

Redefining the School District in Tennessee

by Nelson Smith

April 2013





The Thomas B. Fordham Institute is the nation's leader in advancing educational excellence for every child through quality research, analysis, and commentary, as well as on-the-ground action and advocacy in Ohio. It is affiliated with the Thomas B. Fordham Foundation, and this publication is a joint project of the Foundation and the Institute. For further information, please visit our website at www.edexcellence.net or write to the Institute at 1016 16th St. NW, 8th Floor, Washington, D.C. 20036. The Institute is neither connected with nor sponsored by Fordham University.

CONTENTS

Foreword.....	2
Introduction.....	4
The Tennessee Story.....	5
The Moving Parts.....	7
Sidebar: Why a Statewide District?.....	9
Getting Started.....	10
Sidebar: Why Memphis?.....	11
Early Expansion.....	12
Rounds Two and Three.....	13
How Will the ASD Do It?.....	14
Financing, Short and Long Term.....	15
Sidebar: The Focus Shifts to Merger.....	17
A Little Help from Their Friends.....	18
Hearts and Minds.....	20
The Early Returns.....	22
Broader Impact?.....	22
Lessons for Other States.....	23
A Final Word.....	25
Endnotes.....	26
About the Author.....	30

FOREWORD

by Chester E. Finn, Jr. and Amber M. Winkler

Here at the Thomas B. Fordham Institute, the challenges of education governance loom ever larger in our minds and higher on our agenda, as the dysfunction and incapacity of the traditional system reveal it ever more starkly to be a major impediment to urgently-needed reforms across that system.

Our multi-year governance initiative—undertaken jointly with the Center for American Progress—is already helping to bring this issue into sharper focus for many who had either ignored or despaired over it. The “anchor book” for that initiative (*Education Governance for the Twenty-First Century: Overcoming the Structural Barriers to School Reform*) came out a few months back but we and our partners at CAP aren’t resting.

We’re keenly aware that almost every time the shortcomings of traditional district-based governance of K–12 education are pointed out, one understandable response is “what’s the alternative?” This new issue brief by Nelson Smith is part of our answer.

Nobody should suppose that there will be a single “one size fits every situation” alternative to established structures and governance arrangements. The U.S. is too big and diverse and the circumstances faced by individual states and communities are just too varied. But some very interesting alternatives have begun to emerge.

The best known of these, surely, is “mayoral control” of a city’s schools, which seems to be improving matters in a number of places, though many mayors are loath to embrace it.¹

“State takeovers” are another obvious alternative, but these come in many forms, the familiar “district takeover” being just one. At least as interesting, and perhaps more promising, is the “recovery district” approach, whereby a new state-created entity shoulders responsibility for running—and turning around—individual schools that have produced dreadful results while under district control. What makes us hopeful is that these new entities are typically given new authorities and flexibilities—such as the ability to turn schools into charters and to bypass collective bargaining agreements—that allow them to cut the knots that have made so many schools dysfunctional in the first place.

This is both a governance innovation and an imaginative response to pressure (from No Child Left Behind, from Secretary Arne Duncan, and from many other sources) to transform the nation’s most egregious “dropout factories” into providers of quality education and sources of quality school choices for children who urgently need them.

Redefining the School District in Tennessee examines the progress of the Tennessee Achievement School District (ASD), a statewide model for school turnarounds based on Louisiana’s pioneering “Recovery School District.” Developed as part of Tennessee’s successful 2010 bid for federal Race to the Top funds, roughly \$22 million was earmarked for the ASD. In May 2011, Governor Bill Haslam and State Superintendent Kevin Huffman galvanized the effort by selecting Chris Barbic, founder of Houston’s Yes Prep Public Schools, as ASD Superintendent. The ASD is now leading the charge in developing talented building and classroom leaders, luring high-quality charter management organizations to the Volunteer State, and incubating new public-school choices. It runs some schools directly and entrusts others to external charter operators. But the goal remains the same: turn bottom-5-percent schools into high-achieving ones (top 25 percent) within five years.

Will this happen? ASD is too new to have produced definitive evidence. But its forerunner in New Orleans, where the percentage of students performing on grade level continues to rise, shows what's possible. Talk to anyone who has rolled up their sleeves in the Crescent City and they'll tell you it has been both a labor of love and, well, hard labor. Intrepid leaders in Tennessee saw a similar opportunity and decided it was worth their perspiration, too. (Michigan subsequently launched a version of a "recovery district" and the idea is afoot in several other state capitals.)

To tell the Tennessee tale, we approached Nelson Smith, former head of the National Alliance for Public Charter Schools who is now senior advisor to the National Association of Charter School Authorizers (NACSA). Nelson has also held positions at the U. S. Department of Education, the D.C. Public Charter School Board, and New American Schools. He's keenly aware of the challenges in forging alternative educational options for kids.

His paper makes worthwhile—we would say compelling—reading for any visionary state or local leader looking to reinvent the current governance arrangements that so often hamstring school improvement efforts. It is the first of a three-part series focused on recovery school districts; the second will target similar efforts in Michigan and the brand-new effort in Virginia; paper three will review and distill national lessons from all of these endeavors. (You can also read Nelson Smith's profile of the Louisiana prototype in a paper he recently wrote for Fordham's Ohio team.²)

"Recovery" districts, to repeat, aren't the solution to every governance problem, but they open a valuable window to what innovation and the quest for alternatives can lead to. We commend those with the foresight and courage to launch such bold reinventions and commend their work to your attention.

We gratefully acknowledge the ongoing support of our governance work (at Fordham and the Center for American Progress) by the Carnegie Corporation of New York, the Doris and Donald Fisher Fund, and the Eli and Edythe Broad Foundation.

INTRODUCTION

The past couple of decades have sent tremors through long-established relationships among public schools, local school districts, states, and the federal government.

- States have taken over local school districts (among them Newark, Detroit, Philadelphia, Oakland, and Youngstown), typically because of overspending and lax management rather than academic failure—though the two usually go hand in hand. In his 1993 opinion ordering state takeover of Newark’s schools, for example, Judge Steven Weiss noted that, despite the district’s sky-high per-pupil spending, just one in four eleventh-graders was passing a high school proficiency test. “That is a description of failure on a very large scale, and if ‘abysmal’ is too strong a description, it most certainly is distressing to contemplate,” he wrote.³
- Most states permit school districts to authorize charter schools, but also let prospective operators appeal to the state (and/or other third parties) when turned down locally. Massachusetts, New Jersey, and North Carolina permit the state board (or state agency) to authorize charters directly, within district boundaries. A few states allow colleges and universities a statewide authorizing role (Missouri, New York, Michigan), and some even give nonprofits that responsibility (Ohio, Minnesota). The Arizona State Board for Charter Schools, established in 1995, was the first independent, statewide chartering agency; today there are twelve. But these statewide bodies were not designed to remediate local dysfunction; they were intended to give parents and would-be school operators additional options when the locals wouldn’t budge.
- The No Child Left Behind Act of 2002 (NCLB) required districts to fix failing schools, although a big loophole enabled them to settle for making cosmetic rather than fundamental changes. In 2010, a RAND study found that just 3 percent of failing schools were taken over by states and 1 percent were contracted or chartered out. (In general, states essentially ignored their parallel obligation to do something about failing *districts*.)

In 2004, these disruptive innovations came together when Louisiana pioneered a statewide Recovery School District (RSD) that would take over and run failing schools directly, either by managing them itself or by chartering them out to other operators. When New Orleans was flooded after Hurricane Katrina in 2005, the state eased the RSD’s entry criteria so that nearly all of that city’s public schools qualified for turnaround. Thus the RSD became the main operating system for New Orleans public education, and it remains so in 2013.⁴

Three more states have since developed their own variations on the Louisiana strategy. Michigan, Tennessee, and Virginia have statewide districts on the books, while a few others are taking an “RSD-lite” approach.

This paper examines the Tennessee Achievement School District (ASD).⁵ It is the first of a series commissioned by the Thomas B. Fordham Institute to probe the ways that statewide turnaround districts affect traditional governance relationships among the state, school districts, and public schools. (The next installment will focus on Michigan and the brand-new Virginia effort, and the final paper will review all four.)

THE TENNESSEE STORY

As of early 2010, with 80 percent of schools making Adequate Yearly Progress (AYP) under the No Child Left Behind Act's score sheet, Tennessee was meeting accountability measures better than all but thirteen states. That accomplishment, however, masked mediocre performance on the National Assessment of Educational Progress (NAEP), where Tennessee ranked thirty-third among the states in eighth-grade reading and forty-second in eighth-grade mathematics. This relatively poor showing was compounded by black-white achievement gaps of between twenty-five and twenty-eight scale points, indicating large inequalities in Tennessee's school systems.

Tennessee's turnaround plan was developed as part of its application for funding under the Obama administration's Race to the Top (RTTT) program; unveiled in 2009, RTTT used economic "stimulus" dollars that Congress assigned to the Education Department after the 2008 economic downturn. To be competitive, states had to advance on multiple fronts simultaneously: loosen restrictions on the growth of charter schools; tie teacher evaluation to student results; adopt Common Core or other rigorous academic standards; and take action on the lowest-performing 5 percent of their schools. Education Secretary Arne Duncan stressed the last item in remarks at the National Charter Schools Conference in June 2009, saying that acceptable plans would limit districts to a choice among four tough "turnaround" options, with none of the NCLB wiggle room: "For a turnaround to succeed, you have to change the school culture. In most cases, simply replacing the principal is not enough. We want transformation, not tinkering."⁶

As for chartering, Tennessee was hardly in the vanguard. Its limp 2002 charter law capped statewide growth at fifty schools and limited charter enrollment to students whose prior schools had failed to make AYP, or who had themselves failed to attain proficiency on state exams. In 2009, the cap was increased to ninety schools by 2015; in 2011, the Tennessee General Assembly opened enrollment in charter schools to any student within the authorizer's jurisdiction. (Even with these improvements, however, the state's law is still considered weak: thirty-third in the nation according to the National Alliance for Public Charter Schools ranking.⁷)

But Tennessee also enjoyed some key advantages in the RTTT competition. The Volunteer State had faced the fact that its academic standards were among the worst in the land, and in 2008 it adopted new standards and graduation requirements. Although test results promptly plummeted, the outcomes were now honestly aligned with NAEP and ACT results.⁸ In July 2010, Tennessee officially adopted the new multistate Common Core standards. It also boasted a robust statewide database, made possible by the pioneering work of University of Tennessee professor William Sanders, that could link student and teacher data for value-added analysis.

In the final stretch of his second term, the popular Democratic governor Phil Bredesen led the charge for a Race to the Top grant. Addressing the state legislature just a week before the federal application deadline in January 2010, he dwelt on selling the most controversial aspect of his "First to the Top" legislation, tying teacher evaluations to student achievement results.

He spent less time on the "bottom 5 percent" provision of RTTT, but what he suggested was significant: "For those schools that are consistently failing, we need a strategy—and the resources—to turn them around. Race to the Top can transform our efforts in this regard. With this in mind, the legislation before you in this extraordinary session includes granting the Commissioner of Education the authority to create a special school district—an Achievement School District—for the purposes of intervening in consistently failing schools, and getting them back on track."⁹

The bill passed on January 15, 2010; the federal application was submitted three days later; and in April Secretary Duncan announced that Tennessee was one of the first two states (Delaware being the other) to win Race to the Top grants, with \$500 million awarded over four years. While the bulk of the funding went out to existing districts, \$22 million was earmarked for the ASD,¹⁰ with additional amounts for related services, including a charter incubator and teacher-recruitment efforts.

Although the governor's office went Republican in the 2010 election, there turned out to be an unusual degree of continuity in support for First to the Top. Bredesen's successor, former Knoxville mayor Bill Haslam, was one of the rare Republicans willing to embrace the Obama education agenda publicly (even introducing the president in an event marking the inauguration of the NCLB waiver program). As he later remarked: "The things that the Obama administration was asking to emphasize were things that, if you look, a lot of Republicans said, 'Hey, those are ideas we're comfortable with.'"¹¹

Two months after taking office, Haslam made the surprising choice of Kevin Huffman as the state's new school superintendent. A top executive of Teach For America (TFA), Huffman was the first TFA alum to serve as a state chief. This pick affirmed Haslam's commitment to moving ahead with reform.

In May 2011, Haslam and Huffman announced the selection of Chris Barbic as the ASD's superintendent. Barbic had gained national attention for founding and leading Houston's acclaimed YES! Prep program, initially a charter-led turnaround at one site that by 2011 had grown to 10 campuses. (Although it came a year after his departure, the school's selection as the first winner of the Broad Prize for charter schools speaks to Barbic's accomplishments.)

Barbic was willing to leave Texas because he was impressed by Tennessee's favorable policy environment and the seriousness of its reformers. "The political leaders were showing courage and needed people on the ground," Barbic explained.¹²

His arrival in Nashville galvanized the process. Tom Marino of the Memphis-based Poplar Foundation remarked: "It's all about leadership, and the selection of Barbic was huge."¹³

THE MOVING PARTS

What, exactly, was Chris Barbic now to lead? The blueprint for the Achievement School District is found in Tennessee’s successful Race to the Top application:¹⁴

Eligibility

A school would be a candidate to enter the ASD if it was a “persistently lowest-achieving school”—either in the bottom 5 percent of Title I schools statewide on combined math and reading/language arts achievement, or a Title I high school with a graduation rate of less than 60 percent. A school would also qualify if it was “in need of improvement” as gauged by NCLB for five years running, meaning that it was already due to implement a restructuring plan. When the RTTT application was submitted, thirteen schools in five Tennessee districts, eight of them in Memphis, qualified for ASD admission (the number of schools would increase more than fivefold fifteen months later).

Governance

Eligible schools would be removed from their own local education agency (LEA) and placed under the jurisdiction of the commissioner, who would have “complete decision-making authority” for schools in the ASD. “Full authority” would also flow to the individual selected to head the district, a “proven change leader” who would report directly to the commissioner. Schools would remain in the ASD for at least five years. LEAs could continue to provide administrative support to ASD schools, although such arrangements would not be assumed and would require the school’s agreement.

Teachers and staff

Those employed by the ASD would relinquish prior contract rights, enter a new contract with the ASD, and become state employees. Teachers would negotiate staffing arrangements with individual schools “under the auspices of the ASD”—mindful that the bottom 5 percent of schools often had the least effective teachers and that turning them around would depend on ensuring that “the best teachers work or continue to work there.”

Partners

The state would develop a new set of human capital pipelines, benefitting not only the ASD but other jurisdictions. It would enlist leadership organizations to recruit and train principals, teaching organizations to recruit 600 new teachers, and charter management organizations (CMOs) or networks to open five or more charters in Memphis and Nashville. The state would also open an investment fund to incubate and scale up two or three Tennessee-based charter networks with the capacity to create fourteen to fifteen new charter schools.

Timing

The original blueprint was to cover a single planning year (2010–11) during which the ASD would do community outreach and develop “learning maps” with eligible schools. In fact, the start-up period was significantly longer. While state leaders placed five low-performing high schools in Memphis and Chattanooga under the ASD umbrella in June 2011, these schools were actually being comanaged by the districts *and* the state and did not remain in the ASD.¹⁵ The “real” ASD didn’t launch until August of that year, when Chris Barbic officially started work. The first set of ASD schools (three to be managed by the ASD and three by charter operators) was announced in February 2012 and opened for business under the ASD banner in August 2012.

Models

The ASD could choose one of four paths for schools under its jurisdiction:

- Turnaround: New principal, new instructional program, flexibility to structure staff compensation, extended days, and other strategies
- Restart: Reopen as a charter school, with the ASD exercising the powers of a statewide charter authorizer, but only for schools that qualified in the bottom 5 percent
- Closure: Just as it sounds
- Transformation: New principal, more rigorous courses, possible partnerships with nonprofits.

Exit strategy

In the original proposal, the commissioner would develop a “transition plan” after the school had made Adequate Yearly Progress for two consecutive years. The transition process would not actually begin until the school made AYP for three years running; but it would have to be completed after the school made AYP for five consecutive years. At that point the school could be chartered (or continued as a charter) or returned by the commissioner to the district of origin. Those not making AYP benchmarks after five years could be closed. The commissioner retained the right both to enroll an eligible school in the ASD and to remove any current ASD school at any time.

What was not clear—and still isn’t—is what happens when schools return to the district. The legislation and rules are mute, so far, on whether districts would be required to retain ASD teaching staff, or whether the district might get any share of supplemental resources when a school is strong enough to return.

Why a statewide district?

The Achievement School District was quite explicitly based on Louisiana’s Recovery School District, which administers a now-shrinking portfolio of direct-run schools and a growing number of charter schools. Indeed, in New Orleans, where three-quarters of public school enrollment is in charter schools, RSD schools make of the bulk of this share.¹⁶

Other jurisdictions have flirted with some version of a statewide district.

- Under legislation approved in May 2012, Connecticut created a Commissioner’s Network to oversee transformation of low-performing schools. The state board of education has approved plans for the first four schools (in Hartford, Bridgeport, Norwich, and New Haven) to adopt new models, including one partnership with Jumoke Academy, a Hartford charter school.¹⁷ But local boards retain jurisdiction over the schools and the process is overseen by a district “turnaround committee,” on which three of six seats are chosen by the teachers’ union and two by the school board. Although some of the allowable models might increase school-site autonomy, outright chartering isn’t likely, since the program explicitly forbids transferring management to an external nonprofit—as in a charter school network.¹⁸ The first four schools in the Commissioner’s Network began operating under their transformation plans in fall 2012.
- Ten Delaware schools are being transformed through a similar statewide Partnership Zone that provides technical support and funding from Race to the Top proceeds—but there is no change in district governance.¹⁹
- Hawaii has created two Zones of School Innovation, encompassing vast rural and remote areas that include the bulk of the state’s lowest-performing schools.²⁰ This change mostly involves additional resources and does not affect governance.
- Bills are now moving through both houses of the Texas legislature that would establish a Texas Achievement School District. In senate sponsor Royce West’s (D-Dallas) bill, schools rated Academically Unacceptable for three consecutive years would be folded into the District. When a school has reached acceptable performance levels and leaves the ASD, the home district would be responsible to continue “the programs that have provided the basis for the academic achievement.” In an interesting twist, school districts themselves would be granted ASD-style

flexibility to deal with their lowest-performing campuses after two years on the Unacceptable list—giving them a strong incentive, and the means, to take dramatic action.²¹

- Just two states, Virginia and Michigan, have approved statewide districts with authority to alter governance arrangements for individual schools, as in the RSD/ASD model. In February 2013, the Virginia legislature approved Governor Bob McDonnell’s plan for an Opportunity Educational Institution to take over schools denied state accreditation or listed on the state “warning” list for three consecutive years. This entity would be administered by an appointed nine-member board, have the powers of a local school district and receive full per-pupil funding from the sending district, retain schools for at least five years, and return them to the district of origin upon their receipt of full accreditation.²² The Virginia district will take in its first schools during the 2014–15 academic year.

Michigan’s Educational Achievement Authority (EAA) is already operating. Created by Governor Rick Snyder and then-emergency public schools manager Roy Roberts in 2011 through an “interlocal agreement” (state lingo for something like a joint powers agreement) between the Detroit Public Schools and Eastern Michigan University (EMU), the EAA actually operates as an independent entity.²³ Unlike both the RSD and the ASD, which report to the state education superintendent and state board respectively, the EAA has its own board, with appointments made by Detroit Public Schools, Eastern Michigan University, and the governor. However, the State Board of Education retains final jurisdiction over the EAA, as it does over all other public education matters. The EAA began taking control of Detroit schools in the 2012–13 school year, and is expected to move on to other jurisdictions in 2014.

The 2012 elections threw a monkey wrench into the proceedings, however, when Michigan voters repealed the state’s Emergency Manager Act under which the EAA was created. A week later, the Detroit school board voted to cancel the EMU contract and withdraw from the authority. Legislation to write the EAA into law and expand its power failed in the waning days of the 2012 legislative session, but Governor Snyder has declared it a priority for 2013.

At this early stage, the shape and goals of the intervention model in Michigan remain unclear, as do the terms of return to local districts.²⁴

GETTING STARTED

One lesson Barbic and his team learned from Louisiana's experience was to take on a manageable load. Some of the early disorder in the RSD, and the disappointing record of its direct-run schools, resulted from having more than 100 schools dumped into the district at once, before it could develop viable systems for enrollment and accountability.

Selection process

In determining which schools to select and what to do with them, ASD faced a cascade of decisions, beginning with the fundamental choice between leaving an eligible school in its home district or selecting it for the ASD. Once in, should the ASD manage it directly, or award it a charter? And if the latter, which charter operator might make the best match?

None of these decisions could be made solely by crunching numbers, so the ASD team developed some guiding principles: All eligible schools were high need, but those showing real progress could stay put. A given school would move up on the list if its feeder pattern included other "Priority" schools (that is, those in the bottom 5 percent); this approach would allow the ASD to serve whole communities by scaling within rather than across feeder patterns. And there should be substantial community input on the sensitive question of assigning charter operators to selected schools.

Determining the right path for eligible schools meant visiting them, getting a sense of the existing school culture, and taking the measure of incumbent leadership. According to Barbic, "If there's a strong principal in their first or second year, and they have a plan, we might not make a match."²⁵ To help the charter-operator matchmaking process in Memphis, the ASD created a volunteer Achievement Advisory Council that would serve as a sounding board and funnel for community views. The council's recommendations on matching schools and operators would count for 40 percent of the ASD's matching decision.²⁶

Thus, through a process triggered by data but informed by human judgment, the ASD announced in February 2012 that just six schools would be folded into the ASD. Three of the five Memphis schools (Corning Elementary and Frayser Elementary, both Pre-K through grade 5, and Westside Middle School, grades 6 through 8) would become "Achievement Schools" run directly by the ASD, with all grades included from day one, to open in fall 2012. Three others would be operated as charters.

Currently, the ASD plans to operate or charter just thirty-five schools by 2014–15: fewer than some Tennessee leaders would prefer, but a brisk pace of expansion by any ordinary measure of district growth.

Chartering on parallel tracks

While the selection of schools was in progress, operators for the charter subset were being chosen through a parallel two-step process: first identifying strong management groups, and then matching them to appropriate schools.

For help in evaluating operator qualifications, the ASD turned to the National Association of Charter School Authorizers (NACSA), which had done similar work for the Louisiana RSD.²⁷ NACSA assembled and trained review teams including national experts, community reviewers, and staff from the Tennessee Department of Education. In addition to examining academic and operational plans, reviewers subjected certain application

elements to heightened scrutiny. Two of the six new ASD schools had extraordinary numbers of special education students, so applicants had to make a convincing case that they would be ready for these students on day one.²⁸ And since several of the most appealing applications came from out-of-state applicants that had strong records in other parts of the country but no footprint in Tennessee, their plans for community engagement got serious scrutiny, too.

The process yielded its first crop of school operators in November 2011. All were native to Tennessee and had strong track records serving low-income populations. After a period of consultation, including input from the community-based Achievement Advisory Council, the ASD's February 2012 announcement revealed who would operate the three chartered campuses: Nashville's LEAD Public Schools was paired with Brick Church Middle School (opening with fifth grade, moving to fifth through eighth grades by 2015–16); Gestalt Community Schools of Memphis was paired with Humes Middle School, to be known as Gordon Arts & Science Academy (beginning with sixth grade and moving to sixth through eighth grades by 2014–15); and Cornerstone Prep, a Memphis nonprofit, was assigned to Lester Elementary (beginning with Pre-K through third grade and moving to Pre-K through eighth in 2016–17).^{29, 30}

These three schools, and the three to be managed directly by the ASD, were put on a fast track to opening—or at least starting the phase-in process—under new auspices the following August.

WHY MEMPHIS?

A distressing proportion of Tennessee's lowest-performing schools are located in Memphis, making it the epicenter of the ASD's early work. With a student body 82 percent African American and 85 percent disadvantaged, the academic performance of Memphis public schools lags across the board. According to the 2012 state report card, roughly 29 percent of its elementary grade students are proficient in reading, and 27 percent are proficient in math. Disadvantaged third- through eighth-graders trail the overall population (28 percent versus 52 percent proficient in math, and 34 percent versus 50 percent proficient in reading/English language arts). And the disparity widens at the upper grades: Disadvantaged Memphis high school students trail the statewide average in Algebra I proficiency by 24 percent (55 percent to 31 percent). In high school English II, the state average is 60.7 percent proficient; in Memphis, it's 36.5 percent. About 30 percent of Memphis students fail to graduate on time, compared to 13 percent statewide.³¹

Testing administered by the ASD itself, early in the 2012–13 school year, indicated that students in its initial schools were at the 16th percentile nationally in reading and math. According to Principal Jessica Jackson of Corning Elementary, the biggest gaps were among children who had been in school longer. Westside sixth-graders, for example, tested at a second-grade reading level: The longer they stayed in poor-performing schools, the more ground they lost.³²

Yet Memphis was trying to improve. The district had earmarked \$48 million in the 2008–09 school year to turn around high-priority schools. The deputy superintendent for Memphis City Schools (MCS), Dr. Roderick Richmond, pointed out that over three years, 80 percent of the schools initially targeted as high priority had moved into an improved status or off the list. But additional schools wound up back on the list because of new state standards, the state-submitted Elementary and Secondary Education Act (ESEA) waiver, and the new accountability criterion addressing schools in the bottom 5 percent.³³

Indeed, when MCS superintendent Kriner Cash announced his resignation in late 2012, the *Memphis Commercial Appeal* editorialized that his reform effort (especially data-driven measurement of teacher performance) helped Tennessee win the Race to the Top grant as well as a \$90 million Bill & Melinda Gates Foundation grant to promote teacher effectiveness.³⁴

EARLY EXPANSION

By the time these decisions were announced, events in Washington, D.C., had substantially enlarged the potential scope of the ASD's work. On February 9, 2012, the U.S. Department of Education approved the state's request for a waiver of ESEA accountability provisions. In addition to allowing Tennessee to move away from NCLB-style measures of adequate yearly progress and toward a new system incorporating growth measures, the approved application embraced the principle that "the same standards should apply for all schools," not just those with Title I funding. Accordingly, the new approach calculated accountability categories such as "Reward" (the top 10 percent of schools in high achievement and/or growth) and "Priority" (bottom 5 percent in achievement) using all schools in the state as the denominator. This had the effect of enlarging considerably the number of Tennessee schools in the bottom 5 percent and increasing to 85 the number that were now eligible for entry into the ASD—although all 85 were in fact Title I schools. The waiver also stipulated that the state would identify bottom-5-percent schools every three years, and thus create a new list of ASD-eligible schools on a recurring cycle. And it allowed the state to divide the bottom 5 percent into two segments, roughly equal numbers of elementary and upper-grades schools. This division would facilitate the ASD's feeder-pattern strategy rather than forcing a disproportionate number of high schools into the ASD pool.

A further change occurred in May 2012, when legislation signed by Governor Haslam revised the process for allowing schools to exit the ASD. In addition to aligning exit criteria with the state's new accountability system (i.e., requiring schools to climb out of "Priority" status rather than "make AYP"), the bill added two new conditions: The school would not return to its home district if that district was itself "in need of improvement," and it could also stay in the ASD if 60 percent of parents petitioned.

All this made a five-year exit less likely for any ASD school, but the law contained an additional twist for charters. They would remain in the ASD until the end of their ten-year charter term, and the ASD would remain as their chartering authority. This arrangement would provide ASD charters an added measure of stability, especially as compared to a direct-run school that might exit to a home district without the same guarantees of autonomy and support.

Between the three-year review cycle for identifying new schools and these new provisions raising the exit bar, the ASD was now positioned to be much more than a temporary home for schools in need of revival. More likely, it would stay in business as a "turnaround authorizer" for years to come.

In addition to expanding the ASD's scope, the May 2012 legislation also freed it from some of the bureaucratic strictures that had bedeviled early operations. Even with a small number of schools to oversee, ASD officials had found themselves stymied by hiring and procurement rules that came with "state agency" status, while having to make on-the-spot decisions as an LEA directly in charge of schools. Under ordinary state-agency budgeting processes, for example, the ASD was arbitrarily capped at a certain number of positions—and was forbidden from hiring additional people as schools came online because it didn't have approved "position numbers." And the ASD was supposed to use the state's agency-based financial management system, while its schools were required to use the Tennessee Chart of Accounts, with very different spending categories.

The new bill gave the ASD special status, allowing it to fashion its own budget, compensation, and performance management systems. Getting the legislation approved required some hard bargaining, but according to the ASD's chief operating officer, Bob Nardo, "We had to show we could manage ourselves responsibly, without a lot of bureaucratic process...and over time meeting the real test of student results."³⁵

Finally, the 2012 legislation contained a provision that gave local districts their own place on the reform bandwagon—and in the process, helped reduce pressure on the ASD to scale too quickly. Tennessee districts could now create "Innovation Zones" that could also conduct turnarounds of Priority schools. Innovation Zone schools would have authority over "financial, programmatic, staffing, and time allocation decisions" and get fast-track attention from their district superintendents on critical initiatives.³⁶ Funded through federal School Improvement Grant dollars, the zones would also build local capacity for modernized governance when and if ASD schools returned to their home districts. (Memphis has selected an initial group of seven schools for its zone.³⁷)

ROUNDS TWO AND THREE

As the selection process for schools to reopen under ASD auspices in 2013 got underway, Barbic again reached out for strong operators. In April 2012, applications were submitted by Aspire Public Schools, which had heretofore operated only in California; Rocketship Schools, founded by Vanderbilt alum (and former Nashville school teacher) John Danner and rapidly expanding its "hybrid" model around the country; KIPP's Memphis and Nashville affiliates; and eight other contenders.

In June, ASD announced that a group of operators had been authorized to reopen nine schools in Memphis and Nashville in 2013–14, and as many as forty-one schools by the 2019–20 academic year. The national networks fared well in this second round: KIPP Nashville, LEAD Public Schools, and Rocketship Education all headed to Nashville;³⁸ and Aspire Public Schools, KIPP Memphis, and Rocketship joined Tennessee-based Capstone (formerly Cornerstone) Education Group and Gestalt to take on schools in Memphis.³⁹ So in the 2013–14 school year, a total of fifteen schools will be operating under ASD auspices.

In April 2013, the third wave began, with seventeen charter operators submitting applications to operate future schools. This time the field included a mix of nationally known organizations such as Green Dot and Barbic's alma mater, Yes! Prep, as well as proposals led by local teachers and fellows from the Tennessee Charter Incubator's Education Entrepreneurs Program. The successful applicants will be matched as more schools join the ASD.

HOW WILL THE ASD DO IT?

The ASD's operational model was established in Tennessee's RTTT application, then codified in law and tweaked along the way. But it's important to understand how the ASD sees its role in catalyzing school improvement. In some respects, it has followed a path similar to that of Louisiana's Recovery School District. Both got big infusions of federal money (charter school and disaster-relief funding in New Orleans, the RTTT grant in Tennessee); both are doing turnaround work through a combination of direct management and chartering. But there are some critical differences.

- The ASD, despite its large footprint in Memphis, has no ambition to become the de facto manager of an entire district, and is choosing schools at a deliberate pace. By contrast, the RSD is now a party to protracted and wrenching deliberations about whether, when, and how New Orleans will regain control over its own local schools.
- The ASD is devoting considerable early attention to community engagement and trust building, including an important role for the Achievement Advisory Council in Memphis.
- The ASD is maintaining a neighborhood emphasis, for both charters and direct-managed schools, rather than moving to outright citywide open enrollment. Students in any of sixty-nine neighborhood school zones labeled "Priority" (bottom 5 percent of the state) can apply to any ASD school. But students in the neighborhood zones of an ASD school get priority at that school; once those spots are exhausted the other students go into a lottery. Through this policy and selection of schools within the same feeder patterns, the ASD is making an explicit commitment to communities, rather than creating a loose network of individual schools.
- The ASD has set firm targets for student achievement. While the RSD is committed to turning schools around, moving schools up on the state's A–F accountability scheme (and recently, taking action to close low-performing charters), the ASD has set a stretch goal of ensuring that each school vaults from the bottom 5 percent to the top 25 percent—in actual proficiency, not growth—within five years. These targets are not set in law but have been developed and declared by ASD leadership.

Is this last target realistic? That bottom-to-top jump becomes just a bit less daunting when translated into actual numbers. Each school must attain, at minimum, a proficient/advanced rate of 55 percent in both reading and math in order to perform in the top 25 percent statewide. Barbic thinks it's doable and is betting on gains of 8 percent a year to get there.⁴⁰

Indeed, Barbic has a clear theory of action for producing such gains. He plans to recruit and invest in top talent—teachers and support staff; to build and manage a portfolio for high quality—whether the schools themselves are direct-run or charter; to find strong school operators, locally and by attracting great operators from outside the state; to give schools autonomy in key areas; and finally to shift power from stagnant bureaucracies to school leaders and parents. He believes that these steps will not only lift schools from the bottom 5 percent to the top 25 percent, they will transform the public education system in Memphis.⁴¹

That last point is worth pondering in an if-then scenario. If the ASD concentrates its efforts in Memphis, and if it is successful at improving achievement radically, and if every three years a new set of schools qualifies for bottom-5-percent status, then as successful turnarounds exit, more will be ready to enter. The bottom-5-percent floor will keep rising until all schools are operating at an acceptable level, and the ASD will be the hydraulic lift.

FINANCING, SHORT AND LONG TERM

How is all this being paid for? The ASD's financial plan involves "dozens of tabs and thousands of cells of information" according to their COO,⁴² but the guiding principle is straightforward: By the time it reaches scale, the ASD and its schools should break even on recurring public funding.

Exactly when this tipping point is reached depends on variables such as the mix of charter and direct-run schools, the stability of state funding streams, and at least one critical policy fix. ASD leaders expect that in the fall of 2014, they will have thirty-five schools (with a four-to-one ratio of charter to direct-managed) and over 10,000 students. Those schools will continue phasing in enrollment to a total of about 16,500 students by fall of 2018. Managing so many schools and students will require about thirty-six full-time equivalent workers on the central payroll (including both the "portfolio management" team and personnel delivering direct services to schools).

The key to making the hand-off from start-up to sustainability work is fixing an anomaly in Tennessee law. In most jurisdictions, charter schools pay a fee to their authorizer (commonly around 3 percent of revenues) that pays for the routine costs of staffing, monitoring, and support for performance management. Not so in Tennessee. Although LEAs are allowed to charge a meager application fee (\$500 per application) for prospective charter operators, there is no annual authorizer fee at this point. As the ASD's student population and span of oversight grow, that omission will impede its drive for sustainability without constant external fundraising. ASD leadership is hoping that the legislature will establish a modest fee for charter schools based on the actual costs of authorizing.

Here's a quick look at the three interconnected components of ASD finances:

The Achievement School District Itself

The design, staffing, start-up, and early operations of the ASD itself are largely underwritten by Race to the Top funding, roughly \$22 million of the state's overall \$500 million grant, over a five-year period ending in 2015.

The ASD also benefits from various kinds of ancillary support. The Walton Family Foundation has provided start-up grants to a number of Tennessee charters, including at least one authorized by the ASD. Walton also funds the Tennessee Charter School Incubator, as do the Joyce Foundation, the Hyde Foundation, and other state-based philanthropies.

In 2009, Memphis City Schools won a \$90 million Intensive Partnership grant from the Bill & Melinda Gates Foundation to promote effective teaching, and the ASD has incorporated the teacher evaluation process developed under that grant into its own work. The next year, Gates included Nashville in its first set of "compacts" between school districts and charter school communities. The Nashville Pact promised cooperation in replicating strong schools and closing poor performers, as well as resolving equity issues raised by enrollment rules, facilities, and service to special education students.

Finally, local philanthropies in ASD sites have played an important and somewhat unconventional role, not only providing small injections of working capital but also, in Barbic's words, "riding shotgun" as the rollout began, running interference with community leaders, and helping to make political and funding connections.

The schools

ASD schools are receiving the same per-pupil funding as the home district; in the case of Memphis, this amounts to \$8,100 per pupil through the state/local sources known as the Basic Education Program. Adding entitlements under Title I, the Individuals with Disabilities Education Act, and other programs, the total comes to about \$9,000 per pupil. (It's a little higher in Nashville.) The Memphis amount is likely to drop somewhat as the merged Memphis-Shelby County school board comes up with a unitary funding scheme (see sidebar, *The Focus Shifts to Merger*, p. 17); the county has a lower per-pupil rate than the city.

Teacher salaries and other routine expenses are paid by operating revenues, but as in other districts, the ASD also flows targeted grant funding through to its schools. In April 2012, the ASD was awarded three-year funding of \$10.4 million from Tennessee's 2010 School Improvement Grant award. So far, the ASD has directed \$6.6 million of this total to support start-up work in seven schools. The ASD also partnered with New Schools for New Orleans and the Louisiana RSD in winning a five-year, \$28 million federal Investing in Innovation grant, supplemented by \$5.6 million in private matching funds; of the total, about \$6.7 million has flowed to the ASD, which has used this money to provide school grants of \$800,000 to \$1 million to finance restart support for two schools in Memphis and for one in Nashville.

Services

Unlike schools in most traditional systems, where the central office retains a considerable portion of per-pupil funding, ASD schools receive 100 percent of their per-pupil funding up front. Rather than taking an amount off the top to pay for its services, the ASD puts the money into the school budgets and provides a menu of services that it can deliver. Some are required for all schools and some are optional, but even when a service is mandatory, the school can decide whether to use the ASD as a provider. (The schools must provide transportation, for example, but make their own choice about whether to use the private busing companies for which ASD subcontracts with Memphis City Schools, or to come up with their own arrangements.) As ASD officials see it, this "activity-based costing" provides greater transparency and accountability in the district's relationship to schools.

COO Bob Nardo estimates that for direct-managed schools, the average cost of services is about 9 percent of per-pupil revenue. For the charters, which have fewer "required" services (such as a common student information system), the tab is less.

THE FOCUS SHIFTS TO MERGER

As the ASD was entering the scene, Memphis was also grappling with a separate, racially charged, and perhaps more challenging governance issue. Several local leaders interviewed for this report said that Memphians were so focused on it that they were paying little attention to the ASD as it was launched. Following a citywide referendum in March 2011 and subsequent litigation, the Memphis School District and surrounding Shelby County were in the midst of what the *New York Times* called “the largest school district consolidation in American history.”⁴³

Memphis is Shelby’s county seat, and the two jurisdictions share a porous border. About 40 percent of Shelby County’s 48,000 students live in unincorporated areas of the county, and some of them are zoned to Memphis City K–12 schools.⁴⁴ On December 20, 2010, the Memphis school board approved a resolution surrendering the district’s charter, which dated to 1869, and merging its schools into majority-white Shelby County.⁴⁵ Memphis argued that although its citizens constituted the bulk of Shelby County’s population, nearly half of the property whose appraisals funded the city’s schools lay in the county, outside Memphis boundaries—so the county should take on the burden of funding and managing the city’s schools.⁴⁶

The county initially responded by seeking state legislation to clarify its boundaries through “special district” status, but then offered to hold off if Memphis agreed to rescind the merger proposal. Then, on February 11, 2011, after the Memphis City Council upheld its board’s decision, the Tennessee legislature enacted a measure delaying the merger for three years. Shelby County sued to stop the merger altogether.

In September 2011, U.S. District Judge Samuel H. Mays Jr. issued a consent decree settling the case. Noting that 74 percent of Shelby County’s population was not represented on the all-white county school board, Mays ordered the consolidation to proceed under a single board, to consist of the existing Memphis City and Shelby County boards plus an additional seven members chosen by the Shelby County Commission. That board began governing the consolidated districts on October 1, 2011. Mays further required that the board appoint a joint Transition Planning Commission, with administrative consolidation

of the two systems to begin at the start of the 2013–14 school year, accelerating somewhat the 2014 target date established in the 2011 legislation.⁴⁷

In that ruling, Mays reserved judgment on a section of the legislation that relaxed restrictions on forming new municipal school districts, which would have provided a potential escape hatch from the consolidation. When Shelby County’s six incorporated municipalities voted in August 2012 to establish new districts—in effect, seceding from the joint Memphis-Shelby district—the newly consolidated Shelby school board sued, alleging that the move would intensify racial segregation. In November, Mays held that the legislature’s action violated the state constitution on grounds that it was engineered solely to benefit Shelby County.⁴⁸ The ruling had the practical effect of delaying any move toward new districts until after the Shelby-Memphis merger was fully underway, and legal appeals are likely after 2014.⁴⁹

While the legal dueling proceeded, the Transition Planning Commission went ahead with its work, and it released a plan in August 2012 calling for “multiple achievement pathways” toward common high standards. One pathway would consist of ASD schools, and the merged district would provide support to ASD and charter schools through a new Office of Innovation. The plan also called for closing roughly twenty underutilized and low-performing schools, mostly in Memphis, and envisioned the share of charter/ASD schools moving from the current 4 percent of county enrollment to 19 percent by fiscal year 2016.⁵⁰ It called for moving from seniority-based staffing rules to a system requiring “mutual consent” of the principal and teacher; an evaluation system based on effectiveness; and a remarkably complex set of operational choices about information systems, budgeting, and other matters.⁵¹

Of course, each of these choices required debate, and with scant months remaining before the merger was to take effect, the board found itself behind schedule.⁵² In March 2013 the court appointed a special master to help speed the transition. Shortly afterward, the board approved the buyout of Shelby superintendent John Aitken’s contract, and then appointed interim Memphis superintendent Dorsey Hopson as interim head of the consolidated system while a national search is conducted.

A LITTLE HELP FROM THEIR FRIENDS

From the beginning, state leaders worked to make the ASD a collaborative venture rather than a swoop-down-and-take-over entity. Before the RTTT application was submitted, for example, the state had secured cooperation from the superintendents of its five largest districts (the Coalition of Large School Systems, or CLASS) to gather “support, collaboration, and local buy-in” for proposed reforms, including the ASD.⁵³

Institutional partnerships are also assisting in getting the work done. Le Bonheur Children’s Hospital and Christ Community Health Services are helping to fill gaps in students’ medical and dental health care. VISTA volunteers are working in schools to broker needed services.

The Tennessee Charter School Incubator, which was set up prior to the ASD, trains school leaders through its fellowship program and has become a key partner in creating the pipeline of strong state-based charter operators. The brainchild of Nashville mayor Karl Dean, it was initially local in scope but has grown to address the statewide need for better-prepared charter leaders and operators. Two fellows trained by the Incubator through a partnership with the nonprofit Building Excellent Schools went on to lead non-ASD charters, but according to executive director Greg Thompson, the Incubator now focuses entirely on working with the ASD to ensure a stream of strong applicants for this charter-friendly authorizer.⁵⁴

Human capital

The ASD is hoping to attract and retain high-caliber teacher talent with a new salary schedule (for its direct-run schools only). While current ASD teachers earn just under \$50,000 a year on average (\$6,000 less than their Memphis peers), the new plan, announced in December 2012, provides for a \$40,000 entry-level salary that rises to \$62,500 over six years, powered by an evaluation scheme based heavily on student performance and principal observations. In schools that meet their ambitious annual student achievement targets, every teacher will get a bonus of \$7,000. Teachers can also earn an additional \$10,000 if they take on curriculum and instruction supervision. Chief Talent Officer Ash Solar says the new approach evolved from conversations with teachers about “the guiding principles of meaningful pay” and is aimed at “the goal of being the best place to work.”⁵⁵

To build better talent pipelines for both direct-run and chartered schools, the ASD has been quick to link hands with other human capital partners. Teach For America, which has supplied a generous share of incoming teachers for ASD’s schools, set up shop in Nashville during the 2009–10 school year and now has 200 active corps members there. The Memphis TFA chapter started earlier, in 2006, and currently numbers 300 members. Both chapters count more than 150 alumni remaining in their respective regions.

Another ally is Teach Plus, the Boston-based nonprofit that recruits experienced, effective teachers, and supports them through deployment in cohorts to high-need areas, where they aim for impact in both the classroom and policy spheres. Teach Plus began recruiting for the ASD in March 2012. According to its Memphis program manager, Randi Scott-Howard, teachers selected for the ASD need not only strong classroom skills and a solid belief in students' ability to learn, but also the capacity to be "flexible with ambiguity" as they venture into schools undergoing rapid change. Twelve "teacher leaders" recruited through Teach Plus are now working in the three direct-managed ASD schools in Memphis; according to Scott-Howard, "one of their most interesting challenges is the number of teachers new to the ASD—teachers from other districts, charters, private schools, other states, and some new to the profession—who need the support of experienced teacher leaders."⁵⁶

Teach Plus is also helping teachers move to a much more granular and responsive use of data. In an interview, Scott-Howard detailed the achievement goals for a particular week in October: Teachers were focused on moving a majority of seventh-grade English language arts students from "Close" (40–69 percent proficiency) to "Proficient" (80 percent or above) in logic and reasoning on the ANet 2 (an interim assessment developed by the Achievement Network, another ASD partner). When asked if this didn't resemble the test mania derided by critics of reform, she pointed out that these goals were developed by the teachers themselves, on the basis of student needs: "In the ASD, teachers' voices matter and they are equal partners in deciding on their professional growth and development as a team."

HEARTS AND MINDS

In an undertaking like this, the first signs of progress are often qualitative rather than quantitative: The culture shift has to happen first. Toward that end, says Barbic, the ASD sought engagement with the affected communities, organizing community walks (that he said sometimes resembled flash mobs), talking not about “takeover” but about “investment,” and coming armed with plentiful data about the need for change. He says, “There has to be a realization that ‘enough is enough.’ No more committee meetings, no ‘one more year’ in the district. For the bottom 5 percent of schools, whatever’s been tried hasn’t worked.”

There was not—at least at first—the kind of bloodletting other jurisdictions have experienced when undergoing a transformation of this sort, perhaps because the protracted and difficult merger of the Memphis and Shelby County school systems was holding center stage for months while the ASD was getting started (see sidebar, *The Focus Shifts to Merger*, p. 17). The judicious pace of the ASD’s opening phase also helped. The ASD’s zoned-attendance preference mitigated some of the anxiety that an open-enrollment structure might have generated. And as one ASD official explained, parents and community leaders just seemed relieved that someone was finally paying attention to these woebegone schools.

By the fall of 2012, however, signs of concerted opposition appeared. In early November, the ASD notified fourteen additional Memphis schools that they would be candidates for entrance into the ASD. In community meetings that followed, despite a supportive message from Memphis superintendent Kriner Cash, principals and parents expressed frustration that Memphis City schools apparently making progress were now going to be turned over to the ASD. Noting the cascade of reforms and higher standards, one school volunteer (a former VP at FedEx) said he didn’t oppose the ASD or accountability, but added: “This is yet another change for a school that has had a litany of changes. Give it some rest and then measure it.”⁵⁷

Then in January 2013, the Memphis NAACP said it would ask legislators to consider closing charter schools for reasons other than academic and operational performance, after some parents at Cornerstone Prep complained of alleged racial insensitivity on the part of school personnel. The charges drew the attention of Shelby County school board member Sara Lewis, who said she was “deeply concerned” about the lack of “cultural competency” among the staff.⁵⁸

It remains to be seen whether these were signs of genuine grassroots opposition or of political opportunism. In a February 2013 interview, Cornerstone principal Lisa Settles, a native Memphian, acknowledged that the school hadn’t reached out sufficiently to families and the community before opening under new management. She also enumerated steps taken to rectify the problems cited by community critics, but added: “We have heard the issues. We address the issues, and then something else pops up.”⁵⁹

Yet for all the clamor at the Cornerstone campus, the anticipated pushback from one key player hasn’t materialized...

Muted union role

There's no question that the Memphis Education Association (MEA) dislikes the idea of the ASD, especially in light of its reliance on a younger work force with substantial numbers of teachers from outside the city. When Barbic went to Northside High last October to pitch collaboration and to reassure his audience that "this is not about taking over your school," MEA president Keith Williams replied that incumbent teachers had worked hard to raise performance, and insisted that Barbic was "talking about replacing" staff.⁶⁰

But there does not seem to have been the kind of sustained, coordinated defiance that one might have expected, perhaps because the union has had its hands full with other challenges. In June 2011, Governor Haslam signed a bill eliminating collective bargaining rights for all Tennessee public school teachers, replacing the bargaining primacy of the Tennessee Education Association and its local affiliates with "collective conferencing" between each school board and its teachers, and giving school boards the final say in case of a deadlock.⁶¹ That summer there were waves of layoffs in the cash-strapped Memphis City Schools. And plans for merging the Memphis and Shelby school systems meant a merger of unions as well, with the same July 1, 2013, target date as that of the district merger.

THE EARLY RETURNS

Although the ASD turnarounds are too recent to have produced results for the state's end-of-year tests—and although ASD officials themselves urge caution in jumping to conclusions—there are some straws in the wind.

All the ASD schools administer the NWEA's Measures of Academic Progress (MAP) test, which measures student growth against samples of at least 20,000 students per grade level drawn from a national pool of more than 5.1 million test takers.⁶² In its most recent assessment, all ASD schools showed gains, some on track to make that ambitious 8 percent annual growth target, some less so. Cornerstone Prep students have demonstrated exceedingly rapid growth since the beginning of the 2012–13 school year. Their second- and third-graders achieved faster growth than 98 percent of all students tested.⁶³

While there is some teacher turnover (not unexpected in the high-pressure environment), students and families appear to be staying the course. Student retention rates are strong, in most schools averaging over 90 percent since their entry into the ASD.

BROADER IMPACT?

At this early stage, it's impossible to say whether the ASD will drive other kinds of governance change within Tennessee. Its first priority, quite properly, is to succeed in improving the schools under its own jurisdiction.

But the ASD's timing may be propitious. The transition plan for the merged Memphis/Shelby district calls for a single central office that views the ASD as a coequal partner, that develops metrics to track performance of all schools along the same lines, and that cooperates with the charter community—including offering district services on a fee basis.⁶⁴ According to commission member Jim Boyd, who heads the Pyramid Peak Foundation, "The ASD is almost a template for the new district." The idea, he says, is "to include Innovation Zone schools with the same flexibility and autonomies as ASD schools," while making the ASD "responsible for relations with charter schools and CMOs."⁶⁵ Matt Throckmorton of the state's charter school association agrees: "ASD is serving as the 'showpiece' of the discussion on the role of the central office."⁶⁶

While ASD officials interviewed for this paper are eager for ASD to play such an influential role, they also believe it will be a while until they actually do, given the laborious process of getting the consolidated Memphis-Shelby system up and running.

LESSONS FOR OTHER STATES

If the idea of an ASD-style district catches on in other states, the Tennessee story suggests some areas of attention—and caution.

Due diligence

There aren't enough high-quality networks to fill all the demand that will be created if other states adopt similar turnaround efforts. States need to pay more attention to home-grown solutions, through incubators like Tennessee's and a similar venture operated by the Mind Trust in Indianapolis.

In the short run, however, states will continue to implore high-performing networks to venture into their territories. While there are some reliable barometers (such as the well-grounded judgments of intermediaries like New Schools Venture Fund and the Charter School Growth Fund), there is a danger that in-demand networks will be stretched too thin to manage new sites effectively. Authorizers sometimes struggle to understand not only the track record of national operators, but also what their current expansion plans are; some operators apply in multiple states and may not be able to open all the schools that are approved. In a recent study of charter management organizations, which found a range of performance from near-miraculous to dreadful, the Center for Research on Educational Outcomes (CREDO) at Stanford University called attention to the “information barrier that prevents regular assessment of CMO performance,” a barrier that exists in part because CMOs operate in multiple states with different standards and accountability systems.⁶⁷ Easy access to better information is needed, as is additional openness on the part of operators about their financial standing and replication strategies.

Destination

After the devastation of Hurricane Katrina, New Orleans became a magnet for mission-driven young educators and entrepreneurs; there was a sense of romantic adventure in helping rebuild the shattered community. That cachet cannot be assumed in every community trying to turn around its schools. As cool a town as Memphis is, with its history of Beale Street blues, great ribs, and FedEx hustle, it's still unclear that enough promising teachers and administrators will flock to live there.

So while doing all the grunt work of designing compensation scales and organizing incentives, the ASD is also trying to project...a vibe. Rather than coming across as a workshop for fixing failing schools, the ASD presents itself as an upbeat place that folks should feel good about joining: “We're thrilled to welcome these schools to the ASD,” said Barbic in announcing the selection of six schools in 2013. “We've seen great things happening in our schools this year, and can't wait to begin working with our new parents, students, teachers and community members to prove the possible.”⁶⁸

And in comments about the intensity of the challenge for incoming staff, he said, “We've got to really make Memphis sort of the scene of ‘Teacher Town’—a place where teachers want to come and live and work.”⁶⁹

It may not be possible to infect leaders of other state initiatives with Barbic's enthusiasm, but mayors, foundations, and school superintendents must be able to make the case for why talent should migrate to their locales, and to see that salaries and housing meet the demand.

Expectations

Perhaps every school in the ASD will make it into the top 25 percent on time. But any school that falls short will become fodder for critics. What is an acceptable level of success, and at what point do policymakers get the information they need for making further go-no go decisions? As one observer notes: “The real test is when the new list [of bottom-5-percent schools] comes out in 2015. If the schools are doing really well, will the ASD have the momentum it needs to continue?”⁷⁰ States considering turnaround schemes should think about how to define “good enough.”

Buy-in

People hate for their schools to be closed and taken over. The ASD’s policy of separating the identification of turnaround schools from the selection of potential operators helps to cushion the blow. By participating in the process of matching schools and operators, school communities get to see and consider the options, and to weigh in. This helps reduce the sense that something’s being done “to them.” It also allows the process of selecting operators to focus on competence and track record rather than on trying to assemble local support for an application that hasn’t been written yet.

Choice

Most charter schools draw from entire cities or counties, not just from the same zones as district-managed schools. The ASD’s approach is more complicated. When an ASD charter operator “phases in” at a given school site, students attending that school continue to be assigned there as the default neighborhood option, and must opt out if they wish to attend a different school. But if there’s room, students from beyond the neighborhood boundaries can also enroll.⁷¹

Neighborhood preference gives charters the opportunity to prove that they can take every child in the attendance zone and do a great job, putting to rest suspicions about “creaming” and “counseling out.” But it waters down one of the main tenets of chartering, which is that parents should be able to choose any school in the jurisdiction that is right for their child. In cities where zoning has not kept up with changing demographics, neighborhood schools may be underenrolled, sustainability may be difficult, and the recovery district may need to recruit from other neighborhoods anyway.

Choice is supposed to provide an escape hatch for parents in declining neighborhoods; but a good school serving local kids can be a step toward neighborhood revival. This is a tough political tradeoff that needs careful consideration in future ASD-type ventures.

A FINAL WORD

Tennessee in 2013 presents a paradox. First out of the gate in the Race to the Top, its turnaround strategy is not the flat-out gallop one might expect. Rather, the Achievement School District combines great urgency with calm calculation about how much to do, and how fast. Multiple processes are at work in the service of very simple goals.

At the same time, it's unclear whether the ASD itself will have a revolutionary effect on governance writ large. That's clearly not its main objective—radical improvement in student achievement is, and that's where the energies of ASD leadership are focused.

In fact, there are two other stories underway in the Volunteer State that may be more consequential in challenging the governance status quo. The merger of the Memphis and Shelby districts, having so far survived political opposition and legal challenges, is scheduled for completion in the 2013–14 school year. If successful, it could inspire other financially strapped urban districts (in Tennessee and elsewhere) to relinquish the reins of governance in favor of sheer solvency. And while there are twelve states that already have independent statewide charter-authorizing bodies, the current push to make Tennessee thirteenth on that list was galvanized by Nashville's refusal to approve a promising applicant. If passed, that legislation might prompt more states to create bodies that could override the monopoly position of local school boards.

In the long run, the real importance of the ASD will not be structural at all. If it succeeds at taking bottom-5-percent schools and turning them into top-25-percent schools, the ASD's most important contribution will be to demonstrate that a combination of autonomy, resources, leadership, and clarity of purpose can work miracles for thousands—maybe millions—of kids.

ENDNOTES

1. Kenneth K. Wong and Francis X. Shen, "Mayoral Governance and Student Achievement: How Mayor-Led Districts Are Improving School and Student Performance," Center for American Progress, March 22, 2013, <http://www.americanprogress.org/wp-content/uploads/2013/03/MayoralControl-6.pdf>
2. Nelson Smith, "The Louisiana Recovery School District: Lessons for the Buckeye State," Thomas B. Fordham Institute, January 17, 2012, <http://www.edexcellence.net/publications/the-louisiana-recovery-school-district.html>.
3. Neil MacFarquhar, "Judge Orders a State Takeover of Newark School District," *New York Times*, April 14, 1995, <http://www.nytimes.com/1995/04/14/nyregion/judge-orders-a-state-takeover-of-the-newark-school-district.html?pagewanted=all&src=pm>.
4. (Smith, 2012).
5. In preparing this paper the author interviewed several ASD officials. Direct attributions are footnoted but background information is not.
6. Arne Duncan, "Turning Around the Bottom Five Percent" (speech at the National Charter Schools Conference, Washington, D.C., June 22, 2009), <http://www.ed.gov/news/speeches/turning-around-bottom-five-percent>.
7. National Alliance for Public Charter Schools, "Measuring Up to the Model: A Tool for Comparing State Charter School Laws," January 2012, <http://www.publiccharters.org/law/ViewState.aspx?state=TN>.
8. U.S. Department of Education, "ESEA Flexibility Request," January 19, 2012, p. 18, <http://www2.ed.gov/policy/eseaflex/approved-requests/tn.pdf>.
9. Governor Phil Bredesen, "Address to the General Assembly, Special Session on Education" (Nashville, January 12, 2010), <https://news.tn.gov/sites/default/files/011210%20For%20Release%20-%20Bredesen%20Special%20Session%20on%20Education%20Speech.pdf>.
10. U.S. Department of Education, "Tennessee to Receive \$67.8 Million to Turn Around Its Persistently Low-achieving Schools," press release, September 16, 2010, <http://www.ed.gov/news/press-releases/tennessee-receive-678-million-turn-around-its-persistently-lowest-achieving-scho>.
11. Nirvi Shah, "Tenn. Gov. Haslam Talks Ed Policy," *Education Week*, August 29, 2012, http://blogs.edweek.org/edweek/campaign-k-12/2012/08/tenn_gov_haslam_talks_ed_policy.html.
12. Chris Barbic, interview with author, October 25, 2012.
13. Tom Marino, interview with author, October 25, 2012.
14. TN.gov, "Race to the Top: Application for Initial Funding," accessed April 13, 2013, http://www.tn.gov/education/doc/TN_RT_TTT_Application_2010_01_18.pdf.
15. Two improved enough in the following year to leave the eligible list, and the rest were returned to their home districts.
16. National Alliance for Public Charter Schools, *A Growing Movement: America's Largest Charter School Communities*, October 2012, <http://www.publiccharters.org/publication/?id=613>.
17. CBIA News Magazine, "School Turnaround Plans Approved," October 1, 2012, <http://www5.cbiamag.com/cbiamag/article/education-reform-school-turnaround-plans-approved/>

18. Connecticut State Department of Education, Turnaround Office, “Guidelines for the Commissioner’s Network,” January 2013, http://www.sde.ct.gov/sde/lib/sde/pdf/commissionersnetwork/commissioners_network_guidelines.pdf.
19. U.S. Department of Education, “Delaware’s Partnership Zone,” accessed April 13, 2013, <http://www2.ed.gov/about/inits/ed/implementation-support-unit/tech-assist/de-partnership-zone.pdf>.
20. Hawaii Department of Education, “Zones of School Innovation,” accessed April 16, 2013 <http://hawaiidoereform.org/Zones-of-School-Innovation>.
21. Texas Association of School Boards, “Legislative Update,” April 16, 2013, <http://www.tasb.org/legislative/legislative/update/index.aspx>.
22. Senate Bill No. 1324, Virginia General Assembly, February 5, 2013, <http://leg1.state.va.us/cgi-bin/legp504.exe?131+ful+SB1324ES1>.
23. “Interlocal Agreement between the Board of Regents of Eastern Michigan University and the School District of the City of Detroit Creating the Education Achievement Authority,” July 14, 2011, accessed April 13, 2013, http://www.michigan.gov/documents/snyder/Education_403432_7.pdf.
24. Eastern Michigan University, “Education Achievement Authority: Frequently Asked Questions,” accessed April 13, 2013, <http://www.emich.edu/ea/faq.php>.
25. Chris Barbic, interview with author, October 25, 2012.
26. Jane Roberts, “Citizen Panel Picks Charters to Run 6 City Schools,” HighBeam Research, December 12, 2012, <http://www.highbeam.com/doc/1P2-33992115.html>.
27. Full disclosure: The author joined NACSA’s staff as senior advisor in September 2012.
28. The numbers actually climbed after new operators conducted new evaluations: As of January 2013, enrollment at Brick Church (LEAD Public Schools) was 32 percent special education students, and Gordon Elementary (Gestalt) was 27 percent. The overall rate for all ASD schools was 15 percent at that time.
29. Cornerstone has since changed its name to Capstone.
30. ASD, “Achievement School District Announces Work to Accelerate High Potential Schools in Memphis,” press release, February 28, 2012, <http://www.achievementschooldistrict.org/achievement-school-district-announces-work-to-accelerate-high-potential-schools-in-memphis/>.
31. Tennessee Department of Education, “2012 Report Card,” accessed April 13, 2013, <http://edu.reportcard.state.tn.us/pls/apex/f?p=200:20:1781672666384589::NO>.
32. Cited in Jane Roberts, “Achievement School District Gets Jolt: Low Test Scores,” *Commercial Appeal*, October 22, 2012, <http://www.commercialappeal.com/news/2012/oct/22/achievement-school-district-gets-jolt-low-test/>.
33. Dr. Roderick Richmond, interview with author, November 7, 2012.
34. “Reform Will Be Cash’s Legacy” (editorial), *Commercial Appeal*, January 14, 2012, <http://www.commercialappeal.com/news/2013/jan/14/editorial-reform-will-be-cashs-legacy/>.
35. Bob Nardo, interview with author, February 8, 2013.
36. TN.gov, “Haslam Signs Legislation Redefining School Accountability,” May 10, 2012, <http://news.tn.gov/node/8803>.
37. Bill Dries, “Seven Schools Chosen for ‘Innovation Zone’ Program,” *Memphis Daily News*, May 15, 2012, <http://www.memphisdailynews.com/news/2012/may/15/seven-schools-chosen-for-innovation-zone-program/>.

38. Joey Garrison, “State Taps Three Charter Groups to Operate Schools in Nashville,” *City Paper*, June 4, 2012, <http://nashvillecitypaper.com/content/city-news/state-taps-three-charter-groups-operate-schools-nashville>.
39. ASD, “New ASD Charters Could Bring 41 High-Performing Schools to Tennessee,” June 4, 2012, <http://www.achievementschooldistrict.org/new-asd-charters-could-bring-41-high-performing-schools-to-tennessee/>.
40. By comparison, the average School Performance Score for New Orleans schools in Louisiana’s Recovery School District, including both charter and direct-run schools, grew from 51.4 in 2008 to 76.7 in 2012 on the state’s 120-point scale. This is a gain of 49.2 percent over four years but still well short of the absolute proficiency goal. See Cowen Institute, Tulane University, “Nola by the Numbers: School Performance Scores, 2012,” November 2012, p. 3, <http://www.coweninstitute.com/wp-content/uploads/2011/04/NBTN-SPS-2012.pdf>.
41. *Ibid.*
42. Bob Nardo, interview with author, February 8, 2013.
43. Sam Dillon, “Merger of Memphis and County School Districts Revives Race and Class Challenges,” *New York Times*, November 5, 2011, <http://www.nytimes.com/2011/11/06/education/merger-of-memphis-and-county-school-districts-revives-challenges.html?pagewanted=all&r=0>.
44. Lela Garlington, “Thousands in Unincorporated Areas in Shelby County Left to Ponder Fate in Schools Merger,” *Commercial Appeal*, February 12, 2012, <http://www.commercialappeal.com/news/2012/feb/12/living-in-limbo/>.
45. U.S. District Court, Western District of Tennessee, *Board of Education of Shelby County vs. Memphis City Board of Education*, No. 11-2101, November 27, 2012, <http://files.wmctv.com/ruling.pdf>.
46. Michael R. Marshall (attorney for Memphis City Schools), letter to Shelby County Election Commission, December 22, 2010, <http://www.commercialappeal.com/data/documents/mcs-charter-resolution/>.
47. U.S. District Court, Western District of Tennessee, Western Division, No. 11-2101, September 28, 2011. <http://www.commercialappeal.com/education/consent-decree-outlining-merger/>.
48. U.S. District Court, Western District of Tennessee, *Board of Education of Shelby County vs. Memphis City Board of Education*, No. 11-2101, November 27, 2012, <http://files.wmctv.com/ruling.pdf>.
49. “The Naming of a Special Master to Help Guide the Schools Merger Was Necessary” (editorial), *Commercial Appeal*, March 10, 2013, <http://www.commercialappeal.com/news/2013/mar/10/editorial-the-naming-of-a-special-master-to-help/>.
50. It’s worth noting that the consolidated board has voted to close just six Memphis schools as of the 2012–13 school year.
51. Transition Planning Commission, *Transition Plan for the Merger of Memphis City Schools and Shelby County Schools*, August 3, 2012, http://www.ourvoiceourschools.org/sites/346/uploaded/files/NEW_20120803_Transition_Plan_Executive_Summary_vF.PDF.
52. See, for example, “Memphis Schools Push For Merger With Wealthier, Whiter District,” NewsOne, February 22, 2011, <http://newsone.com/1048505/memphis-schools-attempt-to-merge-with-wealthier-whiter-district/>; and Sam Dillon, “Merger of Memphis and County School Districts Revives Race and Class Challenges,” *New York Times*, November 5, 2011, <http://www.nytimes.com/2011/11/06/education/merger-of-memphis-and-county-school-districts-revives-challenges.html?pagewanted=all&r=2&>.
53. TN.gov, “Race to the Top: Application for Initial Funding,” p. 125, accessed April 13, 2013, http://www.tn.gov/education/doc/TN_RT_TTT_Application_2010_01_18.pdf.

54. Greg Thompson, interview with author, October 25, 2012.
55. Jane Roberts, “ASD Plans to Entice High-performance Teachers with Pay, Bonuses,” *Commercial Appeal*, December 18, 2012, <http://www.commercialappeal.com/news/2012/dec/18/asd-plans-to-entice-high-performance-teachers/>.
56. Randi Scott-Howard, interview with author, October 26, 2012.
57. Jane Roberts, “Memphis Parents Sound Off against Achievement School Process,” *Commercial Appeal*, November 12, 2012, <http://www.commercialappeal.com/news/2012/nov/12/memphis-parents-sound-off-against-achievement/?print=1>.
58. Jane Roberts, “NAACP Wants Law to Make Charter Schools More Accountable,” *Commercial Appeal*, January 25, 2013, <http://www.commercialappeal.com/news/2013/jan/25/naACP-wants-law-to-make-charter-schools-more/>.
59. Jane Roberts, “Principal Admits Cornerstone Made Mistakes; Wants Focus to Return to Kids,” *Commercial Appeal*, February 7, 2013, <http://www.commercialappeal.com/news/2013/feb/07/principal-admits-cornerstone-made-mistakes-now/>.
60. Bill Dries, “Achievement School District Talk Faces Tough Crowd,” *Memphis Daily News*, October 7, 2011, <http://www.memphisdailynews.com/editorial/Article.aspx?id=62619>.
61. “Collaborative Conferencing Law,” Statement by Honorable Debra Young Maggart, Republican Caucus chair, Tennessee General Assembly, June 1, 2011, http://www.debramaggart.com/Home/June_2011/Collaborative_Conferencing_Law.
62. NWEA, “2011 Normative Data,” accessed April 13, 2004, http://www.nwea.org/sites/www.nwea.org/files/resources/2011_Normative_Data_Overview.pdf.
63. ASD, “Cornerstone Prep Students Excel on National Test,” press release, February 8, 2013, <http://cornerstoneprepmemphis.org/Default.aspx?p=92573&naid=12831>.
64. Transition Planning Committee, *Transition Plan for the Merger of Memphis City Schools and Shelby County Schools*, August 3, 2012, p. 9, http://www.ourvoiceourschools.org/sites/346/uploaded/files/NEW_20120803_Transition_Plan_Executive_Summary_vF.PDF.
65. Jim Boyd, interview with author, October 25, 2012.
66. Matt Throckmorton, interview with author, November 9, 2012.
67. Center for Research on Educational Outcomes, *Charter School Growth and Replication*, January 30, 2013, <http://credo.stanford.edu/pdfs/CGAR%20Growth%20Executive%20Summary.pdf>.
68. ASD, “Six Memphis Schools to Join the Achievement School District,” December 14, 2012, <http://www.achievementschooldistrict.org/six-memphis-schools-to-join-the-achievement-school-district/>.
69. Bill Dries, “Teacher Town: Schools Turn Focus to Recruiting New Crop of Idealistic Instructors,” *Memphis Daily News*, March 23, 2013, <http://www.memphisdailynews.com/news/2013/mar/23/teacher-town/>.
70. Matt Throckmorton, interview with author, November 9, 2012.
71. Under another approach called “New Start” charters, there is no assignment and families living in any Priority zone can choose to send their children to the school. The ASD doesn’t guarantee a facility for New Starts—although it has brokered a colocation deal for the first such school, Grad Academy, scheduled for a 2013 opening in Memphis.

ABOUT THE AUTHOR

Nelson Smith is former president of the National Alliance for Public Charter Schools and now senior advisor to the National Association of Charter School Authorizers (NACSA). Nelson has also held positions at the U.S. Department of Education, the D.C. Public Charter School Board, and New American Schools. The views expressed in this paper are his alone.