

# CLEVELAND: CULTURAL AND ECONOMIC EXCHANGE

## Overview

In 2012, the Cleveland Metropolitan School District (CMSD) was in danger of being taken over by the state as a result of its poor performance. In response, Mayor Frank Jackson, who appoints the board of education, joined forces with members of the business, philanthropic, and education communities to develop a plan to transform the city's schools.<sup>1</sup> This became known as the Cleveland Plan.

The plan called for a broad set of changes in district governance and operations. In addition, it included a proposal for a sort of cultural and economic exchange between Cleveland's charters and the district by reining in low-performing charters, offering incentives to prompt high-performing charters to align and share practices with the district, and sharing local tax dollars with partner charters. The Ohio Legislature supported a version of the plan (House Bill 525) but dropped the first provision relative to charter accountability. Furthermore, Cleveland citizens voted to fund the plan with a new property-tax levy (Issue 107).

Two years into its implementation, however, the cultural and economic exchange is only beginning to yield results. The district partners with *some* charters to exchange instructional practices, as well as including their results in its accountability score and sharing with them a small portion of levy proceeds. Yet to date, the "exchange" has not transformed the district per the spirit of the Cleveland Plan.

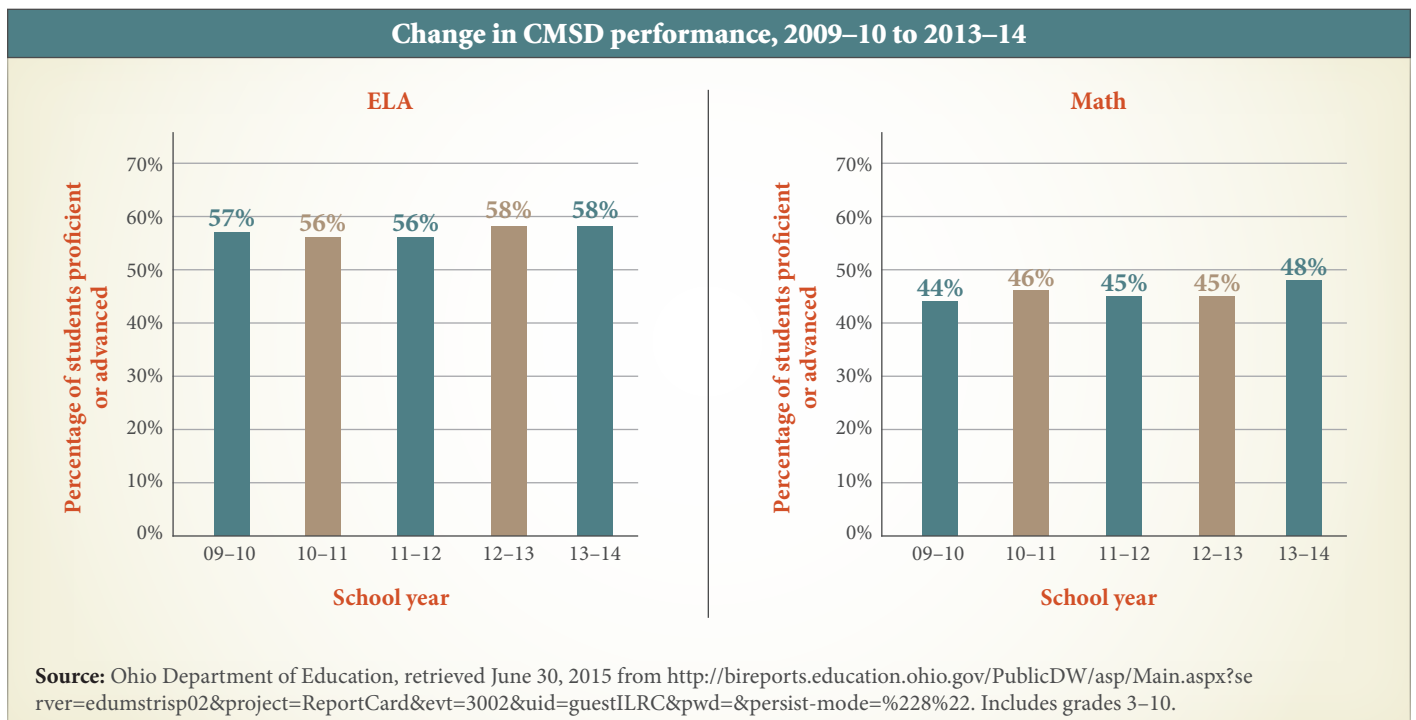
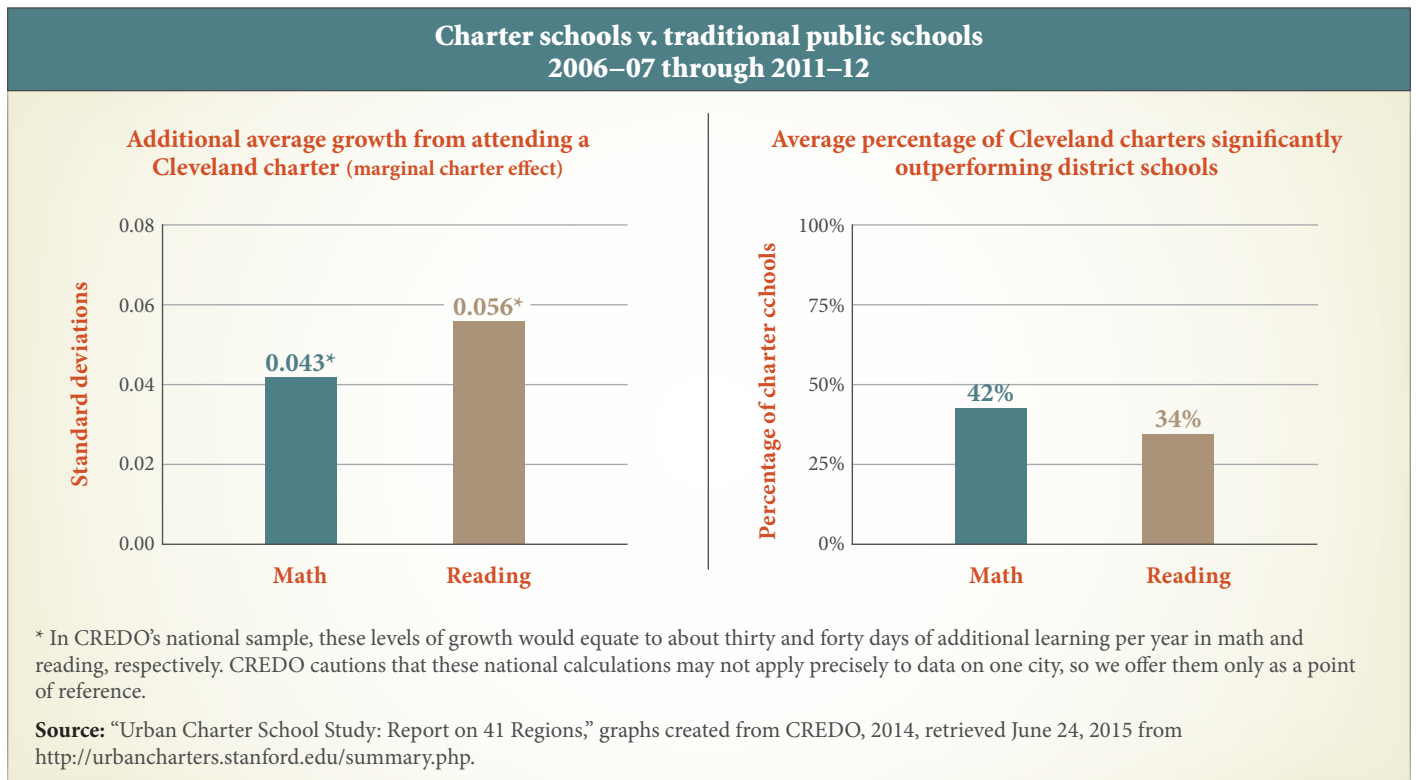
**Table 1. Cleveland snapshot**

2014–15 facts and figures	
Charter market share	32%
Number of charter schools	55
Charter enrollment	18,557
District enrollment	39,083
Number of authorizers	10
District is an authorizer	Yes (8)*
District governance	Mayoral control
Gates compact site	Yes
CRPE Portfolio Network	Yes
*Number of charter schools authorized by the district shown in ( ).	

Enrollment trends		
Year	Cleveland Metropolitan School District	Cleveland Charters
10–11	45,060	14,195
11–12	42,883	15,580
12–13	40,072	17,239
13–14	38,775	18,318
14–15	39,083	18,557
5-Yr Change	-5,977	+4,362
Percent Change	-13.3%	+30.7%
<b>Source:</b> Ohio Department of Education.		
Note: Charter figures include only students who would have otherwise attended CMSD.		

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**Table 1. Cleveland snapshot (continued)**



## How CMSD is engaging charter schools

Most of the current district-charter engagement efforts in Cleveland are part of the Cleveland Plan,<sup>2</sup> which includes several provisions intended to incentivize high-performing charters to partner with the district (see *Key charter-related components of the Cleveland Plan*).

As Table 2 shows, CMSD has fully implemented only one of the engagement activities identified in this report. It has established official channels for communicating via the Cleveland Transformation Alliance (a public-private partnership that oversees fidelity to the Cleveland Plan), as well as participating as a Gates compact site. However, it stands out for the steps it has taken to grow the supply of high-quality schools (regardless of operator) in the city since the Cleveland Plan was adopted in 2012. As articulated in the plan, the district endorses high-performing charters and offers them a share of its levy dollars in exchange for the right to include their performance in its state accountability score. For the 2014–15 school year, fifteen partner schools received approximately \$4 million, parceled out in proportion to charter schools' enrollment.<sup>3</sup>

CMSD is also engaging with charters in other ways. For example, CMSD schools and the seventeen charters with which it partners in the 2015–16 school year (eight of which it also authorizes) participate in the Cleveland Quality School Network, where they share best practices and collaborate on shared challenges. (CMSD has also opened its professional development to those charters.) Several charters that are part of the Breakthrough Charter Schools network have also bought or leased school buildings from the district.<sup>4</sup>

In 2014, Cleveland became a Gates compact site. Although it is still in the planning stage, CMSD's participation has led it to engage with a larger, more representative group of charter operators in the city. Compact participants plan to develop and finalize a compact by the end of 2015.

### Key charter-related components of the Cleveland Plan

1. The district can *share one mill in local property taxes* with charters that “partner” with it.<sup>5</sup> A “mill” is a tax rate equal to one-thousandth of assessed property value.) This one mill is drawn from the fifteen mills approved by citywide referendum in November 2012, which was expected to generate \$85 million in revenue annually.
2. Partnering charters enter into an agreement that requires, among other things, participation in Quality Schools Network activities, including teacher and leader convenings, to share practices and showcase excellence.<sup>6</sup>
3. CMSD can *count the enrollment and performance scores* of partner charters in its state accountability score.
4. Created the Cleveland Transformation Alliance (CTA), a public-private partnership that oversees fidelity to the Cleveland Plan.

**Table 2. Engagement activities in Cleveland**

Goal	Activity	Example
IC	1. The district and charters establish official channels for communicating (e.g., working groups, steering committees, appointed representatives for different stakeholder groups).	<ul style="list-style-type: none"> <li>• Both district and charter leaders participate in the Transformation Alliance, the public-private partnership set up to oversee faithful implementation of the Cleveland Plan.</li> <li>• In 2014, Cleveland became a Gates compact site. Though it is still in the planning stage, CMSD is currently working with charter operators to develop a compact.</li> </ul>
IP	2. The district and charters establish structured opportunities for school-level employees to share best practices and problem-solve around shared challenges (e.g., common professional development; working committees to discuss how best to implement Common Core or address ELL student needs).	<ul style="list-style-type: none"> <li>• As of the 2015–16 school year, CMSD formally partners with seventeen charter schools, all of which participate in the Cleveland Quality Schools Network, where district and charter schools share best practices and collaborate.</li> <li>• CMSD has opened its professional development to partner charters.</li> </ul>
OE	3. The district and charters work together to lower the cost of providing key services (e.g., transportation, purchasing, special education, and facilities utilization and maintenance).	No concrete action taken to date.
EA	4. The district and charters report the same data metrics such that comparable, transparent and timely information relative to student demographics and school performance is available publicly.	<p>The Cleveland Transformation Alliance maintains a website that includes for all participating charter and district schools:</p> <ul style="list-style-type: none"> <li>• School performance data</li> <li>• Information on school programs, transportation, enrollment procedures, etc. (as reported by schools)</li> <li>• Community ratings for each school<sup>7</sup></li> </ul>
EA	5. The district and charters participate in a common and coordinated enrollment system.	No, although a “fair and informative citywide enrollment process” is a goal of the Cleveland Plan. <sup>8</sup>
EA	6. The district and charters coordinate to ensure that all students have access to high-quality school options regardless of their location or educational needs (e.g., strategically siting new schools, providing students free and convenient transportation to any public school).	<ul style="list-style-type: none"> <li>• A primary goal of the Cleveland Plan is to ensure that all Cleveland students have access to high-quality schools.</li> <li>• “Exploring how charters can address the needs of the lowest-performing district schools” is a focus of Cleveland’s Gates compact work.<sup>9</sup></li> <li>• A report by nonprofit IFF, formerly the Illinois Facilities Fund, identifies Cleveland neighborhoods where children need better access to high-performing schools.<sup>10</sup></li> </ul>

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**Table 2. Engagement activities in Cleveland (continued)**


Goal	Activity	Example
QS	7. The district shares resources with charters, including local levy dollars and/or facilities, to make it easier for them to operate.	<ul style="list-style-type: none"> <li>Charter schools that CMSD authorizes, or that enter a formal “partnership” with CMSD, are eligible to share in one mill of the fifteen mill property tax levy CMSD passed in 2012.</li> <li>Several charter schools that are part of the Breakthrough Charter Schools network have bought or leased district buildings.</li> </ul>
QS	8. The district actively works to grow the supply of high-quality charter schools in the city (e.g., recruiting new high-performing schools, advocating for the state to lift charter caps, asking city and local officials to take specific actions).	<ul style="list-style-type: none"> <li>One of the main goals of the Cleveland Plan is to “grow the number of high-performing district and charter schools in Cleveland and close and replace failing schools.”<sup>11</sup></li> <li>CMSD has invited Cleveland charters to “partner” with it. As part of that partnership, CMSD publicly endorses these charters (by recognizing them in the Quality Schools Network).</li> </ul>


**Goal of engagement**

IC – Improve communication  
 IP – Improve practice  
 OE – Improve operational efficiencies  
 EA – Improve equitable access of existing schools for families  
 QS – Increase supply of high-quality schools across the city

**Extent of engagement**

  
 Fully implemented

  
 Partially implemented

  
 Not implemented

## The factors shaping district-charter engagement

A number of factors inspired Cleveland’s “cultural and economic exchange,” including the desire of city and district officials to avoid state takeover, the leadership of Mayor Frank Jackson, the influence and support of key stakeholders, and a charter landscape that included both very high-performing and very low-performing schools.

### Cleveland’s last chance to save its schools

Things did not look good for CMSD in 2011. At the time, the district faced a deficit of \$65 million for the 2012–13 school year and was one F rating away from a potential state takeover, which newly elected Republican Governor John Kasich was eager to initiate. To avoid bankruptcy, the district needed more funds. However, with one-third of the city’s kids enrolled in charters, the odds of raising more revenue without the support of charter parents were slim. That meant that some portion of any new revenue would need to go to charters.

Faced with a limited set of options, Mayor Jackson (who effectively controlled the district) began developing and selling to his constituents a plan to transform the city’s schools, which included a role for charters. As one interviewee explained, “The Cleveland Plan was the last best chance to change Cleveland, and Mayor Jackson was the lead champion out front on all of it.”

### Outside stakeholders shape Cleveland Plan

A number of individuals outside the mayor’s office helped shape the Cleveland Plan. For example, a business leader who was close to the mayor pushed for the plan to support excellent charter schools. Also, representatives from two influential local foundations that had long been involved in Cleveland’s school reform efforts shared their expertise, created opportunities for the mayor and others to learn from other cities, and helped frame the legislative debate around House Bill 525.<sup>12</sup>

Once the plan was complete, a number of state politicians proved key to its legislative success. For example, after the plan stalled in the legislature, Governor Kasich offered his public support to the mayor, appearing at press conferences with him and even asking members of his church to pray for all involved to “find the courage to support Mayor Frank Jackson.”<sup>13</sup> Several state lawmakers from both parties also supported the plan, even as it (and they) were criticized. As the *Plain Dealer* editorial board wrote, “Jackson had plenty of odd bedfellows.... Legislative supporters on both sides of the aisle braved brickbats from charter school operators and unions.”<sup>14</sup>

**Limits to engagement**

Among the numerous factors limiting district-charter engagement in Cleveland, two stand out: First, the uneven quality of Cleveland’s charter schools diminishes the district’s incentive to engage equally with all of them. Second, the prospect of “economic exchange” has not been enticing enough for some charters to overcome their deep-rooted distrust of the district. Of the seventeen schools that partner with CMSD, ten are part of the Breakthrough Charter Network, with which CMSD already had a strong relationship prior to the Cleveland Plan. According to some interviewees, this close relationship is intimidating to smaller, less established charter schools.

Table 3 summarizes the leading factors shaping district-charter engagement in Cleveland.

**Table 3. Overview of factors shaping district-charter engagement in Cleveland**

Factor shaping engagement		How the factor shapes engagement
Event(s) that helped trigger district-charter engagement		The district faced the threat of state takeover as well as a grave financial crisis, prompting Mayor Frank Jackson to propose a new plan to transform the city’s schools. That plan included fostering the growth of—and partnering with—high-performing charters.
<b>People*</b>		
District leadership	Superintendent	o The mayor appoints the district CEO and nine-member school board.
	Mayor	+ Mayor Frank Jackson developed and promoted the Cleveland Plan.
Charter leadership	Charter operators	+ Breakthrough Charter Schools, one of the city’s largest and highest-performing charter networks, has been willing to engage with the district. + Charter supporters see CMSD’s hiring of a former charter advocate as the district’s executive director of charter school partnerships as a positive sign. – There is tremendous diversity across the charter sector, which includes nonprofits and for-profits, large networks, and independent schools, and statewide “virtual” charters. – Many charter operators do not trust the district and view the Cleveland Plan as the district’s attempt to gain more control over the charter sector.
	Charter authorizers	– Ohio is considered by many to be the “Wild West” of authorizing because of its large number of authorizers and the lax rules governing them. – With ten charter authorizers sponsoring charter schools within the borders of Cleveland, none represents the entire sector.

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**Table 3. Overview of factors shaping district-charter engagement in Cleveland (continued)**

People*		
Outside influencers	Philanthropy and advocacy	<ul style="list-style-type: none"> <li>+ The Cleveland Foundation and the George Gund Foundation have invested heavily in K–12 education in Cleveland and played a critical role developing and promoting the Cleveland Plan.</li> <li>+ The business community was involved in the development of the Cleveland Plan and continues to participate in the Transformation Alliance.</li> <li>+ The Bill &amp; Melinda Gates Foundation awarded Cleveland a \$100,000 compact planning grant in 2014.</li> <li>o Concerned about the impact on charter autonomy, charter advocates opposed giving the Transformation Alliance exclusive chartering authority.</li> </ul>
	Politicians	<ul style="list-style-type: none"> <li>+ Republican Governor John Kasich led a bipartisan coalition to pass legislation that enabled CMSD to implement the Cleveland Plan.</li> <li>+ A number of state lawmakers from both political parties defended the Cleveland Plan as it was debated in the legislature.</li> </ul>
Conditions that...		
Provide a stake in charter success	Accountability	+ CMSD's state accountability rating includes the charter schools that it authorizes and those with which it formally partners. <sup>15</sup>
	Charter authorizing	+ CMSD is a charter authorizer.
Create competitive pressures	Charter quality	<ul style="list-style-type: none"> <li>+ There are a number of very high-performing charter schools and charter school networks in Cleveland.</li> <li>- Some of the city's lowest-performing schools are also charters.</li> </ul>
	Enrollment trends	- District enrollment has fallen by nearly six thousand (13 percent) over the last five years, while charter enrollment has risen by 4,362 (31 percent).
+ Factor supporting engagement   - Factor suppressing engagement   o Factor neither supporting nor suppressing engagement		

\*A long list of potential stakeholders drive whether and how districts engage charters, including unions, parents, and the business community. Across our sites, however, three in particular stood out: philanthropic organizations, advocacy organizations, and politicians. We therefore focus on these groups.

## The path forward

The changes that have occurred in the past few years have left CMSD well positioned to pursue a “portfolio” model focused on school quality, and pending state legislation could also encourage a quality-oriented partnership by increasing the level of accountability for charters and their authorizers.<sup>16</sup> Although it is just one of many authorizers in Cleveland, the district still has considerable influence over the charter sector because of what it has to offer. It cannot control charter quality, but it can support excellent schools.

By adopting the Cleveland Plan, the city of Cleveland formally embraced charters as partners in public education. Moreover, it adopted a strategy that few other cities have been willing to consider: sharing a portion of local property taxes with charters. Still, some interviewees noted that the current relationship between CMSD and its charter partners is largely transactional. Yet they see an opportunity to build on the existing “cultural and economic exchange.” The district could further improve its relationship with the charter sector by sitting down with charter leaders, identifying the issues they want or need to work through, and developing a plan for doing so. In theory, this is what the Gates Compacts are all about.

According to Stephanie Klupinski, executive director of charter schools for CMSD, one of the district’s goals is to maximize charter participation in the compact. Yet there is an obvious tension between this approach and the Cleveland Plan, which encourages the district to distinguish between high- and low-performing charters. Ultimately, the district may find that it must choose between the goals of the compact or the Cleveland Plan.



## Endnotes

1. In 1997, state policy makers passed legislation to transfer responsibility for Cleveland's school district to the mayor's office after years of declining enrollment, abysmal student performance, and financial crises. The mayor appoints the nine voting members of the board of education from a slate of nominees selected by a local nominating panel. The board, with the concurrence of the mayor, appoints the chief executive officer of the school district.
2. F. Jackson, "Cleveland's Plan for Transforming Schools" (Cleveland, OH: Office of the Mayor, February 2012), <http://media.cleveland.com/metro/other/ClevelandPlanFinal.pdf>, 8.
3. Cleveland Transformation Alliance, "A Report to the Community on the Implementation and Impact of *Cleveland's Plan for Transforming Schools*" (Cleveland, OH: Cleveland Transformation Alliance, June 2015), [http://www.gcpartnership.com/~media/Files%202015/Every%20Monday%20Jan%20June%202015/Cleveland%20Transfirmation%20Alliance%20Cleveland%20plan%20progress%20A\\_Book\\_Final\\_full%20page%20spread%20\(1\).ashx](http://www.gcpartnership.com/~media/Files%202015/Every%20Monday%20Jan%20June%202015/Cleveland%20Transfirmation%20Alliance%20Cleveland%20plan%20progress%20A_Book_Final_full%20page%20spread%20(1).ashx).
4. In 2011, Breakthrough purchased four closed school buildings from CMSD for \$1.5 million. Also in 2011, the Intergenerational School opened the Near West Intergenerational School (NWIS) in the lower level of CMSD's Garrett Morgan School of Science. When NWIS outgrew the space, CMSD leased them the empty school building next door for \$1 per year. A year or two later, they renegotiated the lease. The current lease (negotiated March 2015) is for \$35,000 per year. Citizens Academy III, also affiliated with Breakthrough Schools, will open in 2015, leasing an annex at CMSD's Whitney M. Young Leadership Academy for \$18,500 per year.
5. Partner charter schools must participate in the Cleveland Quality Schools Network aimed at instructional collaboration, administer the Conditions for Learning student survey, and allow the district to count its enrollment and performance in the district's state accountability score. Charters interested in partnering with the district must submit a twelve-part application aimed at evaluating the school's alignment with the goals of the Cleveland Plan and committing to a number of shared principles. The application is available on CMSD's website at <http://clevelandmetroschools.org/cms/lib05/OH01915844/Centricity/Domain/2528/CommunitySchoolPartnershipApplication10.31.14.pdf>.
6. Cleveland Transformation Alliance, "A Report to the Community on the Implementation and Impact of *Cleveland's Plan for Transforming Schools*."
7. In 2015, the Cleveland Transformation Alliance developed its own school rating system, available at <http://www.clevelandta.org/>.
8. F. Jackson, "Cleveland's Plan for Transforming Schools."
9. Cleveland Metropolitan School District (CMSD), "CMSD and Charter School Application Orientation," November 7, 2014, <http://slidegur.com/doc/195035/this-powerpoint---cleveland-metropolitan-school-district>.
10. IFF (formerly the Illinois Facilities Fund), "A Shared Responsibility: Ensuring Quality Education in Every Cleveland Neighborhood" (Chicago, IL: IFF, 2015), [http://www.iff.org/resources/content/3/0/documents/IFF%20Cleveland%20Report\\_FINAL\(2\).pdf](http://www.iff.org/resources/content/3/0/documents/IFF%20Cleveland%20Report_FINAL(2).pdf).
11. The Cleveland Plan allowed the district to waive some collective bargaining provisions, share local levy revenues with charters, include district-sponsored charter performance results in the district's report card data, and request exemptions from state education-related statutes. See "Cleveland's Plan for Transforming Schools," Executive Summary, <http://www.clevelandmetroschools.org/cms/lib05/OH01915844/Centricity/Domain/4/ClevelandPlanExecutiveSummary.pdf>.
12. House Bill 525 was the enabling legislation for the Cleveland Plan that provided Cleveland Metropolitan School District (CMSD) with greater flexibility to run its schools. For additional information about the Cleveland Plan, see J. Poiner, "Progress and Problems: Checking in on the Cleveland Plan" (Washington, D.C.: The Thomas B. Fordham Institute, September 2015), [http://edexcellence.net/articles/progress-and-problems-checking-in-on-the-cleveland-plan?utm\\_source=Fordham+Updates&utm\\_campaign=cafeb24b8-20150920\\_LateLateBell9\\_20\\_2015&utm\\_medium=email&utm\\_term=0\\_d9e8246adf-cafeb24b8-71539965&mc\\_cid=cafeb24b8&mc\\_eid=d42ca9fe69](http://edexcellence.net/articles/progress-and-problems-checking-in-on-the-cleveland-plan?utm_source=Fordham+Updates&utm_campaign=cafeb24b8-20150920_LateLateBell9_20_2015&utm_medium=email&utm_term=0_d9e8246adf-cafeb24b8-71539965&mc_cid=cafeb24b8&mc_eid=d42ca9fe69).

13. C. Candinsky, “Kasich Hails Cleveland School Plan” *Columbus Dispatch*, March 13, 2012, <http://www.dispatch.com/content/stories/local/2012/03/13/cleveland-school-plan-hailed.html>.
14. Editorial Board, “The Plan Finally Wins Out,” *Plain Dealer*, June 13, 2012, [http://www.cleveland.com/opinion/index.ssf/2012/06/the\\_jackson\\_plan\\_finally\\_wins.html](http://www.cleveland.com/opinion/index.ssf/2012/06/the_jackson_plan_finally_wins.html).
15. As part of this partnership, partner schools agree to allow the CMSD to include their enrollment data separately on the district’s report card and to have their academic performance data combined with comparable data from the CMSD schools for the district’s state report card. Partner schools also agree to administer a Conditions of Learning survey and are part of the Cleveland Quality Schools Network, where district and charter schools network, share best practices, and collaborate. For more, see: CMSD, “CMSD and Charter School Partnership,” <http://www.clevelandmetroschools.org/Page/6142>.
16. During spring 2015, lawmakers circulated a number of proposals to improve transparency, accountability, and oversight in Ohio’s charter sector. The bill did not make it to a final vote during the 2014–15 legislative session. See V. Strauss, “Ohio’s Effort to Reform its Ridiculed Charter Schools is a Big Fail,” *Washington Post*, July 1, 2015, <http://www.washingtonpost.com/blogs/answer-sheet/wp/2015/07/01/ohios-effort-to-reform-its-ridiculed-charter-schools-is-a-big-fail/>; P. O’Donnell, “Charter School Operators and Authorizers Would Face More Scrutiny and Pressure, under New Bill from Ohio,” *Plain Dealer*, April 15, 2015, [http://www.cleveland.com/metro/index.ssf/2015/04/charter\\_school\\_operators\\_and\\_authorizers\\_would\\_face\\_more\\_scrutiny\\_and\\_pressure\\_under\\_new\\_bill\\_from\\_ohio\\_senate.html](http://www.cleveland.com/metro/index.ssf/2015/04/charter_school_operators_and_authorizers_would_face_more_scrutiny_and_pressure_under_new_bill_from_ohio_senate.html).