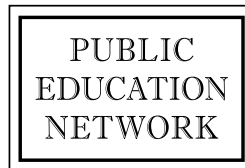


**Educational  
Choice or Unfair  
Competition:  
Charter Schools in  
Benton**



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This case was commissioned by Public Education Network (PEN) and prepared by the Rennie Center for Education Research and Policy. Written by Jill Norton and Paul Reville, the case was designed for use at PEN's 2006 annual conference. This case is hypothetical and not based on any actual people or events. All names and locations are fictional.

## Educational Choice or Unfair Competition: Charter Schools in Benton

“What an amazing opportunity,” Barbara Stephens said to herself as she hung up the phone. Barbara, executive director of the Benton Education Partnership (BEP) for the past eight years, had just finished talking with George Nixon, president of the Bristol Foundation, BEP’s largest donor.

George called to discuss a donation the Bristol Foundation Board of Directors was proposing to make to BEP – a two-year, \$3 million grant to fund 10 new charter schools. The grant would provide start-up funding for the planning and development of these charter schools, and funding for BEP to serve as the coordinating organization for the network of these new charter schools.

Benton already has six charter schools, the establishment of which had generated both animosity and euphoria among and between many diverse groups throughout the city. The school district believes that charter schools are draining top students, involved parents, and much-needed resources away from the district. Conversely, many Benton parents feel that charter schools are a long-awaited alternative to a public school system that is not meeting their children’s needs.

When George contacted Barbara on April 15, 2006, he made it clear that the Foundation board wanted to move quickly and donate the funds to BEP by June 30<sup>th</sup>, the end of the Foundation’s fiscal year, to make the funds available to potential charter school founders by September 1<sup>st</sup> so that they could use the upcoming school year for planning. George asked Barbara to prepare a proposal laying the groundwork for the project by May 31<sup>st</sup>. He also revealed that, while he and several other Bristol board members were supportive of the charter school proposal, other members of the Foundation’s board were opposed to the idea and were lobbying for the funds to be spent on a citywide health care project instead.

As Barbara pondered how to proceed, she imagined what reactions this proposal might elicit from BEP’s board of directors, the Benton Public School administration and staff, the business community, and parent and community groups. She braced herself in anticipation of the difficult conversations to come as she and her board decided whether or not to pursue the grant from the Bristol Foundation.

## Benton

Benton, the largest city in the New England state of Arcadia, has a population of approximately 600,000: 55 percent white, 25 percent black, 15 percent Hispanic/Latino, and 7 percent Asian. A large portion of the city’s economy is based on technology. Two years ago, the nation entered into a recession that hit high-tech firms especially hard and resulted in a significant economic downturn for Benton. Over the past two years, Benton, with help from the state legislature and local universities, developed initiatives designed to boost the city’s economy, but those efforts were only now beginning to have a positive effect.

While Metro Benton had one of the most highly educated workforces in the world, the competition was catching up. According to the 2000 Census, Seattle led the US with 47 percent of its population holding a bachelor’s degree or higher, followed by San Francisco at 45 percent, Austin at 40 percent, Washington, DC, at 38 percent. Metro Benton, slipping from number three the previous year, came in fifth at 35.5 percent. To further compound this national competition, foreign countries were producing hundreds of thousands of college-educated workers who were outpacing US graduates in the sciences and in engineering. The business community in Benton was growing increasingly concerned about its ability to find a skilled workforce in Benton.

## The Benton Public Schools

Benton is one of the oldest public school districts in the country, home to the first public elementary and high school in the nation. It is proud of its history as one of the first communities to provide universal education to all its citizens and of its role in helping to lay the foundation for the nation’s public school system. Today, Benton has a large, diverse urban school district consisting of 139 schools – 67 elementary schools, 12 K–8 schools, 18 middle schools, 30 high schools, 3 “exam” schools, 6 special education schools, and 3 alternative programs for at-risk students.

On the 2005 statewide tests, Benton students in different grade levels were 11 to 21 percentage points less likely to score at or above proficient than were students statewide. As of October 2005, only 80 percent of the 4,146 members of the BPS Class of 2005 passed the state standardized test in English language arts and math, in contrast to the statewide average of 93 percent. Average SAT scores of the 59 percent of Benton’s students who took the test were 93 points lower than the state average on the verbal test and 82 points lower than the state average on the math test.

The district’s student population of 57,900 students is much more diverse (44 percent black, 33 percent Hispanic/Latino,

14 percent white, and 9 percent Asian) than that of the city. This wide variance is due in large part to the fact that many white families have “opted-out” of city schools. Families with means have either elected to send their children to private schools or have moved to nearby suburbs with better public school systems.

In 1994, after Arcadia passed legislation allowing charter schools to come into existence, Liberty Charter Academy opened its doors in Benton amid fierce controversy. Jack Whalen, superintendent of the Benton Public Schools, and other school district staff, were strongly opposed to the charter concept. In August 1994, the month before Liberty Charter opened its doors, Jack wrote an anti-charter manifesto that was published in Benton’s largest paper, the *Benton Free Press*.

In the editorial, he outlined his opposition to charter schools stating that, first and foremost, charter schools were undermining the principle of public education. He characterized charter schools as “publicly funded private schools” that were freed from the restrictions under which other public schools had to operate. Whalen warned that if charter proponents in the state legislature got their way, school voucher programs would follow closely on the heels of this charter school legislation. He also charged that charter schools would skim off the best students and the most involved parents from the district’s schools, and went on to chronicle the extent to which charter schools threatened the financial health of traditional public schools. Whalen listed the thousands of dollars the district would have to relinquish for every student who left to attend Liberty and listed various ways that money could have been better spent on improving district schools. Charters were cheaper schools to operate, he argued, because they were not required to offer special education services or English instruction for non-native speakers.

## The school board and the city council did everything in their power to suppress the growth of charter schools in Benton.

In the early years of charter schools in Benton, the flames of the charter school debate burned especially bright. The school board and the city council did everything in their power to suppress the growth of charter schools in Benton. Fliers,

predicting the death of public schools if a new charter school were permitted to open, circulated throughout the district.

In spite of this opposition, five other charter schools had opened in Benton since 1994 and all have waiting lists of 80 students or more. Benton’s parents, especially from low income and minority families, are clearly embracing the choices that charters provide their children and are actively lobbying the legislature to make more charters available in districts across the state.

## Adding fuel to the fire on both sides of the debate is the fact that the performance of Benton’s charter schools in comparison to that of district schools is mixed.

Adding fuel to the fire on both sides of the debate is the fact that the performance of Benton’s charter schools in comparison to that of district schools is mixed. Two charter schools, Benton Prep and the Benton International Academy, consistently scored among the highest in the state, outperforming most district schools on state standardized tests and have 96 percent and 99 percent graduation rates, respectively. However, two other charter schools, Roosevelt Charter High School and the East Benton Academy of Science, reported scores well beneath district averages. The situation at Roosevelt was so bad that the state board of education revoked Roosevelt’s charter for the upcoming 2006–2007 school year.

According to the state’s Department of Education, Roosevelt’s problems included a spiraling deficit; failure to have a high quality, standards-based curriculum or effective assessments; and failure to meet English immersion requirements for English language learners. Roosevelt’s parents and students remained strong supporters of the school and began to lobby the state to give staff more time and support to address the problems. A group of Roosevelt parents launched a campaign to save the school and local newspapers and evening news programs covered the protests. According to one parent, “I am not sending my child back to the district high school. Before Roosevelt, I had to bribe my son to go to school. Now he loves coming to school everyday and that’s because of the safe environment the teachers here have created. They know him and they care. How can the Board of Education not see all the good this school is doing?”

## The Benton Education Partnership

BEP, founded in 1989, is dedicated to improving the quality of education children receive in Benton's public schools. Along with community members and the private sector, BEP works in partnership with the BPS to create programs and policies that energize teaching and learning and raise the level of student achievement, especially of minority and low-income students. To date, the BEP-BPS partnership has yielded several successful innovations that have been adopted by the school board for all schools.

Through its work to mobilize the community to support and create effective schools in Benton, BEP has become a force in the community, contributing to the development of programs to strengthen all district schools. BEP also serves as a quasi-official research and development arm of the district, piloting new programs and helping the district to scale up those that prove most successful. Barbara Stephens has led BEP for the past decade and, together with Jack Whalen, BPS superintendent, has facilitated the close partnership they now enjoy.

As the city's economy faltered, BEP was finding it increasingly difficult to secure new funding. The local education fund was in good financial shape for the coming year, but Barbara worried about the lack of long-term funding prospects. Grants for two of BEP's major initiatives, the Teacher Induction Program and the Teacher Leadership Institute, were due to expire at the end of the school year and, to date, Barbara had not been able to secure any new funding to keep those initiatives going. The grant from the Bristol Foundation could be the windfall Barbara had been seeking.

## A Meeting of the BEP Board

Barbara realized that she needed to convene an immediate meeting of her board to inform them of the opportunity presented by the Bristol Foundation grant, and to solicit their thoughts about whether or not to pursue the proposal. She knew that this would be a contentious meeting, one that had the potential to divide her board.

On Monday, Barbara called for a special meeting of the BEP board, which met on the afternoon of April 20<sup>th</sup>. Board members in attendance were:

Jonathan Kennedy, Chair, CEO, Bank of Arcadia

Samuel Michaels, Senior Counsel, Smith, Parker and Ford, LLP

Francine O'Brien, Member, Benton School Board

Jack Whalen, Superintendent, Benton Public Schools

Robert Wellston, Professor, Hilliard Graduate School of Education

Stephen Foster, President, New England University

Aretha Williams, President, Turner College

Isabella Bennett, Trustee, The Bennett Foundation

Katherine Pond, Community Activist

Barbara presented the Bristol Foundation's proposal and explained that the goal of the meeting was to inform board members of the opportunity and to invite their responses. Barbara informed the board that she would take their comments into consideration as she and board chair Jonathan Kennedy drafted a recommendation to the board on whether or not to pursue the grant. They would present the proposal at the board's regularly scheduled meeting on April 30<sup>th</sup>. With that, Barbara opened the floor to comments from board members.

Superintendent Jack Whalen, who had been growing red around the collar as Barbara described the Bristol Foundation's proposal, was the first to speak, "You're going to bleed the district to death if you pursue this proposal. If 10 more charters open in the district, I will lose all the funding I currently spend on professional development. How am I supposed to build a high quality teaching force and improve instruction when I can't provide any professional development for my teachers?"

Community activist Katherine Pond spoke up, "Jack, think about the opportunity this presents for the parents and students in Benton who aren't being well-served by district schools. I know you're doing your best, but there are some really pitiful schools in Benton, where students aren't getting anything close to a high quality education. And these kids can't afford to go elsewhere. They're stuck. I think this proposal presents an exciting opportunity to provide better educational opportunities to Benton's poor and minority kids."

"The waiting lists at some of our current charter schools prove that charters are a valued option by the city's parents. Parents are practically lined up around the block to get their children into schools like Boston Prep and International Academy," added Aretha Williams, Turner College President.

Katherine Pond continued, "Charter schools can level the playing field between Benton's haves and have-nots, which was the whole idea of the reform from the beginning. These schools give poor and middle-class parents the kind of educational choice that is otherwise available only to the wealthy. White parents have been pulling their kids out of Benton for decades. Why should parents who can afford \$30,000 a year in private school tuition be the only ones who have options? This proposal is exactly the kind of initiative that BEP should be involved in.

We're about ensuring a high quality education for Benton's under-privileged kids and this is one way to get that done."

“Charter schools can level the playing field between Benton’s haves and have-nots, which was whole idea of the reform from the beginning. These schools give poor and middle-class parents the kind of educational choice that is otherwise available only to the wealthy.”

Francine O'Brien, a Benton school board member, then raised the question of how to determine whether the education provided by charter schools is better than that of district schools. "Different doesn't automatically mean better," she said. "Look at the mess that Roosevelt Charter High School has created. They have wasted hundreds of thousands of taxpayer dollars on a failed experiment."

Robert Wellston, a Hilliard professor, agreed, "There is no clear empirical evidence that charters offer a better education. At a minimum, it is certainly safe to say that there is little convincing evidence for the superiority of charter schools over public schools in the same areas. In fact, some studies suggest that charter schools, on average, are weaker."

Samuel Michaels, senior counsel at Smith, Parker and Ford, countered, "I would argue that the Roosevelt case is a perfect example of how the idea of charters can work. The school clearly was not serving kids well and now it's being shut down. If we could have that kind of strict accountability in district schools, the schools would be in a much better shape."

"I'm concerned that we will be weakening the district if we agree to this proposal," continued Francine O'Brien. "The charters will skim off the most motivated students and the most active, engaged parents. What will district schools be left with? I can see how this might be about an appealing alternative for some students, but I'm worried how it will affect the district, which serves the majority of our students."

Aretha Williams replied, "I'm not so concerned about skimming the best students and parents. It's a very proactive, positive thing for a parent to be able to choose a school for a child. We

should be so lucky as to have all parents engaged at that level. Parents of color, low-income parents, parents of children with learning difficulties – why shouldn't engaged parents such as these be able to choose the best school for their children?"

Jonathan Kennedy, BEP board chair and CEO of the Bank of Arcadia, weighed in, "For decades, the abysmal condition of Benton's public education has been the major reason people exit this city. This has meant a much smaller middle class living in Benton. Increasing education options for middle class parents is one way to prevent the mass exodus of Benton's middle class."

Stephen Foster, president of New England University, agreed, "I see charter schools as a vital component of rebuilding Benton and its neighborhoods. I think the value of charter schools lies not in the data on academic achievement, which is admittedly ambiguous, but in the way charter schools can spur competition with and prompt changes in our district schools. I think it's important to mention the experiences of Philadelphia and New York – cities where superintendents and mayors encourage charters and other choice options. These cities have seen the biggest gains of all large US cities among students who remain behind in the traditional schools. In other words, the competition provided by charters coincided with improvement in these public school districts."

“Charter schools can do things like have longer school days and years and demand higher parent involvement – things that we know aid student achievement.”

Jack Whalen replied, "I'm fine with competition, but let's make the rules fair. These schools aren't even real public schools. They're not operated by the city and they don't have to adhere to the same restrictions. The charters have much more leeway in managing their own operations than my district schools, including freedom from the teacher union contracts that tie our hands behind our backs. Charter schools can do things like have longer school days and years and demand higher parent involvement – things that we know aid student achievement. If you could convince the union to let me have a longer school day and year, I guarantee you'd see marked improvement in our district's schools."

Stephen Foster responded, “Jack, I see charters as experiments that can prove reform works. You might actually be able to use some of these charter schools as examples that you can leverage to spur your principals and teachers to reform at a faster pace in order to keep up with charters.”

“What concerns me most,” Francine O’Brien said, “is that we are opening the door to private management companies with a proposal like this. It seems that the current environment strongly favors the use of for-profit management, with their skilled administrators and ability to attract the big bucks that state regulations favor. Edison or some other for-profit management company is going to nose its way into running some of these charter schools and making a profit from tax dollars that should go directly to our schools and serving our kids.”

“Well,” said Jonathan Kennedy, “then you’d better start a campaign against SYSCO Foods for turning a profit by running our cafeteria services and Acme Busing Company for making a profit from our transportation services. The truth is that for-profit companies have been hired by our school district for decades. This would be no different. On principle, I see no harm in BEP working with Edison or another proven for-profit management company to run some of these charter schools. And, to respond to Jack’s point about the schools not being public – they are every bit as public as the district’s schools. They are funded with public dollars and run on the principles of equal access, transparency, and accountability to the public.”

Barbara interrupted to say that they were almost out of time. She expressed her appreciation for board members’ comments

and added a practical concern, “This grant comes at a great time for BEP. As you all know, we have been struggling in our fundraising efforts lately. This Bristol Foundation grant could really pull us through the next couple of years until the economy recovers. That said, I want us to keep the idea of what’s best for Benton’s kids at the center of our conversation.”

Jack Whalen responded, “Look, I know BEP is looking for funding, but this is absolutely the wrong route. This would be taking money to undermine public education and is counter to BEP’s mission of supporting public schools. While I have always viewed BEP as the district’s closest ally and partner, if the board were to accept this grant, I would view it as a “vote of no confidence” in the district. I would find it very hard to work closely with such an organization in the future.”

Barbara replied, “This is obviously a tough issue for us to address. As you all know we have a regularly scheduled board meeting next week so we have some time between now and then to think over the opportunity and the challenges it presents. When we meet next week, I will present a recommendation to the board for how BEP should proceed with the Bristol Foundation proposal and there will be time for further discussion and a vote.”

On that note, the meeting adjourned and Barbara made her way back to her office with the diverse opinions of the board members swimming in her head. As Barbara sat down at her desk, she struggled with how she should recommend that the board respond to the Bristol Foundation proposal.

