

Hope after

Will New Orleans Become the New City of Choice?

Katrina

A student starting public school in New Orleans in the fall of 2005 had little reason to be hopeful about her education. Of her 65,000 schoolmates in the New Orleans Public Schools (NOPS), over half of those taking the state's high-stakes tests (4th, 8th, 10th, and 11th graders) did not have "basic" competence in math and English; 68 of the 108 NOPS schools receiving performance labels had been rated "academically unacceptable" by the Louisiana Department of Education, 13 more than just the year before (see Figure 1). Many of the city's high schools had double-digit dropout rates, and a state auditor, calling the district's finances a "train wreck," estimated that NOPS was running double-digit (in millions of dollars) deficits.

A student starting school in New Orleans in the fall of 2006, on the other hand, has some reason for optimism. There are now only an estimated 22,000 students and 57 schools in the district. Very few of them are being run by the New Orleans Public Schools; more than half the schools are charters and anxious to please, offering new curricula, longer school days, even special summer sessions.

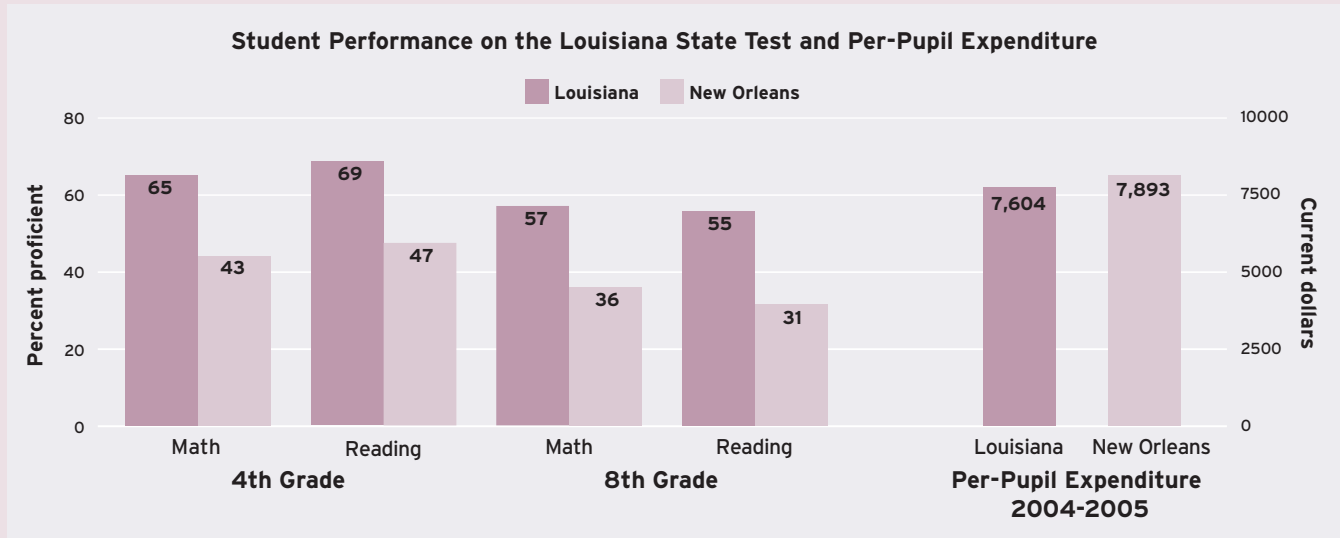
What happened? The short answer is Katrina, the category 3 hurricane that pounded southeast Louisiana the morning of August 29, 2005, and devastated New Orleans, including its schools. The longer answer is that the destruction, terrible as it was, may prove to be the salvation of a school district that had been drowning for years. Politicians,

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BY KATHRYN G. NEWMARK AND VERONIQUE DE RUGY

Scraping Bottom (Figure 1)

Before Katrina, the test scores of New Orleans students were well below the state average, but per-pupil spending was higher than elsewhere in Louisiana.



Note: Proficiency percentages are for the initial test takers in the spring of 2005. Data for Louisiana does not include New Orleans for either student performance or spending. Thus, the figure compares New Orleans to the rest of the state.

SOURCE: Louisiana Department of Education

educators, and parents, long frustrated with the state of public education in New Orleans, suddenly had the opportunity, as the waters receded, to build, almost from scratch, a new school system.

It will be years before we know the outcome of this major renewal effort. But already we can see outlines of the future. Before Katrina, the Orleans Parish School Board (OPSB), which had run public schools in New Orleans, operated 123 schools; in the spring following the storm, it was running just 4. Before the storm there were 5 charter schools in a district of 65,000 students; by May of 2006, ten months after the hurricane, there were 18 charters in a New Orleans Public School district educating just 12,000 students (see Figure 2). It was, almost literally, a sea change in the organizational structure of the city's school system. Overnight, New Orleans, with nearly 70 percent of public school students in schools of choice, had become one of the most chartered cities in America. (In Washington, D.C., and Dayton, Ohio, two of the most charter-concentrated cities up to now, only about a quarter of public school students attend charter schools.) No doubt, the hurricane was destructive. Some 85, or nearly two-thirds, of the city's school buildings had been wiped out or damaged by the floodwaters, at an

estimated loss of \$800 million. And tens of thousands of New Orleans residents, their homes and livelihoods destroyed, fled the city; Houston public schools alone absorbed more than 5,000 of the refugee students. It seemed that Katrina accomplished in a day—dismantling a derelict school district—what Louisiana school reformers couldn't do after years of trying.

A Slow Road to Ruin

To many observers, it seemed quite plausible that if a hurricane hadn't closed them, New Orleans public schools would have tumbled on their own. The city had 55 of the state's 78 worst schools in 2003–04, and between 1998 and 2004 school enrollment had dropped by 26 percent, from 82,000 to 65,000 students. (The Orleans Parish population itself decreased by less than 1 percent, from 466,000 to 462,000, during this time.) Mismanagement and corruption were rampant.

"In the dismal gallery of failing urban school systems," wrote Associated Press reporter Adam Nossiter in April of 2005, several months before Katrina, "New Orleans may be the biggest horror of them all."

Exasperation with the district's poor management and record of

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even poorer performance had already motivated many efforts to fix things. But almost as persistent as the district's low test scores and high dropout rates were the number of school superintendents—eight in seven years—who promised change and failed to deliver, swallowed up by petty politics and power struggles. One early effort at reform was a proposal from the University of New Orleans (UNO) in the summer of 2001 to create and oversee a new charter school district, converting 10 existing public schools to charters. But the school board and teachers union objected and UNO scaled the proposal down to managing just 1 charter school. Later, even that agreement fell apart over teacher contract issues.

In October 2003, over opposition from the Orleans Parish School Board, voters in the state approved a constitutional amendment, by a 60 to 40 percent margin, allowing the state to assume control of public schools that received

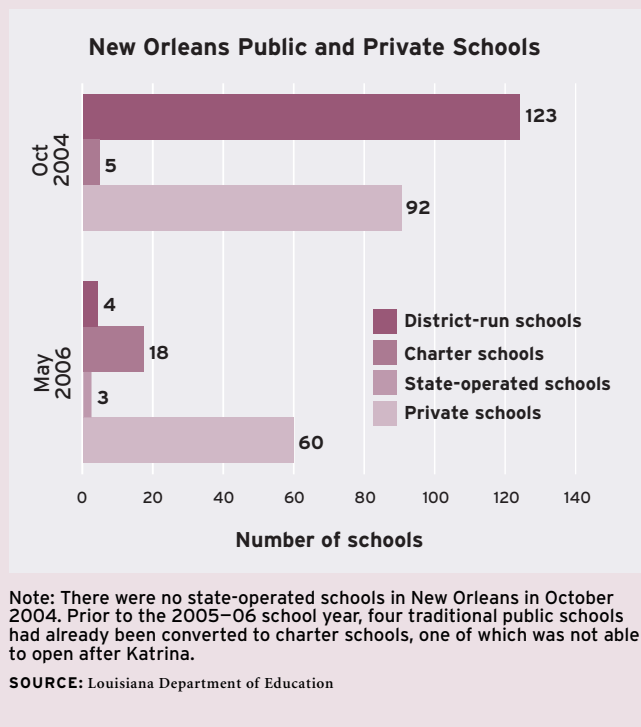
an “academically unacceptable” rating four years in a row, applied retroactively so that failing New Orleans schools could be taken over sooner. And, in fact, of the 16 schools statewide eligible for takeover for the 2004–05 school year, 15 were in Orleans Parish. Those schools were made part of a “Recovery School District,” run by the state but eligible to become charters if they wished.

The first takeover occurred in the summer of 2004 when the state handed control of P.A. Capdau Middle School to the University of New Orleans. Signaling the pent-up demand for change in New Orleans, more than 500 students applied for 264 spots at the revamped school, and more than 60 teachers applied for the 16 available positions. Pleased by this progress, the school board reversed its earlier opposition to UNO-run schools and proposed that the university operate more of them.

In the middle of this small burst of reform came Anthony Amato, a hard-charging administrator from Hartford with

A Different World (Figure 2)

By the end of the 2005-06 school year, a changed education landscape had emerged in New Orleans.



ambitious goals and a track record of succeeding in urban schools. Taking up the superintendent's reins in February of 2003, Amato promised to increase test scores and root out corruption. He demoted 20 principals, standardized literacy programs, and reduced student absenteeism by nearly 30 percent in his first year on the job. Typically, in doing the hard things, he rubbed many New Orleans school-establishment people the wrong way and by the middle of 2004, there was a movement afoot to fire him. "In 18 months," ran a headline in the July 2004 issue of *District Administration Magazine*, a national journal for K-12 administrators, "New Orleans Superintendent

Anthony Amato has rid his district of ghost teachers and focused haphazard curricula. So why is he involved in a nasty fight to retain his job?" And though he had many supporters, including powerful state legislators who pushed through a special bill that transferred powers from the school board to the superintendent, Amato could not survive the disastrous financial reports, audits, and indictments that began flowing through his office in 2005, almost as a prelude to Katrina's tidal surge.

First, it was the state auditor calling the district a "train wreck" (this in early 2005) and detailing a list of abuses that included promotion policies that put people in jobs they were not qualified for and a district accounting office that employed "not one accountant." The auditor estimated that the system was running a \$25 to \$30 million deficit, but couldn't be certain because of the shoddy quality of the financial records. Then the U.S. Department of Education found nearly \$70 million in federal money for low-income students either improperly accounted for or misspent. Finally, federal and state investigators, who had been looking at New Orleans since 2004, opened an office inside the school administration building itself. Their investigation resulted in two dozen indictments for theft, fraud, and kickbacks. (By early summer of 2006 there were 20 guilty pleas.)

Finally, at an April 2005 school board meeting that was "crackling with racial hostility," according to the Associated Press, Amato tendered his resignation. In late May the

board finally gave in to the stark reality and hired the financial turnaround firm of Alvarez & Marsal (A&M), which was headquartered in New York City and had offices throughout the world (though not in New Orleans), to take control of hiring, firing, and contracting in the central office. Though the Orleans Parish School Board would still maintain control over the budget and the hiring and firing of teachers, A&M would report directly to the state superintendent and have the authority to appoint the district's top financial officers.

In a July status report, barely six weeks before Katrina, Alvarez & Marsal summarized the grim situation: "The conditions we have found are as bad as any we

have ever encountered. The financial data that exists is (sic) unreliable, there has not been a clean audit since FY 2001-2002, there is no inventory of assets, the payroll system is in shambles, school buildings are in deplorable condition and, up to now, there has been little accountability." A&M, projecting that the district would "run out of cash by September," began to cut the budget by some 10 percent, and announced what it said was the first in a series of layoffs.

By the time Katrina struck and the levees broke that August morning, New Orleans schools were already listing badly.

A Difficult Restart

At first it looked as if Katrina would spell the end of all of New Orleans, including its schools. The city's students and teachers were quickly scattered around the country, and many had no plans to return. Students enrolled in new schools, including the thousands who entered the Houston public schools (altogether an estimated 250,000 evacuees went to Houston), and teachers found new jobs.

There wouldn't have been much to come home to: Alvarez & Marsal officials reported that 47 of the 128 New Orleans public schools were severely damaged and 38 more had moderate damage.

Even after the shock wore off and city, state, and federal officials began talking about rebuilding, New Orleans school leaders were predicting that most schools wouldn't reopen for at least a year. The undamaged buildings on the West Bank,



With the city's tax base wiped out by the hurricane, New Orleans could no longer count on local funding for schools, nor would the tax revenue be available to back a pre-Katrina approved bond issue.

they said, wouldn't be ready for students until January 2006, and no East Bank schools would educate students in the 2005–06 school year. Even when school officials reassessed the situation and determined that they could reopen schools sooner than first thought, the district was immediately beset by the same old internal board conflicts, the same fights between the Orleans Parish School Board and state officials. At the September 15 board meeting, barely two weeks after the city had been brought to its knees, tensions boiled over in a racially charged session where, according to the New Orleans *Times-Picayune*, "the battle lines were drawn." Board member Phyllis Landrieu, who is white (and the aunt of U.S. senator Mary Landrieu and Louisiana lieutenant governor Mitch Landrieu, who would lose a close race for mayor in the spring of 2006), proposed replacing acting district superintendent Ora Watson, who took over from Amato and is black, with Bill Roberti, who is the head of Alvarez &

Marsal in New Orleans and white. The proposal failed. But it heightened racial tensions at a time when race had become as turbulent an issue as the storm.

As if that weren't enough, with the city's tax base wiped out by the hurricane, New Orleans could no longer count on local funding for schools, nor would the tax revenue be available to back a pre-Katrina approved bond issue. State funding would also decrease, as funds were redirected to other districts that had absorbed displaced New Orleans students.

But on September 30 came news that must have looked like a life preserver to many school reformers and would serve as a catalyst for change: a grant of \$20.9 million from the federal No Child Left Behind charter school program. The money was earmarked to help Louisiana reopen existing charters as well as 10 new ones.

Immediately, school board vice president Lourdes Moran and state and local lawmakers representing Algiers

(a neighborhood in the relatively undamaged West Bank district of the city) drew up a plan to charter all 13 schools in that area. And in what appeared to be an end run around the perennially contentious school board, Moran and Algiers legislators presented the proposal to an invitation-only group of some 20 business, religious, and other community leaders on October 5 without telling the school board.

On October 7, the day of the next school board meeting and with the board still unaware of Moran's plans (she had e-mailed the plan to her colleagues the night before, but according to *Education Week*, some board members and Acting Superintendent Watson said they hadn't had a chance to read the application before the meeting), New Orleans mayor Ray Nagin announced that he

would ask the governor for help in creating a citywide charter school system. Nagin later explained that he had written a letter to Governor Kathleen Blanco on October 5: "Give me the charter schools I've been asking for—20 charter schools, a citywide charter school district." And on October 7, the day of the Orleans Parish School Board meeting, Governor Blanco issued several executive orders to smooth the way for charter schools in New Orleans. It was a measure of the school board's intransigence that, despite a devastating hurricane, a \$20 million grant, and a ton of political pressure, the Algiers charter plan passed by only a 4–2 vote (with 1 abstention).

Board member Jimmy Fahrenholtz, a persistent advocate of reform, expressed his disgust at the nay-sayers, remarking, "[The state] should have taken us over a long time ago." Moran, who admitted that she had purposely kept her colleagues in the dark about the proposal, was amicable in victory. "I'm not saying that I want to do this because I want to change governance," she explained. "I am interested in making sure we access all the resources necessary to have a quality education."

There was some momentary drama when a group of mostly black leaders in Algiers won a temporary restraining order against the plan and Acting Superintendent Watson and board president Torin Sanders, who was one of the votes

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against the Algiers plan, began to talk about OPSB opening four of its own West Bank schools in November, but the resistance was short-lived. Alvarez & Marsal told the board that the district didn't have the funds.

On October 28, as the restraining order expired, the dissenting board members reversed course and OPSB unanimously approved 20 charter school applications, including 13 on the West Bank to be overseen by the Algiers Charter School Association (ACSA). OPSB required, among other things, that 20 percent of the students at each charter school be students receiving free or reduced-price lunch, and 10 percent be special-education students.

Meanwhile, New Orleans' private schools were already starting to reopen. In part because of its dismal public

school system and in part because of a strong religious, especially Catholic, tradition, New Orleans had a robust private school network before Katrina: some 25,000 students, more than a third of the number in the public schools, attended 92 different schools. (Nationally, only 10 percent of K–12 students are enrolled in private schools.) And their relative importance only increased after the storm. By the first week of October, nearly 1,100 students were attending 2 Catholic schools in Algiers. Soon after, the first 3 private schools opened their doors on the East Bank, and by early November, 8 of the city's Catholic schools were open—all before a single public school, charter or not, had reopened anywhere in New Orleans. Even after the public schools began operating, the private sector proved more nimble. By the spring of 2006 there were nearly 20,000 students enrolled in private schools, three-quarters the prestorm figure, but well above the number that were back in public school (see Figure 3).

Starting Fresh

While the immediate impetus for the charter school plan was money, these new schools promised hope to a devastated city school system. The new Algiers Charter School Association emphasized the benefits of being liberated from Orleans Parish

School Board policies, which, according to the association's application, "currently consist of over a one foot thick set of documents that have not been reviewed for consistency and necessity in the past 20 years." The charter schools "would be able to start fresh" in developing new policies and procedures to best meet the needs of students.

The difference between charter and regular public schools was quickly apparent in Algiers when ACSA began hiring teachers. Instead of giving first priority to teachers who were at the school before Katrina and hiring them based on seniority, as the union contract would have dictated, the charter school group asked each teacher applicant to take a short test of math and writing skills. It screened out 50 of 250 applicants based on the test results alone.

Just as the charter school plan continued the pre-Katrina trend of decreasing board control of New Orleans public schools, the post-hurricane changes accelerated the trend of increasing state involvement and paved the way for many more charter schools. Gradually, the focus was less on the financial benefits of charters and more on their advantages in governance.

In early November Governor Blanco proposed an expansion of the state's authority to take over New Orleans schools. Instead of applying only to "failing" schools, the new powers would now pertain to all schools in districts "in academic crisis" that had performance scores below the state average. By state law, only Orleans Parish and one small rural district met this criterion. As a result, OPSB would be stripped of responsibility for 107 of the 128 public schools in the district.

Anti-OPSB sentiment was running so high that the legislature quickly approved the plan by an overwhelming majority. The statehouse was even more eager to see the state take the reins in New Orleans, handily passing an alternative plan (that didn't become law) to take over all schools in the district. State board member Leslie Jacobs summarized the feelings of many when she described OPSB to the *Times-Picayune*: "There's no

trust in the institution and no outcome of results that would make the institution worthy of the public's trust." Blanco signed her takeover plan into law on November 30, 2005.

Most of the newly chartered schools had below-average scores, but reapproval of their charters seemed very likely as

universities and private foundations such as the Gates and Broad foundations, reluctant to get involved while the dysfunctional OPSB leadership remained in place, were now calling. According to Mayor Nagin, "They said, 'Look, you set up the right environment, we will fund, totally fund, brand-new schools for the city of New Orleans. But we don't want to go through what you've been through. All that struggle you've been having with that school board. We don't want to do that. We want to come in clean.'"

In January 2006, the state announced that it was seeking charter operators for the 38 Recovery District schools that were not too damaged to open in the 2006-07 school year.

Twenty groups hoping to run new charter schools submitted 43 applications to a review committee, comprising a team from the National Association of Charter School Authorizers and local, state, and national representatives. The committee granted approval to 6 groups to run 10 schools.

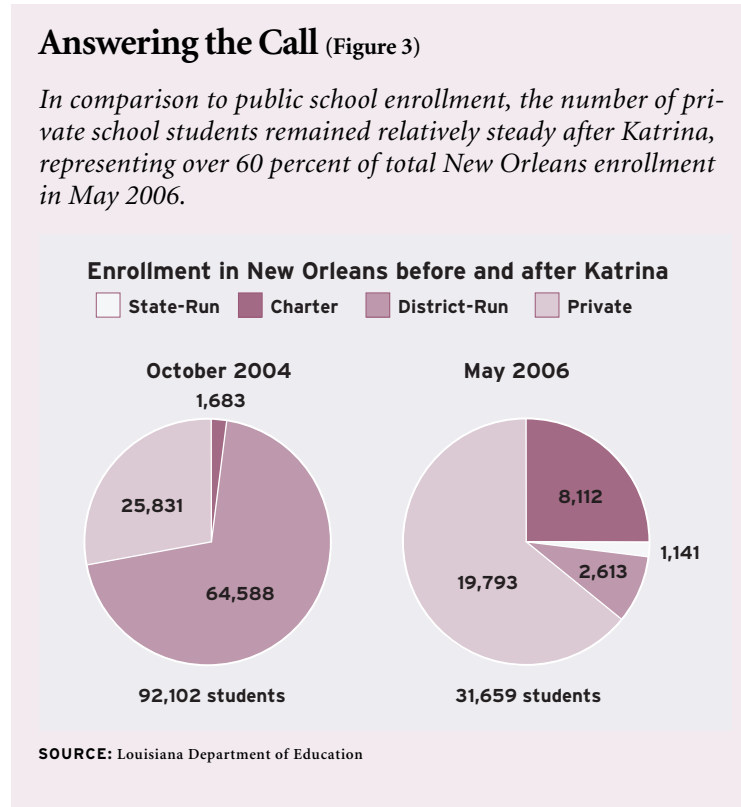
Will It Last?

Since the board's charter-school decision and the new state takeover law, progress has been steady. The first public schools to open were 2 that had been chartered by the state board of education long before the hurricane and were in the relatively undamaged Uptown area of the city. The Orleans Parish School Board reopened its first school, Benjamin Franklin Elementary, with 146 students, also in Uptown, at the end of November 2005. On December 14, 5 Algiers charter schools opened their doors, "without a hitch," for more than 1,300 students.

And so it continued. By mid-January, 14 charter and 3 traditional public schools were educating again, serving about 9,000 students. By the spring, 25 schools were running, only

Answering the Call (Figure 3)

In comparison to public school enrollment, the number of private school students remained relatively steady after Katrina, representing over 60 percent of total New Orleans enrollment in May 2006.



4 of which, as mentioned, were operated by OPSB. The combined registration at the 18 charter schools and 7 traditional public schools was only 12,000 students, less than 20 percent of the pre-Katrina public school population. Alvarez & Marsal and state officials were estimating that by January 2007, New Orleans public schools would be serving 34,000 students—still barely half of the pre-Katrina enrollment.

To the extent that the post-Katrina developments are a natural continuation of earlier reforms, it seems likely that the charter school momentum will continue. But to the extent that charter schools came to dominate the New Orleans education scene only because of a natural disaster, it is reasonable to wonder whether the changes will stick. Will New Orleans want to continue as the U.S. city with the highest concentration of charter school students?

The federal government seems to hope so. In June of 2006, Secretary of Education Margaret Spellings came to Louisiana to announce the awarding of \$24 million to create more charters. The grant, reported the *New York Times*, “is likely to cement the role of New Orleans . . . as the nation’s preeminent laboratory for the widespread use of charter schools.”

Another important factor on the side of charter school advocates is the greatly diminished power of the teachers union, which had often been an obstacle in earlier reform efforts. When the state legislature swept 107 schools into the expanded Recovery School District, it nullified the collective bargaining agreement between the Orleans Parish School Board and the union at those schools. Where it once had 4,700 members paying \$600 in dues each year, the union now has only 300 members. The only schools with unionized teachers are the 4 schools operated by OPSB.

For those who want to preserve the new structure of New Orleans education, the rebuilding plan developed by the education committee of Mayor Nagin’s Bring New Orleans Back Commission is also promising. The education committee was

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chaired by Dr. Scott Cowen, the president of Tulane University, who was assisted by an “education Dream Team” of national experts and local stakeholders. More than 1,500 students, parents, teachers, and community members, representing every school open prior to Katrina, offered input. In addition, the committee interviewed more than 40 education experts and studied successful districts around the country. Contributors to the final plan included representatives from the New Orleans Public Schools, state and local government, Louisiana universities, the U.S. Department of Education, the Broad Foundation, the Gates Foundation, the Council of the Great City Schools, IBM, Teach For America, the American Federation of Teachers, New Orleans nonprofits, and the Philadelphia, Norfolk (VA), and Oakland public school districts.

According to the plan’s “educational network model,” the school system would include a mix of charter, contract, and system-run schools,

organized in small “networks” of similar schools. The Algiers Charter School Association, for example, could be one network within the larger school system.

All schools will have considerable autonomy—including control over staffing, the authority to set their own budgets, and the freedom to offer extended school days or longer school years—but will be held accountable for results, and funds will follow students as they choose the schools that best meet their needs. A network manager will provide support and accountability for each network of schools. A “lean” district office will focus on policymaking instead of top-down operational decisions, including a small “strategy group” that will set learning standards and ensure the equitable allocation of resources, but will not mandate teaching methods or control school spending. The other major component of the district organization will be a new central support-services office that will provide optional assistance to help schools obtain services such as food preparation and trans-



Melvin Patterson listens to a lesson during seventh grade class at Samuel J. Green Charter School in New Orleans. Hurricane Katrina has given New Orleans' chronically underperforming school system a fresh start.

portation. One superintendent will direct the network managers, strategy group, and services office and report to the school board, whose role will be oversight, not execution.

The plan explicitly rejects an all-charter-school system, but preserves many of the advantages of such a system, such as flexibility and decentralization. The plan also provides enough structure and support to help school leaders be successful without impinging on their autonomy. In fact, it seems that, within this framework, even the system-run schools will be indistinguishable from charter schools.

Significantly, the school board, often a tough sell on reform plans, has endorsed the Bring New Orleans Back Committee's educational network model. The state education department will ultimately determine what reforms are implemented, which signifies a major change in governance structure. But since state officials participated in the committee's planning process and the proposals fit with the state's general vision for New Orleans education, it seems likely that the

final plan will resemble the committee's plan.

To be sure, it's just a plan, and large school districts are certainly famous for their ability to churn out weighty reports that go nowhere. But contrasting the New Orleans outline with another high-profile school plan released around the same time—D.C. superintendent Clifford Janey's "master education plan"—it seems that New Orleans is considerably more serious about overhauling school structure than Washington. Where the D.C. document is a 120-page hodgepodge, the New Orleans education blueprint is only 30 pages long, offering an ambitious, completely new vision for transforming the way education is delivered. New Orleans seems determined to preserve the reforms brought on by Katrina. The question is whether it can sustain the innovative momentum in the face of old habits—and new storms.

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