, 13 going to a newly formed Algiers Charter Association, to serve the West Bank area that had escaped most flood damage.<sup>8</sup> The first five of the Algiers charter schools opened on December 15, 2005.<sup>9</sup>

Despite this initiative, however, state officials did not believe that OPSB was up to the task of resurrecting the rest of the city’s schools and looked for a way to put them under state authority. Yet even the stoutest reformers in Baton Rouge were leery of ousting OPSB outright and imposing a literal, legal takeover; it would almost certainly draw a Voting Rights Act lawsuit for diluting the local franchise by eliminating a locally elected body.

## RSD Schools

*One-hundred-twelve New Orleans schools have been placed in the RSD: 5 prior to Hurricane Katrina and 107 after.*

*Sixty-six RSD schools are currently open in New Orleans: 16 direct-run traditional public schools and 50 public charter schools.<sup>10</sup>*

*Elsewhere in Louisiana, the RSD includes*

- *One direct-run and one charter school in Caddo Parish,*
- *Six charter schools and one direct-run school in East Baton Rouge Parish,*
- *One direct-run school in St. Helena Parish, and*
- *One charter school in Pointe Coupe Parish.*

*In addition, 20 schools eligible for placement in the RSD are operating under MOUs.<sup>11</sup>*

*There are currently another 200 schools statewide eligible for RSD intervention over the next four years. That would mean about one-quarter of all Louisiana public schools could be operating under RSD authority.<sup>12</sup>*

<sup>†</sup> Type 5 indicates an RSD charter. Louisiana has a uniquely baffling system of charter classification with different criteria and powers for startups, state charters, and conversions.

However, the constitutional amendment approved in 2003 gave the state another option. In November 2005, the legislature passed Act No. 35, which effectively put New Orleans schools under state control by broadening the criteria under which schools could be transferred into the RSD. Any school (a) with a School Performance Score below the state average and (b) located in an “academic crisis” district was now eligible for transfer. This was a definition broad enough to cover 112 of New Orleans’s 128 public schools, but one that also left open the possibility of RSD takeovers in other communities.<sup>‡</sup>

The RSD actually provided the state with two turnaround alternatives, direct and indirect:

- **Direct:** a school could be assigned to the RSD right away, and would either be directly managed by the RSD or converted to a Type 5 charter school by the state board, with oversight provided by the RSD.
- **Indirect:** the local district could remain nominally in charge, but would be required to execute a Memorandum of Understanding (MOU) containing a “school recovery plan” for each failing school. If the school made the required progress, the MOU would end and the district would retain control. However, if the district failed to comply with the terms of the MOU, or if the school failed to make progress on its school recovery plan during the first year of the agreement, the school could be taken over by the RSD.

There is some disagreement about the merits of the MOU approach. One observer says the threat of takeover, combined with an MOU, did motivate districts to take meaningful action — especially after the state demonstrated its seriousness by following through with a couple of actual takeovers. A second observer strongly disagrees, however, saying that MOUs simply gave districts a “3-year stay of execution,” and allowed them to show test score gains without doing anything in the way of fundamental reform.

<sup>‡</sup> Note that OPBS schools escaping this sweep were higher-performing and largely selective schools, an important fact that should be kept in mind when reading performance comparisons involving district-run schools.

# Performance

Has the RSD succeeded in its central mission “to take underperforming schools and transform them into successful places for children to learn”?<sup>13</sup> A report issued in September 2011 by the Louisiana Legislative Auditor produced very positive findings on that score: “Overall, the RSD is making progress toward improving student performance based on multiple measures of accountability reported by LDOE [the Louisiana Department of Education].” They include the following:

- By fiscal year 2010, 60.3 percent of RSD schools had exited Academically Unacceptable School (AUS) status.
- In New Orleans, the RSD’s Schools Performance Scores (SPS) increased 17.9 percent from fiscal year 2008 to fiscal year 2010.
- The RSD had an average increase of 6.2 points for Growth Performance Scores in fiscal year 2010.
- The average graduation rate for high schools in the RSD increased 19.5 percent from fiscal year 2009 to fiscal year 2010.
- Type 5 Charter schools have shown the greatest amount of improvement based on fiscal year 2010 SPS and Growth Performance Scores.
- Schools operating under MOUs performed better on standardized tests and graduation rates in 2010 than did direct-run RSD schools; however, they trailed Type 5 charters on those measures as well as growth rates.<sup>14</sup>

The auditor did not attribute this trend of strong improvement to lavish spending: with the exception of one-time hurricane-related expenditures, the RSD’s per pupil spending average was \$11,898 in FY 2009 – ranking 21st out of the state’s 57 school districts.<sup>15</sup>

With all this encouraging news, it must be kept in mind that the absolute levels of performance for RSD schools are not yet where they should be. For 2010, these are the SPS levels for each school type:

Type 5 Charter:	70.8
MOU:	64.0
MA: <sup>16</sup>	60.8
Direct-Run:	48.2

The auditor notes that an SPS of 65 or less means that 61 percent of students are performing below grade level.<sup>16</sup> Performance problems are especially concentrated among the RSD’s direct-run high schools. According to the Cowen Institute, all “remain at the Academically Unacceptable level and continue to be the lowest performing schools in the state.”<sup>17</sup>

<sup>13</sup> “School Performance Score” (SPS) is an index measure based mostly on standardized test results.

<sup>16</sup> “Management Agreement” schools are a variant on MOUs, with greater RSD authority to direct school programs.



# Governance

Under statute, the RSD is a special school district overseen by the state Board of Elementary and Secondary Education. It is constituted as an “intermediate educational unit” and its superintendent reports directly to the State Superintendent of Education, who reports to BESE.

With three direct appointments on the eight-member BESE, the governor can have strong influence in RSD affairs. Governor Bobby Jindal, the incumbent since 2007, has taken a personal interest in the RSD (particularly after one of his three appointees “went off the reservation,” as one observer put it.) In the recent statewide election, he gained an additional three regionally elected supporters — including the critical eighth vote needed to confirm his choice of current RSD Superintendent John White as Louisiana’s State Superintendent of Education, which will most likely happen early this year.

**How does it work?** A former RSD official credits BESE with properly recognizing the difference between governance and administration. Despite the occasional dustup and the body’s partisan divide, this official says, BESE has generally left RSD leadership and staff free to make critical decisions about personnel and charter authorization.

For the law’s apparent clarity on its status as special school district, the RSD really falls into a gray area between “district” and “state agency.” There are some advantages to its quasi-agency status and proximity to state power. One interviewee noted, for example, that former State Superintendent Paul Pastorek deployed the RSD as “an arm of the state” by using it aggressively to leverage change in local districts. And as a statewide district with special powers and exemptions, the RSD has unusually wide latitude in providing for school services. For example it can strike cooperative agreements with host districts to piggyback on their services, or bring in providers it has already contracted elsewhere.

Yet the ability to manage schools directly is also encumbered by its unique status. The RSD’s “school board” is BESE, which means that decisions often have to work their way through a state-level political process. Since Louisiana’s state agencies are highly regulated — the better to curb the state’s legendary corruption — decisions are sometimes made at a snail’s pace, limiting the RSD’s ability to be a nimble, responsive manager of schools. (One former RSD administrator, who had worked in a KIPP charter previously, said it took eight months to procure the same Edusoft program he’d gotten in one day at KIPP.)

**Finances** With no taxing power, the RSD funds school operations by receiving both the state and local portions of the state’s Minimum Foundation Formula, plus any federal funding normally eligible to students and schools. Under current legislation, RSD operations are financed through a payment by its schools of 1.75 percent of their per-pupil revenue — similar to the fees charter schools often pay authorizers. It has also received large private donations, including grants from the Broad Foundation and the Bill and Melinda Gates

Foundation. In 2009, it was the largest single recipient of philanthropic dollars in the state, receiving more than \$3.9 million in contributions.<sup>18</sup> The RSD also had a share of three-year FEMA funds, permitting the build-out-of-district functions.

**Exit Strategy** The RSD was initially given five years to accomplish its mission. When the deadline was reached in December 2010, BESE approved a more flexible plan put forward by Pastorek: RSD will stay in business, and schools will continue to be eligible for takeover, each with a five-year term. At the end of that period the RSD must evaluate the school's status. Those that achieve sufficiently strong results for two consecutive years can choose to stay in the RSD or return to a local governing authority. Those that continue to fail can only exit the RSD if their previous district is willing to take them. BESE must approve either the new charter contract or the MOU (if the district will manage the school directly) incorporating plans for turning around the school's performance.<sup>19</sup>

The question of the RSD's own duration is intertwined with another issue: How New Orleans schools will be governed in the long run. Since 2005 there has been hot dispute over returning the city's schools back to local control. Citizens want power back but the terms are unclear. A 2010 poll of New Orleans residents showed strong opposition to mayoral control but also weak support for letting the RSD continue; 70 percent of respondents wanted oversight authority given to a new school board. Nearly three-fifths of respondents opposed returning control to the existing Orleans Parish School Board.<sup>20</sup>

Leslie Jacobs, whose Educate Now! organization convened a diverse task force of community leaders to produce a comprehensive plan for returning the city's public schools to local control, said New Orleans "faces a vital debate over crafting a new and permanent system of local governance – one that both preserves the gains and focuses on addressing remaining weaknesses. As that debate begins in earnest, we should borrow an admonition from the medical profession to 'first, do no harm.'"<sup>21</sup>

# Leadership

As important as the governance structure is, changes in RSD leadership have arguably had a more direct influence on success. At the inception, then-State Superintendent Cecil Picard seemed to view the RSD as one among many bureaus within the state education department, and in 2006 named Robin Jarvis, a capable assistant superintendent, to run it. Although the RSD headquarters were moved out of the department's Baton Rouge headquarters and into offices in New Orleans, it was still very much a creature of the state agency. Jarvis was not given the needed administrative capacity and was soon overwhelmed. When Picard died in early 2007, and Jarvis resigned shortly thereafter, his successor Paul Pastorek appointed former Chicago Superintendent Paul Vallas to head the RSD. Vallas proceeded to create substantial direct oversight capacity, put his extensive political connections and managerial know-how to good use, and in the words of one observer, find “purposeful ways to give up his power” by embracing charter schools.

As the state's education chief, Pastorek saw possibilities beyond New Orleans for the RSD. Prompted not only by Louisiana's own accountability system, but also by the requirements of NCLB, he began approaching districts around the state with a demand that they take action on low-performing schools — backed with a threat to take them over and charter them out through the RSD. Some thought his approach heavy-handed but as one observer put it, “The RSD was the only stick he had. He wanted to do the right thing for kids and didn't want any failing schools!”

**To charter or not to charter** Finally, the elephant in the RSD room is that it has led to a New Orleans in which nearly 80 percent of public education students are in charter schools.<sup>22</sup> The RSD was not intended to create “charter districts” in the Crescent City or elsewhere, but the direction gained momentum as activist leaders saw charters bringing rapid improvement. One observer pointed out that Vallas was not much of a charter advocate at first — but turned to them in a massive way after getting frustrated with the slow pace of change in schools that had been taken over by the state and managed directly by the RSD.

## Facilities role

While the primary goal of the enlarged RSD was to pull schools out of academic failure, it was also given a major role in rebuilding the physical infrastructure of the district, many of which were badly deteriorated before the floods but now included at least 100 buildings that were damaged or destroyed by the hurricane. Under Act 35, the RSD was given use of buildings for schools it acquired, as well as responsibility for maintenance, but ownership and responsibility for major renovation projects remained with OPSB.<sup>23</sup> After the RSD managed a post-Katrina “Quick Start” initiative designed to construct or renovate six schools in New Orleans, State Superintendent Paul Pastorek called in 2007 for a full-scale facilities planning process with broad community input, done cooperatively by the RSD and OPSB.

The resulting 2008 Master Plan called for reconstruction on a startling scale. Vallas negotiated a path-breaking settlement with FEMA, enabling the agency’s funds to serve as the core of a \$2 billion pool (including insurance proceeds and Community Development Block Grants) for school construction and renovation.<sup>24</sup>

The plan was not only mammoth in size but also audacious in its approach. Pastorek said the Master Plan “considers all public schools in New Orleans, without regard to governance....We’re not building schools for the OPSB (Orleans Parish School Board), we’re not building schools for the RSD (Recovery School District), nor are we building schools for charters. We are building schools for the city of New Orleans.”<sup>25</sup> Allocation of actual building space to each school type would be done on a rolling basis.

This was arguably the first time that a state had treated all public schools alike in a major facilities program — rather than funding district work through a capital budget and charter construction through a separate (and almost always inadequate) line-item in the operations budget.<sup>††</sup>

<sup>††</sup> There is no direct funding for charter facilities in Louisiana, but they can finance buildings through three-year loans from a Charter School Start-up Fund and also have access to tax-exempt financing through the Louisiana Public Facilities Authority.

# Human capital

Because it operates in different labor markets and oversees different kinds of schools, the RSD has a complex human-capital challenge. Its charter schools essentially find their own talent, and tend to hire younger staff who come through Teach For America (TFA) and other alternative talent programs. Direct-managed turnarounds are typically led by veteran educators who hire experienced teachers; one observer notes that these seasoned local leaders have produced some of the strongest successes among direct-managed schools. Outside New Orleans, the RSD has had little luck recruiting top-notch charter operators — and some of the districts operating under MOUs have put up fierce resistance to TFA and other providers that don't use “home-grown” talent.

**The critical role of nonprofits** The unprecedented decentralization of governance in New Orleans has demanded a wholly new, non-governmental approach to support and services, particularly in the personnel area. An extraordinary network of nonprofit providers now supplies staffing, technology support, and back-office functions. The most important is New Schools for New Orleans (NSNO), founded in early 2005, which performs an especially critical service as intermediary between charter (and other public) schools and sources of staffing talent such as Teach For America, the New Teacher Project, and New Leaders for New Schools.

NSNO created a charter incubator early on, but as existing networks have expanded, the organization has shifted focus. About 80 percent of its charter expansion work now centers on replication of established models. One NSNO official says even as the missionary zeal of the post-Katrina years fades, he is not overly concerned about the talent pipeline looking forward; as great organizations grow, he says, talented people will come — because they want to work in great organizations. He notes that the leading CMOs operating in the Crescent City are still getting 20-30 resumes for each vacancy, and that the larger human capital challenge is to create a longer-term development strategy to help retain this current blend of young and veteran educators.

**Other kinds of human capital** Not all of the critical “human capital” went to work in classrooms and principals' offices in the wake of the hurricane; newly autonomous schools also had a serious need for MBAs to serve as business managers. New Orleans became a magnet for social entrepreneurs of all stripes, who joined with local educators to propel the reform effort. Matt Candler, COO of the New York City Charter Resource Center, became COO of New Schools for New Orleans; Jon Schnur, the former Clinton aide who created New Leaders for New Schools, moved his family to New Orleans to devote full time to the city's needs. Nash Crews left Senator Mary Landrieu's DC office to join the Cowen Institute, a think tank housed at Tulane University that informs and advances solutions to the city's K-12 education problems, and now directs policy for the RSD.

One exceptionally smart move made by BESE was recognizing at the outset that it and the RSD lacked internal capacity and expertise to run a large-scale chartering operation. So they hired the National Association of Charter School Authorizers (NACSA) to manage the charter selection process in 2005, and each round since. More of a professional society than a trade association, NACSA has codified “Principles and Standards” of effective charter authorizing and put them to good use in creating a rigorous evaluation process that has selected only the strongest new charters awarded each year.

## Political support

In Katrina's wake, the need for immediate action fostered an unusual coming-together of parties and factions. One observer says that a few of the leading Democrats in the state felt "set free" because the teacher union was essentially out of commission, adding that there was a kind of "honeymoon" among leading Democrats on the state board that lasted until Pastorek tried to export the RSD to the rest of the state: "His proposals would still win, but by 6-5 instead of 9-2."

What has really sustained five years of support for the RSD, observers say, is its success in creating new opportunities for students, schools, and communities. Support is weakest in the cities outside of New Orleans, where RSD schools have fared the worst.

Certain aspects of the RSD's design also helped garner support. One former state official notes that leadership of converted charters by veteran Louisiana educators helped build a political base by demonstrating that this reform was not being driven by "a lot of 25-year-old white kids from out of state."

# What can Ohio learn from the RSD?

## Key differences between Ohio and Louisiana

At the outset, let's stipulate four important differences that must be kept in mind when trying to apply Louisiana lessons in Ohio.

- **Katrina:** Louisiana suffered unprecedented devastation in 2005. The galvanizing impact of Katrina and the levee failures cannot be overstated; they literally wiped away the New Orleans public school system and required fundamental and immediate reframing of the political, economic, and educational life of the city and state, including expansion of the Recovery School District. By contrast, Ohio's schools have suffered slow and protracted decline. How would state leaders muster the sense of urgency needed for sweeping change?
- **Funding:** As noted above, the daily operations of RSD schools cost about the norm for Louisiana districts. But the "one-time" turnaround costs have provided huge help. After Katrina, the state got an influx of federal funding for general recovery as well as \$20 million from the federal Department of Education to start charter schools. The long-delayed settlement of flood claims against FEMA produced \$1.8 billion that will largely fund the 2008 facilities master plan. These are formidable sums under normal conditions, and especially so at a time of recession-strapped state budgets, like Ohio's.
- **Collective bargaining:** The November 2011 elections were a forceful reminder that Ohio is a strong union state. Its collective bargaining statute covers teachers (but not principals), includes arbitration procedures, and allows public-employee strikes.<sup>26</sup> Louisiana has no state collective bargaining laws. There is a statewide teacher union, but contracts are strictly between local school boards and their staffs, with no enforcement or protection at a higher level. United Teachers of New Orleans was a powerful force in pre-Katrina New Orleans. But its contract was with the Orleans Parish School Board, and after Katrina the union was hobbled when the school board laid off its entire workforce.<sup>27</sup>
- **Ohio's charter history:** Louisiana had a very slow start in charter schooling. Its 1995 charter law (later amended) was a pilot program allowing just eight locally chartered schools. So when expansion of the RSD accelerated the state's chartering role, it did so on a nearly blank slate — and was a terrific success. By contrast, the Ohio Department of Education (ODE) was initially the state's predominant charter authorizer, and sharp criticism of its practices by the state auditor led the legislature to terminate its sponsorship role in 2003.<sup>28</sup> A number of poorly performing charter schools authorized by ODE are still open, further complicating any initiative that would include charter-based turnarounds. This background would provide critics of a state-run initiative plenty of fodder; as would the recent change in state law that yet again makes ODE a charter authorizer despite its troubled history in this realm.



# Lessons for Ohio

That said, below are some recommendations and “lessons learned” that emerged from a review of RSD history and conversations with some of those who shaped it.

**Decide on the right target for intervention** As a “district,” the RSD technically took over schools — but it actually supplanted New Orleans’ local school board as the dominant operator of the city’s public education system, and created its own administrative structure. In other parts of the state, the RSD has taken a much smaller set of schools — and even when it took a substantial number, the local district still managed enrollment, finance, and transportation.

Ohio has multiple large cities, each with a unique set of problems and capacities (talent, philanthropy, business sector organization). The state could seek takeover of a few low-performing schools in each; it could go after a larger swath of schools in one or two cities; or it could create a broader strategy where intervention was possible in any low-performing school whether urban, suburban, or rural.

**Create enough capacity** — and the right kind. RSD has gone through three phases: first existing as an understaffed bureau of the state education department; then as a more conventional “district,” with a peak personnel roster of about 225 directly managing curriculum and staffing in its non-chartered schools; and now, as a “portfolio manager” in which staffing is actually being reduced and retargeted to fit a more tightly-defined role, providing oversight and accountability for highly autonomous schools rather than direct management in the mode of a traditional district.

However Ohio approaches this task, the functions of a turnaround agency must be well-supported and adequately insulated from the “business as usual” functions of the state education agency.

One former RSD official went so far as to suggest that Louisiana would have been better off if the RSD had been created as a nonprofit organization — essentially having one big charter to sweep in and turn around dysfunctional schools — than as a government agency. That might have avoided all of the bureaucratic sluggishness that impedes performance in the direct-run schools, and could be an option worth pondering in Ohio.

**Be realistic but aggressive on human capital** The RSD benefitted from having a surfeit of unemployed veteran teachers and school leaders, as well as an influx of mission-driven entrepreneurs. Without these assets, how would Ohio staff turnarounds? What incentives might be offered for high-performing charter networks to expand in the state (keeping in mind that few nonprofit networks venture outside their original states)? What kind of screening would be done for CMOs and EMOs to ensure that eagerness was matched by capacity? Would something like New Schools for New Orleans or the Indianapolis-based Mind Trust — which empowers education entrepreneurs to develop solutions to K-12 education challenges — be needed to create a magnet for new talent?

Keep in mind that New Orleans was hardly a Mecca for venturesome educators before Katrina. The urge to help a struggling city surely drew them at first, but structural and governance changes created fresh opportunities that allowed them to succeed. By freeing innovators to create and turn around schools, Ohio could also become a hot destination for the nation's education entrepreneurs.

Ohio should also step up efforts to cultivate the best of local talent, including strong alternative-certification program; incentives aimed at getting the state's most capable educators to take on the toughest classrooms; and given the strength of Ohio's unions, serious outreach to bring them the table, sharing both the burdens and the credit.

**Leadership matters** This is true from the starting line on. The RSD wouldn't have been created without the vision and insistence of former BESE member Leslie Jacobs. It couldn't have succeeded without a superintendent like Paul Vallas, who was willing to be a bull in a china shop. Perhaps the key player was state superintendent Paul Pastorek, an attorney and former federal official whose acute bias for action is summed up in a direction he often gave to staff "Yes, if rather than No, because!" In other words, look for a way to make it happen, with the right conditions, rather than finding an excuse for inaction.

Someone needs to play the charismatic insurgent, a la Jacobs; someone needs to lead both the state agency and the "RSD" itself with vision and a non-excuses attitude. And of course, legislative champions must first be found.

**Balance urgency and prudence** A number of Louisiana observers urged that Ohio start modestly and get it right from the outset. Although RSD's New Orleans operation is still perceived by some as an overnight success, it's actually taken 10 years to put 50 charters on the map there. NACSA's president Greg Richmond recalls the consternation of some on BESE (and in the charter community) when his organization recommended approval for just 6 of 40 charter applications filed with BESE in 2005. But, he says, the RSD faced a stark choice: "Go fast and fail, or go slow and succeed." Former RSD deputy superintendent Kevin Gutterrez strongly recommends that turnaround leaders be given a "Year Zero" – a year of lead time in which to plan, observe, and even move into a school they will take over subsequently.

One charter leader put it this way: "There are always some operators willing to step in and open schools right away – and these are exactly the operators you don't want." Several observers noted that New Orleans has had an especially disappointing time with for-profit charter managers who have the infrastructure to come into the state and start fast, but who do not fully understand the local circumstances and culture. Contracts with three of five for-profit operators have been terminated by their schools' trustees.<sup>29</sup>

When every instinct demands action now, and when kids' lives are at stake, it's hard to put the brakes on. Creating the program demands a full-bore effort — but actually turning schools around demands patience and persistence.

**Match systems to scope** If the state initiative takes over substantial portions of districts, it will mean rethinking the infrastructure as well as the classroom. When John White became RSD superintendent, he created a series of task forces that consulted with the New Orleans community over a 100-day period, producing 12 “Commitments” the RSD would make to New Orleans.<sup>30</sup> Many were aimed at defusing growing criticism that the RSD was allowing inequities to persist in special education, facilities, accountability, and access to services. One observer said that for the extraordinary progress made under Vallas, there was a lot of triage going on — and these “enterprise-wide” services and structures are just now getting the needed attention as the RSD enters a sustaining phase.

**Remember how it looks to the customer** A recent Education Next commentary depicts Louisiana’s emerging public education system as paragon of checks and balances: “[T]he dynamic tension among schools was built into the system’s new polycentric administrative structure. The old apparatus of central control had not, as in other cities, merely been tweaked in the name of reform; it had been scrapped....[N]o single apparatus of power—not OPSB, RSD, or the charter schools and charter management organizations that answered to them and to the Louisiana Board of Elementary and Secondary Education (BESE)—could assert hegemony and dominate the others.”<sup>31</sup>

Yet for parents, the new arrangements are a crazy-quilt. It’s hard to get information from the various agencies and parents may crisscross the city dropping off applications for their kids. NSNO has spearheaded distribution of the New Orleans Parents’ Guide to Public Schools created by the New Orleans Parent Organizing Network. And one timely RSD “Commitment” is to produce a citywide enrollment system common to all public schools by next year.

If Ohio chooses to launch a statewide turnaround effort, it should obtain plenty of guidance and feedback, in real time, from parents and local officials who see the results not on a spreadsheet but in their homes and schools and neighborhoods.

**About the author:** Nelson Smith is an education policy consultant whose background includes management positions in the U.S. Department of Education, the New York City Partnership, and New American Schools. From 2004 to 2010, he served as the founding President and CEO of the National Alliance for Public Charter Schools.

**About the Institute:** The Thomas B. Fordham Institute is a nonprofit organization that conducts research, issues publications, and directs action projects in elementary and secondary education reform at the national level and in Ohio, with special emphasis on our hometown of Dayton. It is affiliated with the Thomas B. Fordham Foundation, and this publication is a joint project of the Foundation and Institute. For further information, please visit our website, [www.edexcellence.net](http://www.edexcellence.net) or write to the Institute at 1016 16th Street, NW, 8th Floor, Washington, DC 20036. This report is available on the Institute's website. The Institute is neither connected with nor sponsored by Fordham University.

**Acknowledgements:** The author wishes to thank the Thomas B. Fordham Institute for requesting this report, and all those who agreed to be interviewed, including Matt Candler of 4.0 Schools; Kevin Gutterrez and Gary Robichaux of ReNEW Charter Schools; Leslie Jacobs of Educate Now!; Neerav Kingsland of New Schools for New Orleans; Greg Richmond of the National Association of Charter School Authorizers; and John White, superintendent of the Louisiana Recovery School District.

Thanks also to Andy Kittles for his outstanding design work and Fordham Institute intern Adrienne King for her skillful copy-editing and other assistance.



**Thomas B. Fordham Institute**  
37 W. Broad Street, Suite 400  
Columbus, Ohio 43213  
614-223-1580  
614-223-1494 (FAX)  
[www.edexcellence.net/ohio-policy/](http://www.edexcellence.net/ohio-policy/)

## **Michigan's Educational Achievement Authority**

Unveiled in June 2011, the Educational Achievement Authority (EAA) resembles the RSD in many respects. The lowest-performing five percent of Michigan schools, operating in a district under an emergency manager, qualify for admission. This language is clearly aimed at Detroit, with 39 of its schools qualifying at the time of passage.<sup>32</sup> The emergency manager for Detroit public schools can designate Detroit schools into the EAA; outside Detroit the decision is made by the state superintendent of education.

There was no specific plan for turning EAA schools into charters at the outset — possibly because the state had a tight cap on charter growth until Governor Rick Snyder signed legislation removing it in December 2011. But the plan calls for use of charter-like methods in its schools, including a high degree of autonomy. While the EAA will negotiate a single labor contract for all staff of schools, principals will have direct authority to staff their own schools. The Authority intends to push 95 percent of spending to school sites, in contrast to the 55 percent that now reaches them through Detroit Public Schools.<sup>33</sup>

Schools will remain in the EAA for five years. At that point they will be evaluated and those that meet performance standards will have the option to return to district governance, remain in the EAA, or seek a charter to operate independently.

The governance structure is quite different from the RSD, however. Michigan's recovery district was authorized with the state's Race to the Top legislation in 2009 as a joint venture between Detroit Public Schools and Eastern Michigan University, which under Michigan law is one of 10 higher-education institutions that authorize the bulk of that state's "public school academies" or charter schools. The Authority is governed by an 11-member board, with 2 members appointed by DPS, 2 appointed by EMU, and 7 appointed by the Governor. The 5-member Executive Committee is chaired by Roy Roberts, the state's emergency manager for Detroit Public Schools. The Chancellor of the Authority (John Covington, former superintendent of Kansas City (MO) schools), was hired by the Executive Committee.

The original plan was for the first schools to open under EAA authority in September 2012, solely in Detroit, with the first non-Detroit schools opening the following year. However, Covington has indicated that he might try to include some non-Detroit schools in the first year.<sup>34</sup>

## **Tennessee's Achievement School District**

Inspired by the RSD, Tennessee included a similar turnaround district in its state plan for the Race to the Top competition; it was one of two states (the other being Delaware) that won federal grants in the first round. Launched in May 2011, the Achievement School District (ASD) has been headed since August by Chris Barbic, founder of the acclaimed YES Prep charter school network in Houston. He reports directly to the State Education Superintendent Kevin Huffman.

The plan provides three types of takeover strategies for designated schools:<sup>35</sup>

- New Start is a charter to be opened near an ASD-eligible school. No students are assigned to a New Start school; they must affirmatively choose it.
- Phase-In schools will take over an existing ASD-eligible school gradually, beginning with one or several grades and eventually serving all grades. Students will be assigned to Phase-in schools as their default neighborhood option, and will need to opt out if they wish to attend a different school.
- Takeover means that the underperforming school goes out of business and a new operator assumes responsibility immediately for all students and grades. Students will be assigned to the school as their default option, but can opt out.

ASD schools will be operated as a mix of charter and direct-run schools; it is co-managing the five schools already identified. The District is first seeking a pool of potential operators and will make assignments to particular schools once performance ratings have been published for the 2011-2012 school year. One advantage Tennessee enjoys is the existence of a statewide Charter School Incubator. Launched in 2009 with leadership from Nashville mayor Karl Dean, the Incubator is now headed by Greg Thompson, former Education Program Director for the Hyde Foundation. Although entirely separate from the ASD, the Incubator can be an important ally for the ASD by helping prepare strong operators for schools in need.

# Endnotes

- <sup>1</sup> Gene I. Maeroff, *School Boards in America: A Flawed Exercise in Democracy*. (New York: Palgrave Macmillan, 2011), p. 1.
- <sup>2</sup> Donald R. McAdams, *What School Boards Can Do: Reform Governance for Urban Schools*. (New York: Teachers College Press, 2006), p. 10.
- <sup>3</sup> Boston Consulting Group for the Cowen Institute: *The State of Public Education in New Orleans*. June 2007, p. 8.
- <sup>4</sup> Louisiana Department of Education: "Seventy-five schools must offer 'choice.'" Press release, August 9 2004. [http://www.doe.state.la.us/offices/publicaffairs/press\\_release.aspx?PR=559](http://www.doe.state.la.us/offices/publicaffairs/press_release.aspx?PR=559)
- <sup>5</sup> New Schools for New Orleans: *A Brief Overview of Public Education in New Orleans 1995-2009*. [http://newschoolsforneworleans.org/downloads/nsno\\_nolapubedfacts.pdf](http://newschoolsforneworleans.org/downloads/nsno_nolapubedfacts.pdf)
- <sup>6</sup> *Ibid.*, p. 10
- <sup>7</sup> Education Commission of the States: State Takeovers and Reconstitutions. Updated March 2004.: <http://www.ecs.org/clearinghouse/51/67/5167.htm>. (Contains lists of states and statutory references for each type of takeover.)
- <sup>8</sup> Kathryn G. Newmark and Veronica Ruggy: "Hope after Katrina: Will New Orleans become the new city of choice?" *Education Next*, Vol. 6 No. 4, Fall 2006. <http://educationnext.org/hope-after-katrina/>
- <sup>9</sup> "History of ACSA," Algiers Charter Schools Association website: <http://www.algierscharterschools.org/about/history.jsp>
- <sup>10</sup> Frequently Asked Questions": RSD Website: <http://www.rsdl.net/Resources/FAQs.aspx>
- <sup>11</sup> " *Ibid.*
- <sup>12</sup> Tulane University, Cowen Institute for Public Education Initiatives: *The Recovery School District: Louisiana's Accountability System*. May 2011, p. 1
- <sup>13</sup> *Louisiana Department of Education Recovery School District: Performance Audit*. Louisiana Legislative Auditor, September 14, 2011, p. 4. [http://app1.la.state.la.us/PublicReports.nsf/D3DA90B0E65CE0028625790A005C2504/\\$FILE/00021FC7.pdf](http://app1.la.state.la.us/PublicReports.nsf/D3DA90B0E65CE0028625790A005C2504/$FILE/00021FC7.pdf)[http://app1.la.state.la.us/PublicReports.nsf/D3DA90B0E65CE0028625790A005C2504/\\$FILE/00021FC7.pdf](http://app1.la.state.la.us/PublicReports.nsf/D3DA90B0E65CE0028625790A005C2504/$FILE/00021FC7.pdf)
- <sup>14</sup> *Ibid.*, p. 18ff.
- <sup>15</sup> *Ibid.*, p. 2
- <sup>16</sup> *Ibid.*, p. 7
- <sup>17</sup> Cowen Institute, *op. cit.*, p. 26.
- <sup>18</sup> The Foundation Center: Top 50 Recipients of Foundation Grants in the State of Louisiana, circa 2009. [http://foundationcenter.org/findfunders/statistics/pdf/03\\_fund\\_geo/2009/50\\_recip\\_states/r\\_la\\_09.pdf](http://foundationcenter.org/findfunders/statistics/pdf/03_fund_geo/2009/50_recip_states/r_la_09.pdf)
- <sup>19</sup> Cindy Chang: "BESE approves Pastorek's plan for the future governance of New Orleans public schools." *New Orleans Times-Picayune*, 12/9/2010. [http://www.nola.com/education/index.ssf/2010/12/bese\\_approves\\_pastoreks\\_plan\\_f.html](http://www.nola.com/education/index.ssf/2010/12/bese_approves_pastoreks_plan_f.html)
- <sup>20</sup> Cowen Institute, Tulane University: *The 2011 State of Public Education in New Orleans*, p. 4 <http://www.coweninstitute.com/wp-content/uploads/2011/07/2011-SPENO-report.pdf>
- <sup>21</sup> Leslie Jacobs: "Student Enrollment Continues to Rise; Almost 80% at Charters." *EducateNow!* blog, Nov. 1, 2011. <http://educatenow.net/2011/11/01/student-enrollment-continues-to-rise-almost-80-at-charters/?ref=titl>
- <sup>22</sup> " *Ibid.*
- <sup>23</sup> Recovery School District Law: Act No. 35. First Extraordinary Session, 2005HOUSE BILL NO. 121, Para. 1990(4)(a) (Full texts of LA charter law and Act 35 can be found at: <http://www.scribd.com/doc/57388325/10/APPENDIX-2-%E2%80%93RECOVERY-SCHOOL-DISTRICT-LAW-ACT-35>)
- <sup>24</sup> Dawn Ruth: "Grading Paul Vallas." *New Orleans Magazine*, September 2010. <http://www.myneworleans.com/New-Orleans-Magazine/September-2010/GRADING-PAUL-VALLAS/>
- <sup>25</sup> Louisiana Department of Education: "School Officials Unveil Draft Blueprint To Rebuild Schools in New Orleans." Press release, August 18, 2008.
- <sup>26</sup> Ohio code, Ann. 4117.01 et seq.
- <sup>27</sup> Wikipedia: "United Teachers of New Orleans." [http://en.wikipedia.org/wiki/United\\_Teachers\\_of\\_New\\_Orleans](http://en.wikipedia.org/wiki/United_Teachers_of_New_Orleans)
- <sup>28</sup> Thomas B. Fordham Institute, National Alliance for Public Charter Schools, and National Association of Charter School Authorizers: *Turning the Corner to Quality*. October 2006, p. 9
- <sup>29</sup> Sara Carr: "Some charter schools cutting ties with for-profit partners." *New Orleans Times-Picayune*, 4/24/09. [http://www.nola.com/news/index.ssf/2009/04/some\\_charter\\_schools\\_cutting\\_t.html](http://www.nola.com/news/index.ssf/2009/04/some_charter_schools_cutting_t.html)
- <sup>30</sup> *What Will It Take? The Recovery School District's Commitments to New Orleans*. RSD Louisiana, 2011: [http://www.rsdl.net/Libraries/Documents\\_and\\_Reports/What\\_Will\\_it\\_Take.sflb.ashx](http://www.rsdl.net/Libraries/Documents_and_Reports/What_Will_it_Take.sflb.ashx)
- <sup>31</sup> Jed Horne: "New Schools in New Orleans." *Education Next*, Spring 2011 Vol. 11, No. 2. <http://educationnext.org/new-schools-in-new-orleans/>
- <sup>32</sup> Eastern Michigan University: Education Achievement Authority: Frequently Asked Questions. <http://www.emich.edu/ea/faq.php>
- <sup>33</sup> *Ibid.*
- <sup>34</sup> Lori Higgins: "State district for failing schools may expand past DPS sooner than expected." *Detroit Free Press*, December 4, 2011. <http://www.freep.com/article/20111205/NEWS05/112050321/State-district-failing-schools-may-expand-past-DPS-earlier-than-planned?odyssey=mod%7Cnewswell%7Ctext%7CFRONTPAGE%7Cs>
- <sup>35</sup> Tennessee Achievement School District: Charter Application, 2012-2013 school year: <http://www.tn.gov/firsttothetop/doc/TNASDRFQNewOperators080111.pdf>