The Nelson A. Rockefeller Institute of Government

Charter Schools in Albany:
The Brighter Choice Experience

A Public Policy Forum

Presented by
Thomas W. Carroll

Respondents:
Sandra Vergari
Allison Armour-Garb

February 13, 2008

Robert Ward:

Good morning. Thank you for coming. The Rockefeller Institute is going to be doing a series of three forums this year on charter schools, both what's happening in the state and what's happening nationally. We thought that it would be a great idea to start with a look today at what's going on in Albany. The charter school movement is at an important point nationally and here in New York. As everyone here knows, last year Governor Spitzer and the legislature passed a law allowing up to 200 charter schools in New York, raising the cap from what had been 100 originally.

This year is the tenth year of the enactment of the Charter Schools Act by Governor Pataki and the Legislature. Over those ten years, what was once described as an experiment in education and reform has become an established part of the public school landscape. The

State Education Department website lists 96 operating charter schools in the state currently. Nationally, according to the U.S. Department of Education, about one million students attend charter schools. We have something in the range of 30,000 statewide.

In New York we have a couple of dozen proposals for new schools that have already been approved that will open either this coming fall or thereafter. In New York City, the United Federation of Teachers is operating two charter schools, and representing employees at half a dozen or so others.

Saying that charter schools are well established doesn't mean that the acrimony that has characterized the debate over charter schools is over. We'll continue to have discussions and debates about student achievement, accountability, costs, and other things. That's good, from our perspective. So, here at the Rockefeller Institute, we want to contribute to that discussion and provide, hopefully, something of a neutral ground where people can come and hear a variety of perspectives.

Last year we hosted a forum with Judy Doesschate of the Albany City School Board and Bill Lake of the SUNY Charter Schools Institute; the transcript of that discussion is on our website and I recommend it to you if you weren't able to make that event.

Today we scheduled not a debate, but an effort to understand something important that's happening here in Albany that I think, to a lot of people, is not well known or well understood. The Albany City School District is home to one of the highest concentrations of charter school enrollment in the country, some 20 percent of public school students currently and likely to rise to 30 percent or more over the next couple of years.

One thing that's particularly extraordinary here in Albany is the influential role of the Brighter Choice Foundation, which is providing key financial and managerial support to eight of the nine operating charter schools within the city.

Thomas Carroll, our primary speaker today, is founder and chairman of the Brighter Choice Charter Schools in Albany, as well as chairman of the Brighter Choice Foundation. Tom played a key role in the drafting and adoption of New York's Charter Schools Act. He is also chairman of the Foundation for Education Reform and Accountability. Tom is going to describe that Brighter Choice experience in Albany and offer his thoughts on the future of the charter school movement and its relationship to the traditional public schools.

After Tom speaks, we'll hear from Sandra Vergari, associate professor at the University at Albany's Department of Educational Administration and Policy Studies. She is editor of The Charter School Landscape, and I'll say more about her a bit later.

We'll also hear from my colleague, Allison Armour-Garb, who is director of education studies here at the Rockefeller Institute.

They'll offer some comments of their own, perhaps engage in a little back and forth with Tom, and then we'll have some time for questions from the audience. Right now, please join me in welcoming Tom Carroll.

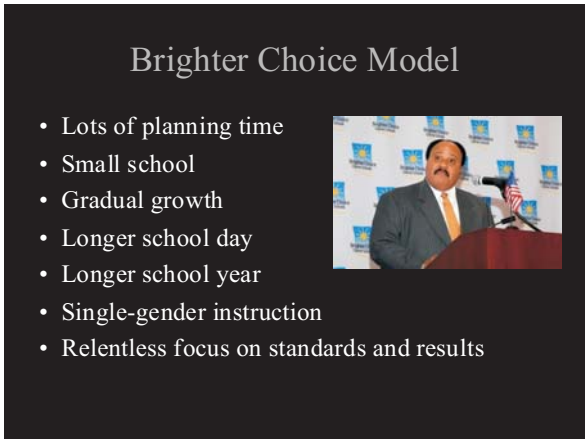
Tom Carroll:

I appreciate the opportunity to be at the Rockefeller Institute, but particularly at this moment in the history of charter schools, because I think it's a very interesting time. Obviously, the charter school law itself has been around for ten years, as Bob indicated. Brighter Choice itself has been open for six years.

The starting point for me, in terms of the Albany activity and in the terms of Brighter Choice, was the opening in September 2002 of two charter schools, the Brighter Choice Charter School for Girls and the Brighter Choice Charter School for Boys. As the names suggest, the boys and girls are separately educated. We were the 11th and 12th single sex schools in the entire country in a public school setting. So, that was one of the first innovations.

I think it's important to understand the context, because a lot of movement has occurred over the last six years. We can get into actual statistics later in the Q and A. But, generally speaking, anyone other than the district would agree that at the time the district generally, with a few exceptional schools, for example, Albany School of Humanities (ASH) and Public School 19, overall was one of the lowest performing school districts of its size in New York State, according to a State Education Department study.

By the district's own admission, it has labored under a large racial achievement gap over this entire time period. The only charter school in this market, and this makes it somewhat unusual as a charter school market before we started, was a single charter school, New Covenant, which I think by most accounts, and certainly mine, has been a spectacular failure almost from conception.



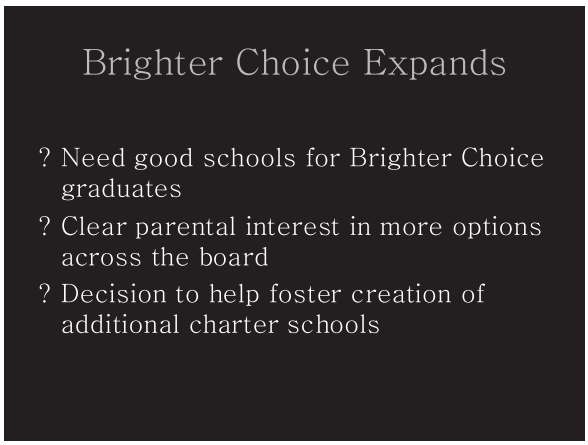
And one of the things that formed the founding of the two Brighter Choice schools was the lessons that could be drawn from the New Covenant experience. We took about two years to open the school. We decided to have it as a small school setting. We still have the two smallest elementary schools in the entire city. We also decided early on not to hire any outside management companies, so that all decisions could be made by the faculty and the school leader within the building. And we think those are very important components of the school.

Now, at the same time we have some features that, in the context of the school district at that time and to some extent even today, were unique for when parents were shopping for schools. One had, at the time, the longest school day and the longest school year.

We also offer a broad, classical liberal arts education with an extensive amount of time on visual and performing arts, which is more akin to what you normally see in a private academy than in an urban district school. In fact, for those of you who watch "The Today Show," the Brighter Choice Charter School for Boys will be featured for their performing arts program and an opera venture they were involved with in New York City this coming Monday morning.

From a management perspective, an important thing we've done from the beginning is have a relentless focus on data and results. We viewed no element of the design sacrosanct from a reality check. We had a lot of theories when we started and one of the things we try to do is to constantly look at the actual data to see how the school is proceeding and if anything needed to be tinkered with. We changed, for example, the day schedule within the school and the relative amount of times for various subjects have been changed 12 or 13 times since

we first opened our doors. Imagine trying to have that kind of flexibility or change in a district context, and it would be a pretty unusual event for sure.



Now, one of the things we were asked from the very first day we opened, the parents wanted to know that when their kids graduated from Brighter Choice, which is a kindergarten through fourth grade elementary school: Where were the kids going to go from there? So, that is something we had given a lot of thought to. At the time we had questions. Do we march forward into the middle school grades and in a sense become a K-8 school? Or, do we take a deep breath and really work on what we thought were the formative stages of nailing what we did at the elementary level?

And at the time we decided that we needed a little more time to refine what we were doing at the elementary level. And once we had that nailed, we could reconsider that question, which we're doing at the present time.

We then looked around and said, "Well, there has got to be somebody who runs good middle schools, or certainly better than the middle schools that are here locally. Is there a way we could incentivize those people with the resources that we had at the Brighter Choice Foundation to come in and run a middle school, instead of us running a middle school at the time?"

So, we went around and literally searched out the best middle schools in the country. And then as we were talking, as we continued to talk with parents, because we have a fairly considerable parental outreach in the city, it became clear to us that the demand for schools was much more than just finding a solution to our problem, which is what to do with our graduates, since none of them wanted to go back to the district schools.

And so, we decided as an institution, the Brighter Choice Foundation, to then create a broader school choice environment to the extent that we could support one within the City of Albany. We decided what that meant was that we were not going to run other schools, be-

cause Brighter Choice Charter Schools was certainly enough to keep us busy. But, if other people were willing to step forward and run schools, that we could play a supportive role.

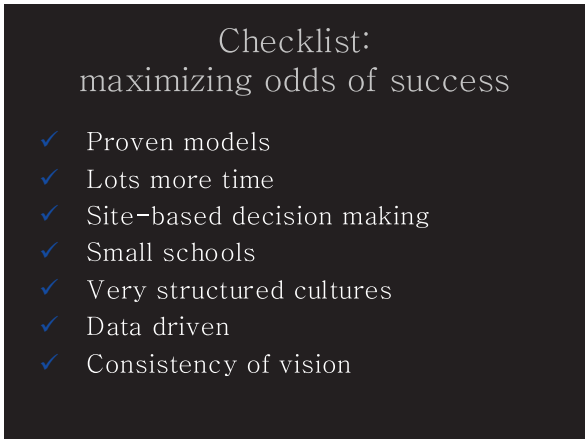
There were a lot things that we had learned along the way. We had the financial capital, and we had the reputation with lenders and other people in the community that we could expedite or facilitate the creation of charter schools in a much more effective way than if these charter schools were opening just randomly without any adult supervision, if you will.

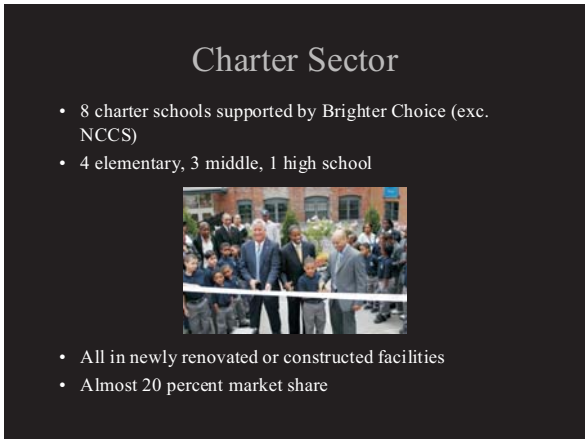
So, we came upon a kind of a new revised mission for the Brighter Choice Foundation. We started out literally as the fund-raising arm of just the two Brighter Choice Charter Schools, and then decided to become a support organization for charter schools, specifically in the City of Albany, which is the city where we had the most social capital.

And while we were thinking through this, we spent a lot of time drawing on insights we got from the New Covenant failure, and insights we drew from the success of the two Brighter Choice schools. And what were/are the ingredients that will maximize the chances of success? We weren't interested in supporting any school that came along or any old school model, but we realized from the research we had done that there certain common characteristics of success schools, be they charter schools or district schools.

So, these are the criteria that we came up with (see chart on next page), with a big focus on small school settings, a proven track record, and a heavy reliance on the use of data, as a way to inform instruction and to drive continuous improvement.

So, now to fast forward to the present time, eight charter schools beyond New Covenant have been approved for a total of nine. We are supporting, one way or the other, the other eight other than New Covenant. There are four elementary schools we support, three middle schools, and one high school, which will open September 2008. And for anybody who has been there, the Knowledge Is Power Program (KIPP) Tech Valley Charter School is a new building in Arbor Hill that's two-thirds done.





So, as Bob indicated, the market share by our estimates and by the district estimates is that approximately 20 percent of the public school students in Albany are in charter schools. There are cities in the country that have higher shares — Milwaukee, Dayton, District of Columbia, for example. But it's certainly among the highest in the country.

Now, we would view that as a virtue in the sense that it means there are lots of new options out there. Obviously, from the other side of the fence, the district would refer to that as saturation. Personally, I've never understood why having a saturation of good schools is necessarily a bad thing; but that would be the other point of view.

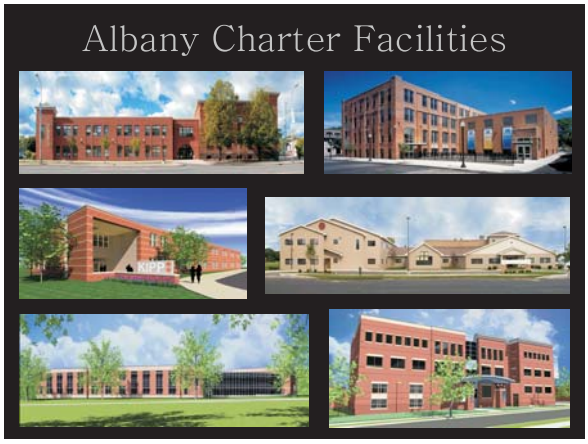
Early on we made the decision that any school we supported would have to agree to go in a brand new facility. Now, imagine dealing with people in a charter school space, where getting in a new facility is extremely difficult, and almost nobody can figure how to do it. It's not a particularly hard sell to tell a person who is opening a charter school that we're not going to let you get any of our support unless you agree to a brand new building at cost.

But what we did early on is we built the buildings at cost with a revolving loan fund that we capitalized with private philanthropy. Then, at the end of the year once the building is open, the construction risk is gone, the enrollment risk is gone, the environmental risk is gone, and all that kind of stuff, it's relatively easy for somebody with a track record, and we now have a track record, to go out and get that building financed.

It is not easy for an individual charter school to get a building financed for the very simple reason that every once in awhile the school goes belly up and banks are nervous about having one school in one building. So, lending the money to us, with the understanding if something went wrong at one school, we could put another charter school into that building, it makes people a lot less nervous and easier to finance.

Then, full circle, the third stage of the financing, the real estate model is certainly a replicable model that can be done all across the country to solve the thorny issue of facility financing charter schools. This third stage is the charter schools buy the buildings with tax exempt financing and that replaces the interim five-to-seven financing that we've set up.

The first schools to go through all three of those phases are the two Brighter Choice Charter Schools. During that transaction, we became the only charter schools in New York State to be rewarded with an investment bond rating by a Wall Street credit rating agency.



As you see from these pictures, these facilities are among the nicest school facilities anywhere, and at the same time the school district is renovating its facilities. So, you have a nice effect on both sides where the quality of the facilities is almost, over time, becoming a non-issue in terms of school selection.

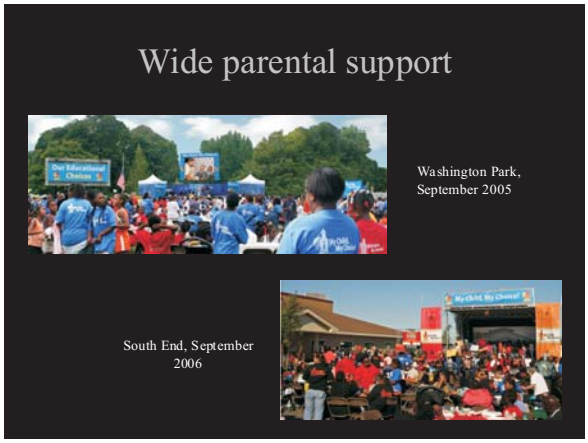
It's early. We have at Brighter Choice only two years of reported state test results. We've taken the English test this January, but those results are not scored and normed by the state yet. And so, over the past two years, the elementary numbers up here are all Brighter Choice, neither of the other two charter schools at the elementary level currently are offering third and fourth grade yet; these are grown one grade at a time.

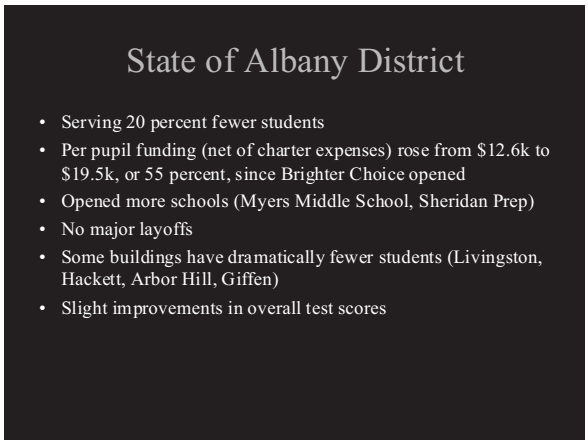
So, we've been, at different points in time in different grades and different subjects, number one in reading, math, and science, and tied with School 19 for the highest student attendance rate of any school in the city, despite the fact that we're the only school that, by design, only admits school-lunch-eligible children.

At the middle school level, Albany Prep was number one, with KIPP Tech Valley number two in math, and Achievement Academy was number one in social studies, although that school did less well in some of the other subjects.

So, I'm not suggesting this is the end of the story. But for a bunch of upstart schools, I think that's not a bad beginning and suggests that there is a potential here for not just for more choice, but quality choice.

If we're having good results and people view the culture within the schools as safe, supportive, and nurturing, it's not a big shock that there's substantial parental support. The fact that 20 percent of parents have chosen charter schools tells you, I think, two things: what they think of the charter schools, but also what they think of the competition.





So, these are two events we had. The first one in Washington Park drew just over 3,000 people, and this is with the district we have 10,000 students in it.

What's the status of the Albany district today? It obviously has 20 percent fewer students. Contrary to what you might think from hearing the superintendent talk about the financial drain of what's going with charter schools, when you net out the charter school expenses, the per pupil spending in the district has gone from roughly $13,000 to about $20,000, since the Brighter Choice Charter School opened. That's a pretty substantial increase. I've never seen a school district that thought whatever they got was enough, but no matter what you think of that number, it does not suggest poverty.

Now, while you've had this tremendous loss of enrollment, the district at the same time, rather than retrenching, has actually expanded the number of schools it offered. After

the district knew that there were three charter middle schools open, it then opened its own third middle school, the result of which is now they have three middle schools that are now under-enrolled. Over the time period since Brighter Choice opened, there's been a reduction in the full-time equivalent staff at the district of, I think, 16 or 17 bodies out of, you know, 800 or 900? They have over 700 faculty members on a full-time equivalent basis.

So, essentially you've had no layoffs. You had a very modest level of attrition that amounts to only about 2 percent of their entire payroll. And, at the same time, you have a number of schools, and we can get into the numbers later, that have 35-45 percent reductions in enrollment. The original argument from the school district when charter schools first opened was, "You're losing two or three kids in the back of each classroom. So, there's no way for us to have any economies here, because we still have to have the teacher, the lights are still on, and we still have to have the classroom." When a school has a 50 percent reduction in students, certainly you have a different number of economic options available at that point.

Now, one of the ironies or unintended consequences is there's been a large community in the city of Albany called Parents Advocating Small Schools (PASS), which ironically has been opposed to charter schools, which are the smallest schools in the city. Because of this enrollment loss, with two exceptions, every district school is now under 400 kids per school, not by design and not because they embraced the agenda of PASS, but because of the flight of students out of their schools.

So, what we've created between their facility plan and the way we do facilities is that virtually every kid, aside from Albany High, in K-8 is now in a small school setting. In a matter of years, they will all be in branded facilities. And the amount of resources the district has per kid has gone up dramatically. So, it's hard to argue that is a negative outcome.

Prompted Positive District Changes

- Increase in daily schedule by 30 minutes
- School uniforms at Sheridan Prep
- Single-gender instruction at 9th grade academy
- Serious discussion about closing district's worst school (Livingston)

The district, interestingly, while criticizing charter schools, has actually quietly started to make some changes that would suggest, I would argue from a review of minutes of school board meetings in terms of how some of these conversations went,

were directly related to the competitive pressure of charter schools. So, for the first time since the school district has been independent in the mid-1970s, they negotiated with the teacher's union an increase in the length of their school day by 30 minutes. So every single charter school has a longer school day and a longer school year than the school district does.

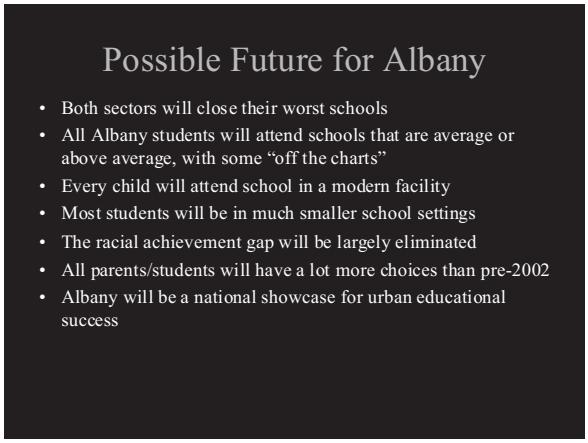
I've been arguing with school board members for years, wondering why they didn't have a single school that did school uniforms, and Judy Doesschatte, who is one your speakers from the school board at your last event, lectured me on local talk radio about how it was unconstitutional. Well, shortly after that conversation they decided to implement school uniforms at Sheridan Prep, which coincidentally is within half a mile of four different charter elementary schools that have school uniforms. So there's no doubt there's been pressure.

Brighter Choice was the 11th and 12th single sex schools in the entire country. The district, without making any public notification, is implementing single-gender instruction at its ninth grade academy, clearly a replication of the single-gender practices, and doing it at the same time on the eve of when Green Tech High Charter School, which is an all-male high school, is about to open.

And the district is now talking about closing Livingston Middle School, which has been on the "school in need of improvement" list, then on the restructuring list, and most recently became the only school in the Capital District to be listed by the state as a school under registration review. Also, last year it was the only school in this area to be on the short list of persistently dangerous schools under the federal No Child Left Behind rankings that the State Education Department put out.

So, for the first time, the competitive pressures are forcing them to seriously consider closing a school that most people would say, "Their record certainly has been as bad, if not worse, than New Covenant over the years." So we may finally get a little consistency here.

Now, what does the future look like? I think the future actually looks pretty positive. Even though there's been a tremendous amount of controversy and angst in some quarters, if you look at what could happen, I think it's very likely that New Covenant will close and Livingston will close. So the worst schools in both sectors will end up being closed one way or the other.



But when the worst schools come off the charts, most of the people are going to be in average or above-average schools. You are going to have almost like a Lake Wobegon effect with some people in off-the-chart schools, whether it's Brighter Choice or at KIPP, for example, which I suspect is going to do very well on scores that are going to be coming out in June. You have differences in performance that aren't five or six percentage points, but that are differences on some of the measures, like math, where we're ahead of the district average by 50 points. So, that is certainly better.

Every school, as I indicated before, will be in a modern facility, and virtually everybody other than the high schools will be in the small school setting.

The racial achievement gap, which has haunted the district, is actually in the process of being reduced substantially. Brighter Choice is a school that is 98 percent minority. It beat every school on math, reading, and science. Our science pass rate was 100 percent; our math pass rate at the boys' school is 95 percent. There has never been a district school on any of those through the history of testing that scored 90 percent or above on math or reading.

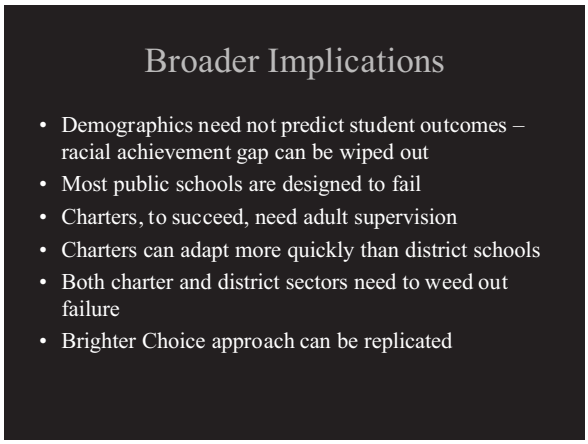
What you have there is essentially a black school beating what I would call the white schools in town, whether it's School 19 or ASH. But you also have the schools that have the most college-educated kids. Everybody at home is college-educated. Basically, in Albany you have a couple suburban schools in the middle of an urban setting.

So, when you start having our kids — who are coming from the lowest end of the economic spectrum — beating those kids, you have, in a sense, split the achievement gap upside-down.

That's an early stage event at a set of two schools. Now, if the other schools replicate that success, and the charter schools are serving overwhelmingly a minority population, you literally could have an upside-down racial achievement gap, which is not the natural social order in this country. I think it will have interesting social consequences.

It is indisputable that parents have substantially more choices than they had before. There's no other way to do that. And prior to all of this activity occurring and all of these unusual schools popping up, Albany was never viewed as a showcase for anything interesting in the educational area. There is now a tremendous amount of interest all around the country, and people are starting to write in national publications about what's going on within the city of Albany.

Given that the city has always had a problem with people leaving whenever the kids became school-aged, particularly middle school age, the prospect that we could have a good collection of schools, both district and charter, means you're going to have a much better collection of schools than when we opened this story in 2002.



Now, one of the most important social lessons out of the two Brighter Choice schools is that social statistics, the ZIP code somebody lives in, or the neighborhood they live in may not predict their academic outcomes.

School people all across the country always say, "Well, given the family backgrounds of these children and given the neighborhoods they come from, and given all the social issues that surround them, what do you expect us to do?" And even in all the conversations about what's going on at Albany High, you always have somebody on the school board piping up and saying, "Well, a lot of these issues are coming in off the streets, they are coming out of the families."

What we're starting to show is that we haven't changed their personal circumstances within their household or changed their income, but we have dramatically changed the student outcomes for their children. If you can have children from these backgrounds outscoring kids from the affluent background, it means that race and economics does not mean educational destiny.

Another lesson of this experience is the importance of school design. I think the reason a lot of schools fail is not necessarily because they are district schools, in and of themselves, but because of design issues. If you look at New York City, where they have a very healthy,

robust alternative school system, a lot of their best schools are district schools. But when you have a district where virtually every school has the same calendar, the same compensation system, the same management system, and the same curricular approach, if it's not working it just gets replicated across the district.

One of the biggest conclusions we've come to is no matter how good the people within the school building are, if you are going to throw the kids out at 2:15 or 2:30, you just simply cannot get the job done. So, as long as the district sticks to an agrarian model from 100 years ago, in which everybody is going off to work on the farm — and there aren't any farms in the south end of Albany or Arbor Hill — the district is going to be limited in terms of what kind of changes they can adopt.

Now, that obviously is going to require some uncomfortable conversation with the adults who are going to be affected at work in the system. But, if you want to be honest about what's going on in the system, it's being run for the benefit of the adults, not for the benefit of the children. And I think that's the problem.

On the charter school sector, I think after 10 years, one of the lessons across the state, but also in the city, is that charter schools succeed when certain conditions exist. One of those conditions is sound governance, meaning you have a competent board of trustees to oversee a school. For example, one of the issues at New Covenant is you have not had consistent, strong leadership at that school to make decisions. When they decided to pair with an out-of-town management company that had substantially more experience in almost every aspect of running a school, the board frankly was not in a toe-to-toe position with their largest vendor. And I think that's dangerous in a bunch of different respects.

What we've tried to do at the Brighter Choice Foundation is to understand that, although a lot of people in the school choice movement and within the charter school space make fun of school districts all the time, school districts have a lot of advantages because of their size, their economies of scale, and their value in having purchasing across multiple schools. There's an accumulation of knowledge and history that comes with an institution that's been around a long time that you don't necessarily have with a standalone school.

So, what we've tried to do, not in the command and control way that districts are organized around the country, is to offer Brighter Choice Foundation as a source of technical assistance and as a particular source of advice on how to get through the business side of

running a school, how to do facilities, how to do contracts, and all of that kind of study, so that the school leaders hired by the boards can focus on instructional effectiveness. Because what we're really looking for are inspired school leaders. We're not looking for managers or administrators.

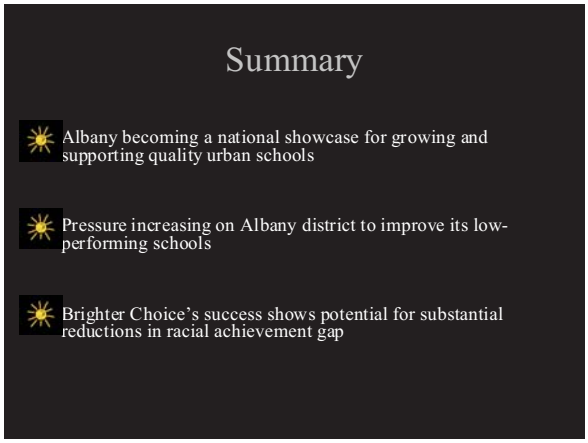
The real commodity is finding that rare instructional leader and then organizing the school in a way that person can focus on instruction. By having the Brighter Choice Foundation, which donates all of its services to the school, be able to do that, we've maximized the chances of success. And if something goes wrong, there are adults in the room who can offer advice on how to work through some of the issues they've had.

And we have, even at Brighter Choice, a lot of issues along the way that we had to work through. But we had a team of people that had a certain level of experience and maturity that could work through those issues and move on. So, the hallmark of a good school isn't that you are perfect and you nail it every single day of the week, but that you have the ability to learn from your mistakes and move forward. And I think that adult supervision helps.

An advantage of charter schools is that if it's broken on Wednesday we fix it on Thursday. That is not a motto you would hear in the halls of any school district in the entire country, because they have to have too many meetings and too many processes, and there are contractual limitations, and so forth. So, the flexibility that we offer is a different management model. Not everybody likes it, but it certainly has the virtue of making it easier to be committed to continuous improvement.

The next and last point I can't emphasize enough: Both sectors need to do a much more rigorous job weeding out the failures within their own sectors. We've been very vocal about New Covenant. I've made comments both publicly and to New Covenant's board and their authorizers. I have not seen that consistency on the other side, though, in terms of the district sector.

So, I think we should admit that both of us have people within our sectors who have not done a good job and we both present a unified position that we're in favor of good schools and opposed to bad schools. We frankly don't care whether they are district schools, private schools, or charter schools. Creating more good schools is what all of us should share as a common agenda.



Whatever is positive about Brighter Choice, and I think there's a lot, is virtually everything we do can be replicated. The instructional approaches we take could be replicated by the district; they can replicated by anybody. We helped create an entity called, "School Performance," that provided data and academic quality support to schools. An approach of having a common entity providing support on a daily basis to schools that can't afford to do it in a startup phase could be replicated around the country.

With that, let me thank Bob for the opportunity to talk and I'd be happy to turn it back to Bob and the other speakers. Thank you.

Robert Ward:

Thank you, Tom. That is very informative and we appreciate you coming here and being grilled a little bit.

At this point I want to introduce Dr. Sandra Vergari. She has been analyzing the charter school movement nationwide for more than a dozen years. As I mentioned earlier, she was the editor of *The Charter School Landscape*, published a few years ago by the University of Pittsburgh Press. It's a collection of essays and analyses of different issues related to charter schools.

She has served as a consultant on charter school issues and co-founded School Choice, which is a research subdivision of the American Educational Research Association, where she held leadership positions for a number of years. As I mentioned earlier, she's an associate professor at the University at Albany. Sandra, thank you for joining us.

Sandra Vergari:

Thank you, Bob. It's a pleasure to be here this morning and I commend you all for turning out on such a strange weather morning. Tom gave a very provocative and informative

presentation. I want to start out with a just few general comments, and then pose a few questions for Tom to ponder or discuss with us as he may choose.

Clearly, as Bob said, charter schools have become an institutionalized reform in this country. It's no longer a fad or an unproven experiment. Most analysts now, whether opponents or proponents, will agree that this reform appears here to stay.

Now, while we do have about a million students nationally in charter schools, it's a drop in the bucket nationally in terms of the overall public school student population. However, as in the case of Albany and some other jurisdictions throughout the country, it's the market share within particular communities that is the most telling, perhaps. Charter schooling tends to be primarily an urban phenomenon.

Tom mentioned a number of cities. New Orleans, for obvious reasons, is the location that has the largest market share of charter schools right now. In terms of Albany, as of last year's data, it ranked in the top eight nationally for having 15 percent or more of local public school students in charter schools. So, clearly, Albany is important on the national stage.

We know that all four presidential candidates — Huckabee, McCain, Obama, and Clinton — are on record as supporters of charter schooling. So, you can't neatly capture charter schooling in terms of partisan or ideological viewpoints, and that makes this reform very noteworthy.

Tom talked a bit about charter school closures and how there's a need to make sure we close failing schools. Nationally, about 11 percent of all charter schools have been closed down and in New York just about eight have been closed thus far. There's something in the media today about potential closure of the International Charter School in Schenectady.

Tom points out that, "We need to weed out failures." And I would push that a little bit further and say we need to prevent the failures, to do a better job with the application process, a better job with technical assistance, and accountability and oversight in order to try to prevent necessary closures of failing schools. Unlike some of the advocates, I don't believe that closures are a victory for the charter school movement. Rather, I think that closures often signal a need to do a better job with vetting of charter school applications, oversight, and technical assistance.

Closures mark a bad return on the public's investment in a charter school. Closures are disruptive for students who now have to switch schools and deal with the social and emotional implications of that. So, I think that to take a step further, more than just weeding out failures, the charter school movement needs to work harder at preventing the failures.

In terms of Tom on the national stage, clearly he's what analysts and people who study public entrepreneurs call a "public entrepreneur." I think Tom Rogers of the New York State Council of School Superintendents has referred to Tom Carroll as a superintendent in a charter school setting, because of his leadership role in helping to establish, support, and oversee these charters schools in Albany.

Tom's been innovative, he's taken risks. He's had a personal investment in the charter school movement. He's been persistent and persevering. Those are all hallmarks in the literature of what we call a public entrepreneur. So, he and his activities in the charter school sector are noteworthy.

In terms of the Albany City School District, we must ask why families are leaving the Albany City School District for charters. In the Albany *Times Union* recently there was information attributed to the Albany superintendent wherein she reportedly indicated that enrollment at a district school was down, not due to school performance, but due to charter competition. And I'm thinking, "Well, you know, there might be a correlation between parents' evaluations of district schools and their selection of charter schools."

For some reason, parents are choosing these charter schools. Now, Tom notes that a bunch of parents are happy with the Brighter Choice Foundation supported schools, but we also must ask, "Why are so many parents continuing to support New Covenant?" We need to do more research on getting a sense of why parents make the choices that they do, and what access they do and don't have to accurate information about schools, so that we can discern whether informed choices are being made by parents in the education marketplace.

Okay, in terms of questions for Tom, he mentions that the Brighter Choice model is replicable, that this can be replicated elsewhere. We know that Tom's model relied heavily on philanthropic support, and Tom and his colleagues' social cachet and social networks. So, one question would be: "Is this model transferable to other communities where prospective school founders might not have those same connections to the philanthropic community?"

A second question about Tom's schools that I would be interested in hearing more about pertains to teacher recruitment and retention. We know that nationally some charter schools struggle mightily with teacher turnover. If you are asking teachers to work long hours and they are younger teachers, and the pay may be different (and this is the national scheme of things), there can be problems with teacher turnover. I'm not saying that this is the case with regard to Tom's schools, but I think it would be interesting to hear what we can learn from the staffing and leadership issues in the Brighter Choice schools that other charter schools and traditional public schools can learn from. With regard to leadership stability, nationally we know that there is fair amount of turnover in the leaders of charter schools. The research literature usually says that a lot of turnover in personnel and leadership is not an ideal situation.

Third, in terms of the comparison group, Tom mentions that many of the charter schools appear to be performing better than the district schools, and I'm wondering: at what point does the comparison group become suburban students? When does it become realistic to compared urban students with suburban students? When do we change the comparison group there? At what point does that happen?

I think it's too early, obviously, to draw conclusions about what's happening in Albany, but clearly this is a scene that's worthy of national attention. Tom mentions a number of different changes that Albany City School District has instituted or, in Tom's view, that the district should consider.

I'd like to differ a little bit with Tom on that, in that choice is all about choice. And so, while Tom may favor a longer school day or school uniforms, the research literature is mixed on those reforms. If you look at the international data on longer school day and longer school year, for example, the student achievement data are mixed. You have some countries with substantial instructional time but their student test scores are not high. Other countries with a shorter school day or school year with test scores that are high. So, there are mixed data out there regarding the merits of different reform proposals. I think it's good to be promoting what you personally believe in or what your data show to be effective; but, in a choice arena, if someone can produce good results with a kid going to school three days a week, that would be consistent with an output-focused philosophy of choice and competition in education. That's the beauty of this, we're supposed to be focusing not on the inputs, not on the regulations or how you structure, but on what kind of results you are able to produce.

I'll leave it at that. Thank you.

Thomas Carroll:

Let me work at it in reverse order. On the choices for the district, that is why I'm kind of proselytizing for the district to take some kind of personal taste and applying in the district setting. I'm not suggesting that they should do it across the board. In fact, at Brighter Choice one of the high schools is single-gender education, but we supported a whole bunch of coed schools, for example.

The length of the school day and year varies at almost every charter school, although they are all two to three hours more per day versus the school district. If the school district just went to longer school days and didn't change anything else, they would just take a longer amount of time not educating your kids that well.

If you look at the schools at the elementary level, the only schools that consistently score in the same league as Brighter Choice are School 19 and ASH. The six to seven others don't come close. And the reason those two schools do is because they have completely different demographics than we do. They have substantially less poor kids in the class, and they have a much higher rate of kids who come from double-headed households, and households with parents with college educations.

So, I think I can show statistically the district clearly has a problem. And so the question is if the design they have now is not working, and this design is working, maybe they want to take a look at it. That's all I'm suggesting. I wouldn't suggest that every single school look like Brighter Choice. Brighter Choice looks different than all the other charter schools, even within Albany.

On suburban students, we think the most apt comparison is with similar populations. That would be, in a sense, the barest competition, although we do well even when we are compared against dissimilar schools. In fact, in the last two years on different measures, we have actually, not across the board, but by individual instruments, beat the best elementary suburban schools. Now, they probably uniformly do better than we do. But again, they have a substantially different population than we're serving.

On leadership stability, we've had the same principal at Brighter Choice for three years. With the exception of two schools, all the other charter schools we're involved with have had the same school leader since inception. So, it has been pretty stable.

In terms of student and teacher retention, we have very little, maybe 5-6 percent change per year, which is very low for an urban school. The principal at Giffen Elementary told me they had a 45-50 percent annual turnover of students. So, in an urban school, 5-6 percent is pretty low.

In terms of the teachers, we have across both Brighter Choice schools, probably 40-45 teachers. We had two teachers leave last year. One moved back to the district and one retired. So, we've had a very stable teacher population. That hasn't always been true, but as the school gets more mature, that's been the case.

In terms of philanthropic support, I must say it's the first time anybody has said I had social cachet. I'm usually the person at a party that, you know, everybody gets awkward when I walk in the room. Like, "Here comes another argument." So, thank you for saying that I had cachet. I'll have to call my mom after this is all over. I finally arrived. But, certainly what we are doing costs some amount of money. You can't build buildings for nothing, for example. We have a $15 million revolving loan fund that we use to build one or two buildings a year. And at the end of the year, once the school opens, we then turn it into the equivalent of a house mortgage.

It would be very easy for the government to set up a revolving loan fund in each of the major cities in New York. There are major philanthropists in Rochester, Buffalo, Syracuse, Yonkers, and certainly in New York City that could very easily do the same kind of thing. There's lots of philanthropic money out there for somebody who has a plan that they believe in.

In terms of the other support, over time we only would support schools that by their fourth year of operation are totally self-sufficient on their charter revenues alone. So, that means there is not just no philanthropy from us, but zero philanthropy from anybody. That's self-sustainable in the sense that we don't have to be around for the schools to go forward.

In terms of School Performance, which is the quality piece, that's moving into almost like a consultant mode. Although it was fully subsidized in the beginning, I joke it's kind of

the academic equivalent of crack. We wanted them to get addicted to using performance measures relentlessly within the schools. Once they were addicted, they would agree to pay for it. Now, increasingly the schools are paying them to provide academic support services.

At Brighter Choice, for example, each school pays $50,000 a year, and we certainly get our money's worth. At a regular school, if you didn't have constant data points, how do you know if what you are doing is actually working? If you rely on the state test, our first year when we got our fourth grade results, we got the results in September. Those fourth graders were not in our school anymore; they had graduated. So, what am I supposed to do with that information?

We needed real-time data information that could actually inform how classroom instruction was going. And at first some of the teachers were hesitant, but once they got used to it, frankly, they couldn't imagine running a classroom any other way. Because they realized how much time was spent on things that were not raising achievement within the classroom. And so it tightened things up considerably. That's sustainable over time, as well.

So, you know, we do all this stuff in terms of external relations and we do a lot of — political wouldn't be the right word — but just in terms of protection for the schools that we do essentially for Brighter Choice. For example, the legislature considered a proposal to put a 5 percent cap on the number of students that could go to charter school in Albany. Now, if we were not around and the principals of the schools were left to defend themselves against the people who wanted to do that, I think it's reasonable to assume that it would have passed. We were able to stop that kind of nonsense from happening.

So, we play a role with a kind of lobbying and advocacy effort. That's another example where we take off the desk of the school leadership something that has nothing to do with the instruction in the classroom. We just try to peel away as many of those things as possible. I think it could be replicated in other cities. You need people with a certain mix of balance to be able to do it, and a legitimate plan. They don't necessarily have to have cachet.

Robert Ward:

Next we will hear from Allison Armour-Garb, who is director of education studies here at the Rockefeller Institute. Allison asked me to mention by way of disclosure that she serves

on the board of School Performance, the research and data organization that Tom has mentioned, an unpaid position on that board.

Allison came to the Rockefeller Institute having served as associate director of research for Mayor Giuliani's Advisory Task Force on the City University of New York, where she managed analyses of CUNY's finances, governance, assessment testing, and academic programs, and she has been involved in a variety of other consulting projects related to education and other issues.

She and Dick Nathan, the co-director of the Rockefeller Institute are currently working on an important national project to look at how to create a better system of accountability nationwide, post NCLB. Most people, I think, agree that there are significant problems with, for instance, variation in the way that states test kids, how they use those assessments, and things like that. Should there be an independent entity to create some quality standards for testing of children, for instance. Again, we consider it an important project, Allison, Dick Nathan, and some other very smart people are working on that.

But today, Allison is going to help us understand charter schools, and I also look forward to your remarks.

Allison Armour-Garb:

I notice that it's getting late and I do want to make sure there is time for you all to ask your questions. So, I will keep my comments and questions brief.

The first thing I wanted to talk about is the sustainability of the Brighter Choice network of charter schools, not in terms of finances, but in terms of what Tom was talking about just now: the kinds of managerial supports that the Foundation provides to the schools.

Because the schools are linked to each other by their relationship with the Foundation (which is not necessarily a permanent entity), the collective sustainability of the schools is an important question. District officials complained of disruption when the New Covenant charter school encountered problems and enrollment figures were difficult to predict, and that's just one school — although it is a large school.

So, let us jump ahead a few years and imagine that the Brighter Choice schools are full to capacity and have a bigger chunk of the City's enrollment. Imagine further that the District has decided to close one or more of its traditional schools in the neighborhoods where the charter schools are functioning, so the district has a lowered capacity to absorb back students if any of the Brighter Choice schools were to close or if they were collectively to hit a bump. I'd love it if Tom could comment on that scenario.

I wanted to point out an example from the national stage that might drive it home a little bit. KIPP was set up to essentially franchise a particular educational model, but they found that over time they needed to provide more support from the central organization to these autonomous schools. So, they have been bolstering their central office support, rather than trying to phase it out or push it down into the individual schools over time. I'm wondering whether the KIPP experience might contain a lesson for the Brighter Choice Foundation?

Also, in terms of sustainability in the long-term, you talked about the importance of the board of directors. You were talking a lot about Brighter Choice's serving as an "adult in the room." I'm wondering, for individual schools boards of directors, what type of development have you been doing there to train the board members, and help them be self-sufficient going on into the future?

You mentioned that the Albany School District has some quasi-suburban schools, and then a more urban group of neighborhoods. Is it useful to talk about your market share in the urban neighborhoods versus in the district as a whole? And do you see the impact that you are having on the district playing out differently in one area in the district versus another?

In return for the resources that you provide to the school, what is your method of holding the schools accountable at the governance level? I don't mean within the schools, in terms of how they are using assessment to inform classroom instruction; but how are you holding the *schools* accountable? What kind of reporting do they do? What criteria do you follow for intervening in the schools? And is there anything in that approach that you think that the District might want to learn from, or that charter authorizers might want to learn from going forward?

Finally, people have leveled criticisms at Brighter Choice for creaming in terms of not enrolling the most costly-to-serve population, special education students — at least not in

any significant numbers. I'm wondering whether trying to accommodate these students is part of your strategic planning, and if you've made any concrete progress toward that goal?

Thomas Carroll:

You're very efficient in rattling off the questions and I have about four hours of answers. I'll try to go through these as quickly as I can. If I can give incomplete answers, people can ask.

From inception, Brighter Choice has had the League of Women Voters administer our admissions lottery, in part because we thought more people would trust them than would trust us not to rig the lottery. So, literally we have no control over who applies and we have no control over which names are randomly pulled out of the hat, so to speak, by the League of Women Voters.

We have made an effort to expand the special education staff and the leadership at both schools. The assistant principal at the girls' school and the principal at the boys' school both have dual certification in special ed. We also have additional special ed staff, and we're expanding the special ed staff, and changing how we recruit to do more outreach to special ed kids.

Having said that, at the time of admission when you have an application with somebody's name on it, you have no idea what services they are going to require, particularly since we're recruiting primarily kindergartners, not all of whom have been evaluated before they show up.

People need to know that the district committee on special ed is the committee on special ed for charter schools. We don't have our own committee. So, for there to be this kind of conspiracy in which we are shunting kids back and forth, they would actually have to sign off on each conspiratorial act, and nobody has ever explained to me how or why the district would want to be part of that conspiracy.

Having said that, the numbers of special ed kids in our schools are probably lower than in the district. We've looked at our school results netting out special ed kids on both sides and we still convincingly beat the district average on, I think, six out of the eight Excel squares with different results.

How do we hold the schools accountable? We are the only organization, I think, in America that owns real estate that has a performance clause in the real estate that's based on academic results. So, if any of the schools are ever listed as a "school in need of improvement" or a School Under Registration Review, we have the automatic right to cancel their lease. We have no interest in becoming landlords for inferior schools. Partly, this is to accelerate the demise of a bad school, because we've seen the political process and they haven't done a particularly good job of closing bad schools. So, we want to have the ability to make that conversation come a lot more quickly.

We require total transparency on finances and on student test results. We do not manage any of the schools. We have no management relationship. We have no fees or anything like that with any schools. So it's not like KIPP or Edison or Uncommon Schools, or any of tose organizations. As philanthropists, in a sense, we believe in supporting success, not supporting failure, and to know whether we're getting one and not the other, we need to have total transparency.

On market share, all the charter schools are in the low-income minority parts of town. So, our overall market share within those communities would be substantially higher than the 20 percent. It's actually an interesting idea. I've never calculated that, so I don't know what that would be. Our market share in Pine Hills would be about .05 percent. I think we have one kid at Brighter Choice who came from either School 19 or Albany School of the Humanities. But generally kids who are in the better district schools stay there, and the kids who are in the not-so-hot district schools want to leave.

On the question of directors, we've done everything we can to encourage schools and we've referred people to serve on boards of directors of schools. The advantage charter schools have over district schools, and some people claim this is a negative, is that they don't stand for elections. But the virtue of that is, you can assemble a board like any other nonprofit that's a skill-based board. So, you can say, "I need somebody who knows construction, somebody who knows law, somebody who knows finance, somebody who knows education." And you can actually get a group of people in a room that know what they are talking about.

You also can have people in a room who have consistency of vision. So, somebody who agrees with KIPP, they go on the board; if you don't agree with KIPP, if you were going to

say, “I’m a supporter of whole language instruction,” do not go on the Brighter Choice or KIPP board.

So, we don’t have some of the kinds of factionalized arguments you have on local school boards all across New York State on which people argue about fundamental first principles. We’re looking for people who agree with the vision of the school, and are willing to stay consistent over a long period of time. Any management theory or organizational theory would say to have chance of success, you have to have pursuit of a common goal over a period of time. And I think the district does not have that when you have superintendents changing on average every 2.5 years, and you have school board members randomly rotating on or off without representing any particular core of talent at any given time.

In terms of sustainability, how do you handle closures? I have a less negative view of closures than I think your question suggests. I agree closures are disruptive. And I agree we should do everything we can to prevent closures on the front end. I started out as a Libertarian and I’m now a fan of huge barriers to entry. I’ve come full circle on that one. I think if you let 1,000 flowers bloom, I just think you have an awful lot of weeds come up. I think we have to take a different approach.

If you look at the schools approved by SUNY and the Regents as cohorts, every year their standards have gone up. So, most of the schools you are having problems with, that are kind of coming home to roost, are schools that were approved in the first two years of the charter school law. The first three, including New Covenant, they did a disastrous job.

We had argued at the time to the governor, and we were involved in getting the bill through, don’t do any schools that open in September 1999. The law was adopted in December, in part because neither State Ed or SUNY had anybody even read the applications. The governor was hell bent on having them opened, and there’s been, you know, no end to troubles since then for those three schools. One closed, one is on life support, and one we should give assisted suicide.

In the defense of SUNY and those groups, as they’ve seen some of the early mistakes, they have learned from them. And I would much rather figure what to do with kids from a closed school than leave kids in bad schools for a generation and deal with those social consequences.

Robert Ward:

I'll ask one question, then I'll open it to questions from the floor. We have time for a few, I think. Tom, you mentioned the importance of transparency with regard to finances, for instance. I wonder to what extent are your finances public and to what extent, if they are not, are you interesting in making them public?

Thomas Carroll:

In terms of the schools, they are subject to the Open Meetings Law and Freedom of Information Law. So, you have the same access to information that you have in a district school. There are complete open books. There have been some arguments about whether we should be audited now and stuff like that. I have no problem being audited by the state comptroller or anybody else. The question is really one of evenhandedness. They need to do a similar job in school districts that they do in the charter schools and I don't know that they are not.

In terms of the Brighter Choice Foundation, the level of disclosure is the same with any nonprofit; we file 990s that are public, and our donors are disclosed through that form. Anybody can find out who gives us money and it represents how much money we spent.

Robert Ward:

I would like to mention Christian Bender, the executive director of the Brighter Choice Foundation, is also here, as are some of the folks who are involved in the organization. At this point we'll open it to questions from the audience if there are any throughout the room.

Charlie Touhey:

I'm with Touhey Associates. I wonder if Tom can address wiping out the racial achievement gap. What are the top two or three things that you think are most effective in doing that at the schools?

Thomas Carroll:

It's really interesting because there are a lot of theories on how to deal with kids coming out of the middle grades, but what it really comes down to is the fundamental belief that it is no more difficult to teach an African American poor kid how to read than it is to teach a white affluent kid to read. So, it starts with that premise.

Earlier on we mentioned teacher turnover. We got to a point after a couple of years where we had a number of teachers who made similar comments to the principal: "These kids, given what they are dealing with at home, they are never going to be able to achieve the levels that New York's driving for. They are stressing the kids out. They are not going to be able to do it. You should just be more realistic."

And we went through, you know, a period of time in which we said, "Thank you very much for your services." And we had a fair number of teachers who left after the second year in school, because we decided at that point that we didn't know then whether we were going to succeed. But we knew that anybody who didn't believe at the beginning that we could succeed with those kids, were not going to be the people that would bring those kids to the level of success.

So, I think the key is having enough time, and having the school small enough that every teacher in the building and all the school leadership team knows every kid and all their family members. Social issues come up. We've had kids who have come in stressed out because their father went off to prison, literally the same day. Somebody was stressed out because their father was coming back from prison. But we knew that was happening that particular day, so we could deal with it. And we had to reach out to somebody's pastor, we had to reach out to somebody's social worker, we had to reach out to somebody at prison or legal services, whatever it might be with a particular child, and we know all of the relationships with that child.

View that as a comparison, and I don't mean to pick on it too much, against Albany High with 2,200-2,400 kids. It is impossible for the principal to know every single kid in that building. Three weeks after some kids were at Brighter Choice, and the District central office knew they were there, the teacher at the district school called up the family and wanted to know if the child was sick. It took them three weeks before they found him. They didn't realize the kid didn't even go to the school anymore.

We call the houses every single morning within a half hour of opening. If the kid's not there because they missed the bus or the alarm clock didn't go off, we literally go over and pick the kid up. Now, we're not in the business of running a taxi service, so we have a conversation. We've bought people alarm clocks. We have done all kinds of things that at the beginning, if you told me we would do, I would say not in a million years.

We run a laundry service at the school, which we don't advertise because we don't want everybody sending us bags of laundry. But we have kids who come to school who, frankly, aren't clean. And so we change them into brand new uniforms. We give all the uniforms free of charge. And we give them new uniforms, clean the uniforms, change the kid back. We're not trying to embarrass the parent or anything, but we don't want the kid sitting there embarrassed that they are in smelly or unclean clothes.

So, there's a lot of stuff like that. It's not all kids, but you have to be sensitive to all of those kids. I think uniforms create an egalitarian environment within the school. Nobody is competing based on social status, whether it's sneakers or who has the best clothes, or you know, which designer is the more hip one to wear, what have you. So, we create this egalitarian, nurturing environment that is small enough that we can respond to them on a kind of social, intimate, nurturing level, and then we take enough time to get the job done.

And we spend a lot of time on school culture and behavior, because if the kids don't feel safe when they walk in that building, they are not going to be able to learn. And we have kids every day that come off the bus and you can tell something happened at home. There might have been a fight, they might have been abused, whatever it might be, and because we know all the kids' personalities, because we know them so well, we can grab them right off the bat and deal with that issue before they even get into the classroom.

And a lot of times we'll take them aside and we'll put them somewhere else, or they can take the day off, whatever it might be. Sometimes, they are just not ready to learn. But you need that level of intimacy in order to be able to do that, but you can't do that in a large-scale school.

Betsey Swan:

I'm with the League of Women Voters. I'm very curious about the School Performance system. I don't know whether Allison or Tom would be better equipped to discuss this. I

assume it's a longitudinal system where the performance of children is measured over the years, so that you look at value-added? Is that correct?

Thomas Carroll:

Actually, I could give a quick answer just in the interest of time. The person behind you is the head of School Performance. There are a lot of different things that they do from compliance services to coaching new leaders on the art of being a school leader, to coaching teachers on basic practice. How not to have a couple of kids zoned out at the back of the classroom; how to organize your classroom; how to make lessons more effective; how to do standard written lessons, which everybody gives lip service to, but very few teachers actually know how to do. And also, you know, deprogram a lot of stuff they learned in college that actually hasn't been proven out to be useful in the actual classrooms.

And then on the data side, they do diagnostic assessments depending on the school. One school does it every week, some schools do it every six weeks, some new schools do it every eight weeks, and they develop the testing instruments, which is a very laborious task that is beyond the capacity of the startup school to do. And that's to give the school the information: Are you being an effective teacher?

At first the teachers were scared, because it's total transparency. So, if you're flopping everybody knows about it. We had a problem on teaching money currency. The teacher thought it was going well. We tested and they weren't doing well. So, we then figured out what the person was doing wrong and came up with a more effective lesson, and then the teacher was teaching them right, and it was working. Well, that teacher became a convert, because nobody who goes into teaching wants to be spinning their wheels and not being effective.

And then they do data analysis, which is almost on demand from the schools — whatever kind of data analysis they want, whether it's longitudinal data, subgroup analysis, wrong item analysis on the individual tests that are given, or analyzing state test results. So, depending on how much the school is going to pony up, anything you possibly could want, they are willing to do.

Kristin Williams:

I'm with the Education Department. My question is personal, not professional. One thing that you talked about are some of the behind-the-scenes things that you do above and beyond providing education, like the laundry and transportation services. Many researchers who are focused on increasing performance around economics, like Pedro Noguera, an urban socialist, talked about the importance of providing health services to your students. Do you do anything, as far as partnering with health providers?

Thomas Carroll:

At this point, we do not. We're not philosophically opposed to it. We do not at any of the schools. We have school-based nurses, as any school would have, but we do not have full-fledged health plans. The district just started one at its schools this year to help clinically the young within the schools, but we have not done that. We refer people all the time and we actually help people sign up for all that health department paperwork and stuff they need to get covered. But we don't actually provide services at this point.

Robert Ward:

Tom, as you mentioned in Albany and often elsewhere, kids who started at the elementary level are now moving through the middle and high school level. Can you talk about whether there are different challenges at those levels?

Thomas Carroll:

It's a lot easier in elementary school. In part, because it's not as good as starting at the preschool level. Oddly, we are prohibited under charter school from offering preschool services. Everybody would prefer if we could start at three years old instead of five years old. But, with that limitation, you're getting kids essentially at the beginning point. So, they haven't learned anything wrong, and they also have a positive attitude about school.

The problem of getting kids in fifth grade, which is where our schools start (the district school starts at sixth grade), is that they have had a negative experience and they can't read, write, and do arithmetic by the time to get to that age. It's kind of the beginning of the independence phase for kids as they enter into adolescence. And so you have to overcome that

negativity or the belief that they can't learn. The gangs are also start competing with the families for creating kind of a culture around those kids. So, you have a very aggressive competing culture at the same time.

All the kids in Brighter Choice fell into the charter schools. So, you have some Brighter Choice kids who are about 30 points higher on average in a rough sense over the kids that are coming in out of the district schools. So, it creates an educational challenge in which you're running kind of an educational program, and at the other end you're running this massive remedial effort for kids who might be at the second grade reading level, even though chronologically they are in the fifth grade.

Now, what's going to be interesting is in two, three years, there are going to be enough kids coming out of charter schools. Assuming it all goes well, and the preliminary data suggests the other two elementary schools are comparable to Brighter Choice, they are doing really well, is you are going to have this big cohort of kids coming up that would be, in the Albany setting, with gifted and talented kids.

And then those middle schools become almost completely different institutions. KIPP all across the country are expert at doing remedial work. They don't really know what to do with really smart kids in fifth, because they have never had them. So, it's not part of the KIPP design.

So, that's going to create different challenges and the schools are flexible enough they will deal with that. And there are worse problems to have. For example, roughly 40 percent of the kids in kindergarten are in charter schools. So, the overall number is 20 percent, but at the middle school, the capacity and the enrollment is much higher. So, as that number starts moving upwards into the middle school grades, the challenges in the middle school will be different. At the high school level, lots of people have told us, "Do not back the high school," and we're doing it anyway. So, we'll see what happens, but that opens in September. That will enroll 75 in its first year and 75 each additional year.

Sandra Vergari:

Do you plan a companion high school for girls? Because that high school is for boys only. Your elementary single-sex schools serve boys and girls. Will you do that at the high school level too?

Thomas Carroll:

No decisions were made on that, but we get asked all the time, "What happens with the girls?" Nothing has been decided.

Diane Ward:

I'm with the New York State School Boards Association. Tom, as you know, charter school operators often make the case that they educate students for a lot less money than district schools. I wonder when you factor in the philanthropic support of the Brighter Choice schools, whether that equation holds up. How much additional resources are going per student?

Thomas Carroll:

First of all, I've never made the argument. I never really care if we actually educate kids a lot more cheaply than the district. We didn't go into this to be the cheapest provider in town. We're trying to educate more kids and do it better. But being the lowest cost provider is not what I wake up in the morning being excited about.

So, I don't spend a lot of time arguing about that. We happen to get less money. I think it's enough money to get the job done. There's no Brighter Choice Foundation money going into the Brighter Choice Charter Schools. As a result of that, you know, whatever we get is directly comparable to the district, in terms of apples to apples.

We pay for a national search to find a principal. We pay for the principal to spend a planning year before the school opens, with full salary and benefits. The Henry Johnson Charter School just opened. The principal never had a sabbatical in her entire life. She couldn't believe that she was getting paid a year to think before she opened the school. It was a very good experience for her and it's very good for the school that we did that.

We also incentivize schools to hire private accounting firms to handle all their book-keeping, to contract that out. And that's for financial transparency reasons. We then give $250,000 in unrestricted grants. We build them a building at cost and lease it to them at cost, which no other developer in the history of the world would do.

Further, since we're encouraging everybody to start with just a grade or two at a time, they can't actually afford even the nonprofit rate debt service, so we'll arrange for a co-habitation or co-tenancy for a couple of years, or in some cases we've stepped in and subsidized their leases for the first couple of years.

So, I'm not sure how you factor it when it's a startup. The per pupil at startup, our per pupil at Brighter Choice is very high because we had 20 teachers when we opened, and we only had 90 kids. So, I'm not sure what the number was, but I think a more apt comparison is once the school is at full enrollment, how does that compare to a full enrollment in the school district? And on that we're substantially less. How much less depends on how you want to count it, and it's not something that I spend a lot of time thinking about.

Robert Ward:

Tom, there's been some discussion among some of the leaders of the school choice movement nationally, critical of the movement itself. Checker Finn has written some critical things about charter schools in Dayton. Sol Stern wrote an article in the *City Journal*, I think, focusing on vouchers, criticizing the voucher law. Do you want to Comment, either on those specifics, or more broadly on whether there is an internal debate going on at the national level within the school choice movement?

Thomas Carroll:

I think there are a couple of different strands. The Sol Stern debate is between pure choice people and instruction-focused people. Diane Ravitch and E.D. Hirch would be kind of essentially focused on what is taught, and the pure choice person is saying, "Just create lots of choices, competition, you know, it will all work out."

And then there's an argument between libertarians, which I would formerly say I was, and quality people. I've switched camps. Okay? Because I've seen too many schools, including New Covenant, that are heavily enrolled, that are bad schools.

Robert Ward:

So you would call it a market failure?

Thomas Carroll:

Well, it's a market failure, I would argue. And I'm not proposing this, but if we created a couple more elementary schools, you wouldn't have a market failure. But people are in New Covenant, I would argue, because they can't get into Brighter Choice, they can't get into Henry Johnson, they can't get into Albany Community. It's not necessarily people's elementary school of choice, but they know they don't want to be in the district. Because they know where their kids live, they are not going to get into Albany School of the Humanities, and they are not going to get into School 19. So they take New Covenant. It's kind of a way station. You might call it purgatory. They are not in heaven, they are in purgatory, and they are hoping some day they get into heaven.

But that's the problem. So that's not a failure of the model, it's maybe a political failure of supply. I don't think we could get more charters to create more elementary schools, but if we could, you could create a bunch more elementary schools, which we're very good at doing, and New Covenant would be empty, and all those kids would be better off.

Diane Ward:

Did the Foundation ever offer some of your considerable expertise and support to New Covenant? I mean, if it's all about children.

Thomas Carroll:

Well, let me put it this way. People have also asked us whether we would consult with the district. People with a really good sense of humor. Just in terms of the marginal use of my time, I'll work with people who I think have their act together and share a common vision, and are really committed to the same things I'm committed to.

The problem is that board is not a cohesive board of directors. It's not a skill-based board. It's a community-based board, which is not the same thing. And they have an arrangement with an outside management company. Major political figures in Albany and the state have asked us to go in and take over New Covenant and fix it. Now, New Covenant hasn't asked, so that's the legal problem. You have to be invited in, because it's a separate entity. But even if they made that phone call, the answer would be "No." Because they are not willing to make the changes that would be required to turn that school around.

First, you have to cut it in half; it's too darned big. Second, you'd have to get rid of the management company. If you are going to turn around a school, you have to make dozens of decisions every day on what needs to be done or fixed. You don't need to call somebody in New York City or across the country to get an okay to make a change. And the board needs to have the power to make the unilateral decision to hire or fire a principal, and not have to check with the management company.

Now, sometimes management companies work really well. They work best when you have a high-octane board of people with serious business experience who know how to manage vendor relationships, because they really are a vendor. But that's not what they have there now. And so, they also have the problem of the building. They agreed to this building that holds 900 kids. So, if you took my idea and turned it into a school of 300 kids, you couldn't pay for the building.

I said to the individual board members there, the second you agreed to that nice, pretty looking building and you saw how many classrooms were in it, your fate was sealed on that day. You just didn't realize it. With all of those parameters, even at the elementary grades, they have been dead last every single year for seven or eight years? They are up for renewal next year. That's a pretty convincing record.

I think it would be better to just set up more schools and have those kids go to brand new schools than to deal with trying to turn around this kind of monstrous school industry it has. I just think it's not likely to happen. But, at any rate, the conditions would not be the best use of the two or three free minutes we have a week.

Sandra Vergari:

I was just thinking with regard to large buildings, one creative way of getting past this idea of a large school would be to create schools within that building, "schools within a school."

Thomas Carroll:

Funny you should say that. Somebody said, "Why don't we work a deal in which the school cuts itself in half." This is not a conversation we've had with them, just people kind of musing about how the situation could be fixed. You cut the school in half, and then you put

another school in that building. The problem with that is that, from a culture perspective, what makes our schools work is that we have the culture of the building completely nailed.

You walk into the Brighter Choice for Boys. Everybody says boys are difficult? We have a school that only has boys. I could never imagine being an elementary school teacher and have the 185 boys we have. You could hear a pin drop in that school. If you walk around the classroom, every kid is smiling. So, it's not like they are afraid they are going to get whacked on the knuckles if they say something. The kids are glad to be there. We have classes on Thursday nights, we have classes on Saturdays. We're going to year-round schooling. I'm not talking about a summer school program. The actual calendar is going to run continuously. And everybody is excited about it.

So, you can't create that culture if you are in a building where half the building is out of control, and half the building is run like that. It would undermine the culture of our building. And we could not convince any of the principals at any of our schools to co-habit with a dysfunctional district school or a disruptive charter school.

Sandra Vergari:

Just to clarify, that's not what I was envisioning with my comment. I'm not saying you should do this or proposing that this should happen. But rather than having this big building sitting there, new school entrepreneurs could come in and set up brand new schools within that building. I didn't mean to convey that New Covenant would remain and then you bring in another school.

Thomas Carroll:

If everybody in the room wants to go with me and walk down the street and get two more charters, you could. I just don't think politically that anybody is going be handing out two extra elementary charters in Albany. But politically if you could do it the answer is you'd eventually phase out New Covenant, and you'd phase in two brand new, small elementary schools that were nonprofit, that did not have management companies, and I think you would have a very high chance at success. But, for a variety of political reasons, that's not going to happen.

Now, ironically, the union spends a lot of time going after us; the only charter school they defend in Albany is New Covenant. There's a reason for that, and it's not just because they are enamored with the model; this is the only unionized charter school in Albany. So, they are making a fair amount on dues out of that building.

So, you have this kind of unholy alliance when the board voted last year to close New Covenant. You had the bond holders who wanted to keep it open because they were getting paid. You had the management company wanting to keep it open because they were getting paid a fee. And you had the union wanting to keep it open because they were getting their dues. Myself, I don't think that's an argument for an educational institution. So, there are sometimes politics interests involved with education. And not always in pretty ways.

Robert Ward:

Please join me in thanking Tom and also Sandra and Allison. Thank you all for coming.