The Pennsylvania State University
The Graduate School
College of Education

CHALLENGES AND OPPORTUNITIES PRESENTED
BY CHARTER SCHOOLS:
THE RESPONSES OF THREE PENNSYLVANIA SCHOOL DISTRICTS

A Thesis in
Educational Leadership
by
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ABSTRACT

This comparative case study examined how three Pennsylvania school districts responded to the challenges and opportunities presented by charter schools. For comparative purposes, three districts were selected that varied in their contextual characteristics and in their responses to charter schools. Data for each case study were gathered through site visits, interviews, online database searches, and a review of available publications and documents. Data were collected and analyzed during 2004 and the first half of 2005.

The findings supported a number of previous studies but also challenged some earlier findings. The study’s propositions concerning the effects of the passage of time and movement through stages on the relationships between districts and charter schools were not supported in any consistent fashion, but the overall propositions about higher levels of threat in terms of financial costs and enrollment losses predicting stronger district responses were supported. However, the character and quality of district responses to increasing perceptions of threats varied and were not always positive or effective. Another important finding challenging previous research came from evidence that leadership differences were more important in shaping relationships between districts and charter school than contextual differences between districts. It is often said that leadership matters, and that it can be crucial to the success of schools. To a degree that went beyond what would have been expected from previous research on relationships between districts and charter schools, leadership differences, although importantly conditioned and shaped by the community context, proved to be the single most important factor in this comparative study. While the small sample size of this study makes generalizations impossible, it seems clear that future studies of this topic should pay close attention to how leadership behavior may mediate, and possibly overcome, some of the contextual factors that often seem to dominate school district affairs.
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The next thank you is extended to my three wonderful children Luke Kurelja, eleven, Kristina Kurelja, nine and Joey Kurelja, seven. They have patiently watched me work for years now, always with the promise that it would sometime end. Their time with Dad has certainly been compromised over the course of their lives and now we have some serious catching up to do. We have a thousand early Saturday morning fishing and hunting trips planned and I cannot wait!

Lastly, I have to thank my teachers. They exist around every turn and seem to introduce themselves right when I need them most. Dr. Wayne Hoy introduced me to the power of leadership, while studying at Rutgers University for my Masters Degree. While pursuing my doctorate at Penn State, I have been extremely blessed with several fine role models who have guided me to deeper understanding. The journey began and ended with Dr. Boyd, who inspired and guided me over the last six years. I could not have completed this project without him. Dr. Hartman helped me to make sense of nonsense with his keen understanding of finance and problem solving. Dr. Whitaker showed me that the Superintendency can be enjoyable, and is a real possibility for me. Last but certainly not least, Dr. Nolan, who I had for my last formal class at Penn State. He brought me back to where I started with a focus on teaching. All of the great policies in the world mean nothing without the people in the trenches who make it happen every day. Dr. Nolan lives this in his work, and it is an inspiration to me. Thank you to one and all I hope to make you proud!
DEDICATION

This paper is dedicated to two special people in my life: my mother and my wrestling coach. My mother Anne Kurelja raised ten children by herself after losing my father in 1972. If I ever think about something being difficult or begin to complain, all I have to do is think about having to raise ten children while finding myself, as did she, without my spouse, a job, or even a driver’s license. All of a sudden my life and death problems do not seem very significant. The most amazing part is that this experience only strengthened her deep catholic faith. She never dated another man because my father, in her words, “is the only man I will ever love!” My mom was my first inspiration. Ken Garabadian taught me about desire. He started out as my wrestling coach when I was eight years old, and in desperate need of a male role model. He has since evolved into a lifetime mentor and friend. Ken is currently terminal with cancer and yet is still growing and teaching while he purifies his soul for his greatest victory, which is yet to come. I learned from him that it is the desire to live life to the fullest that is most important; to make the most of the blessings we have been given is what counts. As he once told me, “I am a candle lit by a candle who was lit by a candle...” I will be lighting candles my whole life in honor of the one he first lit in me.
CHAPTER 1

INTRODUCTION

The purpose of this exploratory study was to describe and analyze how selected Pennsylvania school districts are dealing with charter schools and, especially, how they perceive and respond to the challenges and opportunities presented by the arrival of charter schools. This is an increasingly significant policy issue in national education reform efforts because the Bush Administration and the Republican Party are squarely behind increasing school choice and the number of charter schools, and because the far-reaching federal “No Child Left Behind” Act features school choice and supplemental services providers as the answer for children “trapped in failing public schools.”

Advocates of market-based competition in education reform believe school choice will force school districts to respond and improve. Most research, however, shows that the effects of competition are complicated and depend on the district context and on reaching a threshold level of threat which forces more than token responses from school districts (Hess, 2002; Hess and McGuinn, 2002). Based on prior research about public school responses to competition, threats, and opportunities for innovation, it was anticipated in this study that school district responses to charter schools might include efforts to capitalize on perceived opportunities; more public relations and marketing efforts to retain students; efforts to offer attractive new programs or features to retain students; efforts to cast doubt on the quality and reputation of charter schools; or some combination of these and other possibilities. To understand district responses, a comparative case study of three school districts was undertaken to investigate factors affecting responses, such as the sociopolitical context of districts, the character and quality of relationships between districts and specific charter schools, and how these relationships change over time.
Based on prior research, the following research questions guided this study:

1. To what extent and how are districts responding to opportunities or challenges they perceive to be presented by charter schools?
   a. To what extent and how are districts altering their public relations and marketing efforts in response to opportunities or challenges they perceive?
   b. To what extent and what kinds of programs are districts adding or altering as a result of the opportunities or challenges presented by charter schools?
   c. To what extent are districts adding or matching programs offered by charter schools?

2. What is the character of the relationships between districts and charter schools and how are these relationships changing over time?

3. What differences in the context and leadership of districts seem to account for the variation in the responses that are seen?

Background and Need for the Study

The creation of charter schools -- as a new form of public schools independent of school districts, yet accountable for results in exchange for autonomy -- was intended to increase choice and innovation in American public education. By releasing these schools from the bureaucracy and regulations thought to inhibit creativity and responsiveness in public schools, the hope was that charter schools would be not only innovative and attractive in their own right, but would become incubators of innovations that would spread to other schools. Further, as Ted Kolderie (1990), one of the founders of the charter school movement, argued, by ending the “exclusive franchise” that public school districts enjoyed over the provision of public education within their boundaries, charter schools would introduce competition for students and funds that would spur districts to improve their schools. Indeed, beginning with the influential publications of Nobel Laureate Milton Friedman (1962), many economists and neoconservative education reformers have long argued that competition is needed in public education to combat monopoly pathologies they perceive, by forcing educators to improve the quality of their programs.
Frederick Hess captured these concerns, as well as the obstacles to introducing competition to public education, when he asked:

What if Michael Dell, CEO of Dell Computer, and Michael Armstrong, CEO of AT&T, operated in a market where revenues depended hardly at all on attracting or losing customers? What if competition exerted minimal pressure and if market threats could often be trumped by successful efforts to glean government subsidies? What if they had only sparse information on the performance of personnel and could not fire or demote most employees? What if they could count on potential competitors’ being deterred or eliminated by political and legal forces? This should all sound familiar to education reformers because these are the market conditions faced by the administrators running urban schools today (Hess, 2001, p. 8).

Besides being highly controversial, the introduction of market forces into public education has proven to be much more complex and far less certain of results than its advocates expected. Although opponents predict dire consequences will flow from choice plans that bring market forces into public education (Bracey, 2001), research shows that the effects vary considerably (from mild to significant), and that advocates and opponents consistently disagree about the effects. A study conducted for the U.S. Department of Education found that almost half of the 49 districts studied had implemented at least one new program in response to charter schools (Ericson and Silverman, 2001). Miron and Nelson (2002, p. 131) report numerous signs of change in Michigan districts as a result of competition from charter schools. As noted above, most research shows that the effects of competition depend on the district context and on reaching a threshold level of threat which forces more than token responses from school districts (Hess, 2002; Hess and McGuinn, 2002).

Although Hess (2002) found little sign that competition was making a difference in large urban districts, conditions seem to be changing. A January 2005 front-page story in Education Week reported serious declines in enrollments in urban districts, attributed in significant part to charter school competition (Gehring, 2005). The Akron school superintendent was quoted saying, “Urban districts are going to have to accept we are no
longer a monopoly. It’s a new concept for us. Everybody is fighting for the market out there” (Gehring, 2005, p. 12). The executive director of the Council of Great City Schools said, “We are finally realizing that we have to sell ourselves and the services our schools provide” (Gehring, 2005, p. 1). In Ohio, the impacts have been so great that the Ohio Federation of Teachers, the Ohio PTA, and other public education associations have formed a coalition to back a lawsuit against charter schools that has gone to the Ohio Supreme Court, and to fight to get the legislature to curb the effects of charters and put a moratorium on new charter schools (Coalition for Public Education, 2005).

As developments in Ohio and other states demonstrate, it is important to recognize that although charter schools have enjoyed some bipartisan political support and are far less controversial than education voucher plans, they remain a controversial aspect of the education reform movement, with partisans for and against charters (including the current U.S. Department of Education!) constantly disputing research findings that place charters in either a positive or negative light (see, e.g., Carnoy et al., 2005; Organization of Institutional Affiliates, 2004). Reluctance to accept charter schools as a fully legitimate part of the reform of public education contributes strongly to the tendency of school districts to resist or be skeptical of charter schools within their boundaries.

A brief overview of the charter school movement from both the national and state perspective further demonstrates the need for this research. In 1997 Pennsylvania passed Act 22, which is also known as the charter school law. Since that time, the number of charter schools has grown steadily. The current number of charter schools stands at 109. Eleven are cyber charter schools. Together, these schools enroll nearly 42,000 students (Pennsylvania Department of Education, 2005). Comparatively speaking, with 3,246 public schools in the state and 501 school districts, charter schools remain a small percentage of all Pennsylvania public schools.

Pennsylvania’s charter school legislation should be viewed in comparison with charter school legislation around the nation. If legislation is not conducive to the development of charter schools, competition will not be encouraged and, therefore, will not prompt a district-level response. Bryan Hassel’s (1999) book *The Charter School*
Challenge: Avoiding the Pitfalls, Fulfilling the Promise provides a basis on which to make this comparison.

We know that the majority of students are going to stay in regular public schools. How charter schools can impact the regular public schools through competitive pressure or the perception of competitive pressure is a critical question in the study of the charter school movement in Pennsylvania and in other states.

Charter schools have grown over the last decade because many parents like them and, though opposed by teachers unions, they generally enjoy bipartisan political support. As noted earlier, they are public schools that are independent of school districts. They are not necessarily the first education reform priority of either political party, but both have agreed that reform is necessary, and charter schools offer a possible vehicle for that change to take place. A charter to operate a charter school is granted by a chartering body, usually a school district but sometimes (depending upon the specifics of a state’s law) another agency. This charter is a contract, typically for five years, that specifies the particular goals and methods the charter school will adopt. Once the charter is granted, the school is released from many typical public school regulations in order to give the school greater flexibility in accomplishing its mission. The release from the bureaucracy of most public schools comes with a requirement for increased accountability for achieving the goals set forth in the charter. This is often summarized as increased autonomy in exchange for greater accountability.

Approximately 3,343 charter schools are in operation across the country (see Figure 1.3) and 40 states have charter school laws as does Puerto Rico and the District of Columbia (see Figure 1.2) (Center for Education Reform, 2005). Pennsylvania alone now has 109 charter schools (see Figure 1.1) with close to 42,000 students attending them across the commonwealth (Pennsylvania Department of Education, 2005). Prior to 1992 no charter schools were in operation in the United States; now approximately one million students attend charter schools across the nation. As the figures indicate, charter schooling as a method of reform is growing rapidly across the country, not just here in Pennsylvania. Even though Pennsylvania joined the charter school movement five years after some other states, the number of charter schools in the state has increased
significantly. The proliferation of cyber charter schools in Pennsylvania (charter schools using distance education technology to cross school district boundaries and operate statewide) has been very controversial and has spawned greater competition because of the costs to districts and their lack of governance and curriculum/quality control over the cyber schools. Traditionally, districts levy taxes locally, receive funds from the state, and receive a small percentage of their funds from the federal government. In Pennsylvania, districts must pay competing charter schools a large portion of their per-pupil expenditure for each child that enrolls in a charter school. Some districts have attempted to limit this financial loss by developing a competitive response. Some local districts have created or are looking to create charter schools that will allow them to compete on a local level with the cyber schools that have no boundaries. In one year the number of cyber charter schools grew from two to seven because of the widespread competition caused by their unique method of delivery. Their enrollment increased from 600 to over 20,000 without having to rely on new schools being approved. This was possible because cyber charter schools are bound by neither geography nor capacity. Once a cyber school has the necessary technology and program, its enrollment can grow quickly. One school alone, the Western Pennsylvania Charter School, was drawing students from no less than 386 of Pennsylvania’s 501 school districts in 2005, which was up from 105 districts in 2002.
Figure 1.1
Number of Charter Schools in Pennsylvania

Figure 1.2
Number of States with Charter Schools
Initial results from a study of Pennsylvania’s charter schools demonstrated a high level of parental satisfaction with charter schools (Miron, 2001). In other research Peterson and Campbell (2001) found that parents tended to view charter schools as free private schools. Noting these documented perceptions and the data from the above graphs (Fig. 1.1-3), it would be logical to predict that the number of students attending charter schools will continue to grow. Research from around the country in conjunction with anecdotal data from Pennsylvania demonstrates a district level response to this loss of students and revenue. Results show both positive and negative effects from this response. Because the vast majority of students will remain in regular public schools, how the charter school movement is affecting them is a relevant research topic.

**Limitations of the Study**

The three case studies conducted for this dissertation focused on Pennsylvania school districts with a documented history of competition with charter schools. This introductory chapter has discussed the reasons why this study was needed and its significance for policy. In closing, it is important to acknowledge and emphasize some
significant limitations of the study. Rather than involving a large data set and a randomized, experimental design that could generate generalizable findings, this study employed a comparative case study method and a small, purposive sample of three districts. While the findings, therefore, are not generalizable, this exploratory comparative case study provides more knowledge and insights about why districts with characteristics similar to those studied respond as they do to competition from charter schools.
CHAPTER 2

REVIEW OF RELEVANT RESEARCH

To understand the challenges and opportunities charter schools present, and the responses of school districts, it is helpful to begin by looking at the theory behind charter schools and what they were intended to do. In general, the challenges and opportunities charter schools present depend in part on this; in part on the details of state laws creating charter schools, which significantly affect their relationships with districts; and in part on the sociopolitical context of the districts in which charter schools manage to emerge. The research questions for this study were formulated from the review of the research literature summarized here, and focus on factors affecting the:

- kinds of challenges (or threats) and opportunities that districts see when faced with charter schools;
- kinds of programmatic and strategic responses districts make;
- character of relationships between districts and charter schools and how these relationships change over time; and
- district context and district leadership responses.

As will be shown below, the research literature indicates that district responses to the challenges (or threats) and opportunities charter schools present may be influenced by district size (small districts may feel the threats and impacts sooner than larger districts), district context (e.g., wealth, education level and expectations of the population), district leadership, and the history and evolution over time of relationships between districts and their charter schools (Ericson and Silverman, 2001; Finn et al., 2001; Hess, Milliman and Maranto, 2000; Hess, 2002; Rofes, 1998, 1999).

The Theory and Purpose of Charter Schools

As noted earlier, the creation of charter schools -- as a new form of public schools independent of school districts, yet accountable for results in exchange for autonomy -- was intended increase choice and innovation in American public education (Kolderie,
1990; Nathan, 1996). By releasing these schools from the bureaucracy and regulations thought to inhibit creativity and responsiveness in public schools, the hope was that charter schools would be not only innovative and attractive in their own right, but would become incubators of innovations that would spread to other schools. Further, as Ted Kolderie (1990), one of the founders of the charter school movement, argued, by ending the “exclusive franchise” that public school districts enjoyed over the provision of public education within their boundaries, charter schools would introduce competition for students and funds that would spur districts to improve their schools. Indeed, beginning with the influential publications of Nobel Laureate Milton Friedman (1962), many economists and neoconservative education reformers have long argued that competition is needed in public education to combat monopoly pathologies they perceive, by forcing educators to improve the quality of their programs (Chubb and Moe, 1990; Everhart, 1982).

Although advocates of market-based competition in education believe school choice will force school districts to respond and improve, most research on charter schools shows that the effects of competition are complicated and depend on the district context and on reaching a threshold level of threat which forces more than token responses from school districts (Maranto et al., 1999; Hess, 2002, 2004; Hess and McGuinn, 2002). Hess and McGuinn (2002, p. 727) summarized their findings in Cleveland as follows:

School choice proponents have hypothesized that market-based education reform will compel traditional public schools to become more effective. We [explored] this hypothesis by examining how the introduction of the Cleveland voucher experiment in 1995 affected the administration and leadership of the city’s public schools. As of the summer of 2001, the program had produced virtually no visible effects. The voucher program has been relatively unthreatening during this time period because of its small size, its uncertain legal prospects, and certain institutional features — some of which are unique to Cleveland and others that characterize most urban school systems. We conclude that choice-based reform may not spur improvement in urban school systems, at least in the short
term or when the programs are heavily restricted. The central lesson of the Cleveland case, however, is not that competition cannot cause urban school systems to change; it is that the timing and degree of such changes will be largely a product of the particular educational, political, and organizational context as well as the design of choice programs themselves (p. 727).

The main threats are to the finances and enrollment of school districts (discussed in more detail below), but exemplary charter schools -- where they exist (some are quite weak) -- may also threaten perceptions of the quality of a district’s schools. However, one may ask, why so much attention to the threats, what about the opportunities charter schools present? Can’t public schools learn from or form beneficial partnerships with charter schools? The answer in the literature is that, yes, public schools can find and benefit by opportunities charter schools present, but for a variety of reasons this happens much less frequently than charter advocates originally hoped. To begin with, districts and their schools are not very inclined to try to learn from schools that many public educators view as illegitimate, rival upstarts. Further, research generally has found that most charter schools resemble regular public schools and are not living up to their promise as incubators for new educational ideas and practices (Lubienski, 2003; Mintrom, 2000). On the other hand, as Vergari (2003, p. 505) notes,

[C]onclusions about the extent to which charter schools are innovative may fail to consider context. Something new (e.g., experiential learning, multi-age classrooms, elementary teachers who teach one academic subject rather than many) in a given school district, state, or historical context may not be new in another context. The charter school reform does embody a number of innovative organizational features, including provision of consumer choice, genuine site-based management (which permits other innovative measures such as merit pay and an extended school year), and an accountability process that includes both market dynamics and a public oversight body.

In some large districts, and districts with unusually innovative leaders, the opportunities charters present for partnerships and diversifying educational offerings are
being grasped. Under a state takeover and “thinking out of the box” leadership by Superintendent Paul Vallas and a School Reform Commission created by the takeover, the Philadelphia School District is well along in implementing a “diverse providers model” that has led to creative and beneficial partnerships with charter schools, educational management organizations (EMO’s), foundations, and community groups (Gold et al, 2005).

**Perceptions of Charter Schools, Leadership Reactions, and Stages of Relationships with Districts**

Although charter schools have enjoyed bipartisan political support and are far less controversial than education voucher plans, it is important to recognize that, despite efforts at balanced research (Bulkley and Fisler, 2002; Bulkley and Wohlstetter, 2004; Vergari, 2004), they remain a controversial aspect of the education reform movement, with partisans for and against charters (including the current U.S. Department of Education!) constantly disputing research findings that place charters in either a positive or negative light (see, e.g., Bracey, 2001; Carnoy et al., 2005; Center for Education Reform, 2005; Organization of Institutional Affiliates, 2004). Reluctance to accept charter schools as a fully legitimate part of the reform of public education contributes strongly to the tendency of school districts to resist or be skeptical of charter schools within their boundaries.

Critics of choice and charter schools point to a study in New Zealand that detailed the impact of mass deregulation and school choice on the public education system and noted a downward spiral of individual schools that made it almost impossible for weak schools to recover without state intervention (Fiske & Ladd, 2000). The large-scale experiment in New Zealand reported by Fiske and Ladd in *When Schools Compete: A Cautionary Tale* offers important advice for choice initiatives in the United States and elsewhere. The idea that “the devil is in the details” applies very strongly to the design of choice plans (Hill, 2005; National Working Commission on Choice in K-12 Education, 2003). Other researchers have voiced similar concerns that when choice plans are poorly designed the results are unlikely to bring the desired outcomes. School choice initiatives
like charter schools are often targeted at failing districts, where high numbers of students are not succeeding. Hill (2005, p. 145) warned about poorly designed plans, stating, for example, that “If the poorest parents cannot learn about choices, or if schools find back door ways of excluding the most disadvantaged, their children cannot benefit.” This certainly was not the intended consequence of initiating school choice in any location but the effects of any competition can have losers which in this case would be students who already have been facing failing schools and are in the most need of help.

Besides being highly controversial, the introduction of market forces into public education has proven to be much more complex and far less certain of results than its advocates expected. Although opponents predict dire consequences will flow from choice plans that bring market forces into public education (Bracey, 2001), research shows that the effects vary considerably (from mild to significant), and that advocates and opponents consistently disagree about the effects. A study conducted for the U.S. Department of Education found that almost half of the 49 districts studied had implemented at least one new program in response to charter schools (Ericson and Silverman, 2001). Miron and Nelson (2002, p. 131) report numerous signs of change in Michigan districts as a result of competition from charter schools.

Although Hess (2002) found little sign that competition was making a difference in large urban districts, conditions seem to be changing. A January 2005 front-page story in Education Week reported serious declines in enrollments in urban districts, attributed in significant part to charter school competition (Gehring, 2005). The Akron school superintendent was quoted saying, “Urban districts are going to have to accept we are no longer a monopoly. It’s a new concept for us. Everybody is fighting for the market out there” (Gehring, 2005, p. 12). The executive director of the Council of Great City Schools said, “We are finally realizing that we have to sell ourselves and the services our schools provide” (Gehring, 2005, p. 1). In Ohio, the impacts have been so great that the Ohio Federation of Teachers, the Ohio PTA, and other public education associations have formed a coalition to back a lawsuit against charter schools that has gone to the Ohio Supreme Court, and to fight to get the legislature to curb the effects of charters and put a moratorium on new charter schools (Coalition for Public Education, 2005).
Of the opportunities and challenges presented by charter schools, previous research indicates that it is the challenges or threats that are most often perceived. Finn et al. (2001, p. 26) assert that,

The four stages in the public school establishment’s typical reaction to charter schools are (1) stop them cold, (2) keep them few and weak, (3) fight back and out-do them, and (4) embrace the concept. A gauntlet of efforts to restrain competition and keep the school market closed (stage 1) or restrict access to it (stage 2) awaits the would-be charter starter, including lobbying campaigns to block enabling legislation, judicial strategies to overturn legislation, re-regulation of charters so they have scant autonomy, ensuring that charters do not get their full per pupil revenues, and so forth. Most U.S. communities are stuck in these first two stages” (Finn et al., 2001, p. 26).

The key threats charter schools pose for school districts are the financial costs charter laws impose on districts, the threat of enrollment loss, and the erosion of governance control charters cause as independent public schools within the district (or beyond the district’s boundaries, in the case of cyber charter schools). Despite the assumptions of market forces reformers that competition will force organizations to respond and improve, public monopolies (or quasi-monopolies) such as school districts can be very slow to respond to competition (Hess, 2002; Hirschman, 1970). As Hirschman (1970) noted, in his classic book, monopolies can be “comforted by competition” (at least up to a point) because it can drain off disgruntled and demanding clients or customers. Thus, many large urban districts have welcomed charter schools that focus on hard to educate at-risk or special needs children.

Rofes (1998) studied 25 urban, rural, and suburban districts in eight states and the District of Columbia and found that charter and regular school relationships go through three stages: first, hostility; second, the districts respond; and third, equilibrium. Rofes concluded that:

Claims predicting the ‘devastation’ of the school system have been proven to be exaggerations; and charters have passed the honeymoon period when they were idealistically characterized and their weakness and failings had been
acknowledged. An acceptance settled-in regarding changes that had occurred in the way public education was organized, and the hostility that some districts and charters had directed towards each other began to lessen (Rofes, 1998 p.15).

When a charter school first enters into a district, the district school administrators typically institute low cost responses to the low level of threat. These responses can include sending out newsletters, distributing fliers, and making threats. Reports of school administrators acting in a hostile way are well documented (Rofes, 1998; Hess, 2000; Teske et al., 2001). Low cost behaviors are all most districts are willing to commit to in terms of resources prior to an actual loss of market share taking place. The sudden need to communicate the district’s mission and programs is interesting in light of the fact that frequently parents state the regular public school district’s lack of responsiveness to their needs as the reason they want to transfer their children to the local charter school.

As the loss of market share becomes a reality, the regular school district begins to take more expensive steps to combat the loss of students and funds. This falls in line with what Hess, Maranto, and Milliman (2000) had to say from their research in Arizona and can be supported in studies around the country and world (Fiske & Ladd, 2000, Teske et al., 2001, Ericson and Silverman, 2001). Examples of this type of behavior would include, but not be limited to, establishing full-day kindergarten, opening alternative schools, starting Montessori schools, lowering class size by hiring staff, and developing new curricula. The purpose is to draw the students back to the regular public school. This would fall into the stage of ‘districts responding’ described in Rofes’ (1998) research. These new programs do bring students back and the argument can be made that regular school districts become better or, at least, more responsive to the students and parents they serve.

Prior to the districts being faced with this competition, what forces were in place to prompt this type of response? Parents had few options. They could pull their child out of the local school district and homeschool them, but this would not faze the public school as it would not lower their reimbursement from the state in most instances and they would have one less student to educate. Parents could enroll students in private or parochial school districts at their own expense, and the result for the school district would
be the same as homeschooling. Another option for parents could be to move to another school district that offered the type of programs they desired, a choice seen in much of the white and middle class flight that has undermined our urban schools for the last twenty years. Such flight to the suburbs has resulted in the same class system that charter school critics argue would be introduced by publicly sponsored choice in charter schools. Might the same type of changes be produced by state mandates or local initiatives? It is possible, but it certainly has not been documented on any large scale.

The last stage Rofes refers to is equilibrium. This comes about when both the charter schools and the regular public schools more clearly understand their roles and how they can work together or at least occupy the same space. Fears that charter schools would destroy the regular school district begin to fade and a form of relationship develops. Sometimes this can be very productive. In Arizona, Hess, Maranto, and Milliman (2000) did not even study charter schools at the high school level because of a positive relationship that developed. Charter schools at that level tended to be alternative schools that drew students the regular schools were glad to see leave. Clearly, a regular public school cannot be all things to all people. If specialty charter schools can prevent regular school districts from having to run expensive programs, then public schools can become more efficient with their resources. In the best of scenarios, the students benefit by being able to participate in a program that meets the state’s standard for a public school while parents get to choose between special program offerings or more responsive regular public schools. The potential exists for combination of both with an exchange of services to complement each program.

In research on the effects of choice options in Minnesota, Boyd, Hare and Nathan (2002, pp. 19-20) report that:

A number of stakeholders interviewed commented that, if one thinks about what is in the best interests of kids and families, it is hard to object to the valuable opportunities the choice options have created. For example, one school superintendent, who initially opposed the creation of a charter school in his district, said he later became a convert to the idea because, “I began to see how it could enrich the educational opportunities for children. My philosophy now is to
take a broader view of the provision of educational services for the community, not just one limited to what the district itself directly controls.”

Another school superintendent said this about the post-secondary [choice] option: “The positive effects absolutely outweigh the negative effects. It gave kids the opportunity to accelerate their education. High schools rapidly improved their programs to compete. The number of Advanced Placement courses offered exploded.” This superintendent went on to say, about the effects of charter schools, that, “They create competition. I found the faculty in my schools were more open to change because they had received competition.”

Most evidence indicates that large school districts do not respond proactively to the market pressures of school choice. Most are so large that they cannot sift through the bureaucracy of their own systems to even muster a response. In fact, Rofes (1999) documented that only 24% of the districts he studied responded energetically to the development of charter schools in their district. The question was then developed, why did these districts respond differently then their counterparts? Multiple researchers have begun investigating this phenomenon. In Rofes’ work (1999, p.6) when he analyzed “the six districts that had responded to charters by aggressively stepping up reform, the common factor was reform-minded leadership by a superintendent, school board member or central office administrator.”

Teske et al. (2001), in a study entitled “Can Charter School Change Traditional Public Schools,” found that in two cities superintendents welcomed charter school competition. In Springfield, Massachusetts a superintendent viewed charter schools as just another tool to meet the needs of his students. In Trenton, a superintendent stated that he welcomed the competition because it would make his school district better. In contrast, some school districts in Arizona have resorted to unethical behavior and threats to attempt to keep students from attending charter schools (Hess, 2000). In Washington D.C., Teske et al. sent out questionnaires regarding charter schools and later found out that district officials were told not to fill out the survey.

The research is very clear that charter schools do change leadership behaviors when the number of students and, in turn, funds leaving the district becomes noticeable
(Teske et al. 2001; Ericson and Silverman, 2001; Hess 2000; Fiske and Ladd, 2000). The question that must be determined is how often and to what extent does this leadership behavior lead to an improvement of the regular public school?

To emphasize the importance of leadership behavior, one can look at Worcester, Massachusetts. In the same state as the Springfield superintendent, the Worchester superintendent had this to say about charter school operators in his district: “

These are snake oil salesmen, they went around the country, stole things developed by public schools, and put them in a Whitman sampler box. They are good business people, but even the Bible says you can’t serve both God and mammon--and they prove it every damn day” (Kelly, 2001).

The laws that govern charter schools were the same for both these superintendents but their leadership was clearly different. The Springfield superintendent was hired as a change agent to solve over a decade of problems. The Worchester superintendent was hired from within and led a district that had traditionally received higher marks than surrounding school districts. Trenton hired a superintendent who welcomed competition because he thought it would make his school district better. He brought that philosophy with him and was hired by the district because of it. Trenton was ready for that type of leader because of its inability to improve its school system any other way. In the Worchester scenario they were more resistant to change because the district had been doing a relatively good job prior to the arrival of the charter schools. An interesting transition can be seen when a district begins at the first level and moves its way through the cycle.

Interestingly, an Education Week article entitled “Charter Pioneers Force Public School Officials to Modify Operations” (Sack, 2002), observed that the real risk is not to teachers when charter schools begin competing with public schools; it is to administrators at both the building and district level who are not innovative and forward looking. In these cases the districts are left surprised by losses of students and parents to whom they have not been responsive. School administrators need to reflect on what Paul Houston (1998), the executive director of the American Association of School Administrators, wrote in The School Administrator, “I believe we can expect parts of the educational
process to be privatized and our role is to act as brokers, ensuring that the quality of service is of the highest level and that all children benefit.”

**Fiscal and Enrollment Threats**

The introduction of charter schools into the system of public education forces local districts to analyze how they are allocating their resources. The more a district’s resources are tapped by a charter school, the more likely the school district will be to take action. The following conceptual model (Table 2.1) was offered by Hess, Maranto, and Milliman (2000) in their study of Arizona’s charter school experience.

### Table 2.1

**Conceptual District Behavior Model**

<table>
<thead>
<tr>
<th>Low Cost School Changes</th>
<th>High-Cost School Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Benefits From School Change</td>
<td>Change Occurs</td>
</tr>
<tr>
<td>High Benefits From School Change</td>
<td>Unpredictable (Depends on whether entry threat was present prior to charter entry)</td>
</tr>
</tbody>
</table>

This simple model in Table 2.1 has been supported by findings in studies across the country. On the x-axis is set a continuum of low to high cost responses. Low cost responses, such as increasing communications with parents through newsletters and
fliers, are first undertaken when a threat of students leaving the district is perceived. This is explained when combining the y-axis, which sets up a continuum of perceived benefits of changing by the district. Typically, a district will only invest small amounts of resources in response to a low level threat of losing market share (students). Only an actual loss of market share (students) will prompt districts to make high cost changes. In this instance the districts believe that there is a benefit to expending the resources to retain or recruit students who live within the district. High cost changes include such measures as offering full-day kindergarten, hiring additional staff, and modifying principal behavior (Hess et al. 2000). Teske et al. (2001) found increased customer service was the first response when students began leaving a district. Rofes (1998) also found that an actual loss of market share would prompt districts to undertake high cost initiatives like full-day kindergarten. This behavior has also been observed in some school districts in Pennsylvania.

The nature of legislation that governs a state’s charter schools places a varying financial burden upon school districts. In Massachusetts, a state reimbursement is given to the local school district to lessen the financial burden of losing students. Consequently, districts are less likely to undertake high cost strategies because they are not feeling the economic loss as much. On the other hand, in other states like Arizona, where there was no reimbursement, the districts felt the loss more deeply and made decisions to cut programs and reallocate funds (Ericson and Silverman, 2001).

In Pennsylvania, two specific examples can be given to demonstrate how districts are being impacted, financially, by charter schools. Act 22 of 1997 states that for non-special education students the charter school shall receive for each student enrolled no less than the budgeted total expenditures per average daily membership, less the costs that are not part of the operation costs of a charter school. Special education students receive the same amount plus an additional amount that is calculated using the previous year’s special education expenditure.

In the Philadelphia School District, the average spending per student in 2002 was $7,862. From this amount the following deductions that are not incurred by the charter school could be deducted from what is paid to the charter school: $167 in transportation 21
costs that are provided by the district; $818 in special education costs, because these dollars are passed through to charter schools in full when they identify special education students; $884 in federal funding, because charter schools can, and do, apply for and receive those funds directly; $430 in debt service costs, because the school district remains responsible for this, regardless of enrollment. This leaves $5,558 that is paid to charters for each non-special education student that is enrolled (Chatzkel, 2001). This is 71% of the district’s per pupil expenditure.

In Philadelphia’s case, in 2002 they had about 13,000 students attending charter schools, which amounted to over 72 million dollars leaving the district. When a district is already in financial difficulty, such a loss can be devastating. The argument that the district could realize this amount in savings because they no longer have to educate those children has been found to have little merit. Students do not leave in convenient bunches of similar age. They tend to leave in a random fashion across grade levels, which make reductions in staff and resources extremely difficult.

In another, much smaller district in Pennsylvania, an increased per-pupil cost can be seen. The average per pupil expenditure for the 2002-2003 school year was $7,569 per pupil. When the deductions listed above are subtracted, the charter school expenditure per pupil was $7,041 for each non-special education student. This amounted to 93% of the district’s per-pupil expenditure. Using this state’s calculation, the district had to contribute an additional $5,723 for each special education student. This brought the total expenditure for each special education student who attended a charter school to $12,764.

In California the state is placing restrictions on the amount of funding that will be provided to charter schools. These restrictions are based on the total percentage of spending on certified staff and the total percentage of revenue expended on instruction and related services. In order for a charter school to receive full funding from the state the school must have over 50 percent of its revenue spent on certified staff and 80 percent of its total revenue expended on instruction and related services (Huerta, 2004, p. 26). This effort is an attempt to dictate charter school spending without directly eliminating the freedoms charter schools are granted through their charter with authorizing agencies.
This is particularly important for non-classroom-based charter schools, which would include cyber charter schools. This fast-growing segment of the charter school movement prompted Pennsylvania to adopt its only amendment to its charter school law (Act 22). This amendment (Act 88) now specifically governs cyber charter schools, which were not envisioned in 1997 when Pennsylvania’s charter school law was passed.

Enrollment trends consistently appear critical in the effects charter schools have on the local districts. In a National Study of Charter Schools report entitled “Challenge and Opportunity” (Ericson and Silverman, 2001), the districts studied that had declining enrollments viewed charter schools as a challenge rather than an opportunity. Declining enrollments also pose a more significant problem if the state funding formula for education places a high reliance on property taxes as a means of funding school districts. If taxpayers are leaving the district and students are choosing to attend charter schools, a district’s budget is being affected in both revenues and expenditures.

The overall size of a school district can also impede its response to the market pressures introduced by charter schools. The larger the district, the less quickly they respond to charter school students leaving (Ericson and Silverman, 2001, Hess, 2000, Teske et al., 2000). This has been attributed to two factors. The first is an increased level of bureaucracy that limits change in any direction. The second is that charter schools tend to be small in size, and the actual number of students leaving to attend the charter school has to be great for a large district to feel a loss. This should not give the impression that larger school districts should ignore charter schools. Quite the contrary. Because of their increased levels of bureaucracy, parents have a weaker voice and tend to be less satisfied with larger school systems. As a result charter schools are growing most rapidly in urban areas that tend to contain failing schools (Miron, 2001). The proportional increase in the number of charter schools in these larger urban areas allows market forces to begin to affect the system.

Despite the research findings that large school districts are the slowest to respond, in some instances even large school districts can be quick to respond to charter schools, and other reform initiatives, because of the leadership that is present in a district or has been specifically sought out by community leaders. Rofes (1998, 1999), Kelly (2001),
Teske et al. (2001) and most recently Hassel (2004) have identified this as a phenomenon that is worthy of further exploration.

**Effects on Relationships of Who Grants Charters**

Ericson and Silverman (2001) focused part of their research on the effects of who grants charters. Whether the local school board is the sole granter of charters or if multiple sponsors exist sends a clear message as to the direction of the movement in that state. When the local district alone can approve the charter, the districts have veto power over proposed charter schools. Charter advocates in Maryland, “see a conflict in placing local school boards in charge of awarding charters. Charter schools draw students from neighboring public schools and dollars from districts coffers” (Devise 2005, p. BO1). In California, public schools are more apt to see charter schools as partners because they are not going to approve anything with which they do not agree. When school districts know that if they do not approve a charter it can be appealed to a higher authority, they are more likely to look closely at the specifics of the charter to see if they can exert any influence before denying the charter.

A problem for charter granting agencies noted in the literature stems from their frequent inexperience and inability to effectively oversee the charter schools that they approve. Zimmer (2003) found that “only a small fraction of chartering authorities collect accountability information such as student grades and promotion and dropout rates.” This would clearly make it difficult for a charter-granting agency to hold a charter school accountable in a meaningful way. In another study, Finnigan (2004, p. 36) found “charter school authorizers expressed concern about the extra work entailed in overseeing charter schools and uncertainty about their new roles.” In the instances he described, authorizers granted charters due to political pressure or because of desires of the community that could not be ignored. He went on to explain that only one third of the charter authorizers had an office or staff dedicated to charter school activities (Finnigan, 2004, p. 38). This would place larger districts with a greater number of administrative staff at a distinct advantage over smaller schools with administrators that are already multi-tasking.
Arizona has been called the “Wild West” of charter schools because the state has made a conscious effort to encourage the growth of charter schools (Gresham et al., 2000). In Arizona, two other state agencies are able to grant charters without the local district even being aware that the charter school is on the horizon. With the largest number of charter schools in the country, it appears that Arizona’s legislators have accomplished their mission. In California only local and county boards can grant charters, but they still have approved a large number of charter schools. The fact that an appeal to the state board is possible may influence their decision-making. It also had been noted that they tended to approve charters only if the school would not be a large financial drain on the district (Ericson and Silverman, 2001). This will not result in the type of reform that could be possible with a more open market. It also will not result in the types of innovation that would set charter schools up as laboratories that can foster reform with new ideas (Kolderie, 2001).

Local control is a key tradition of public education in the United States. It is one of the reasons why charter schools have been the version of school choice that has been both widely accepted and highly contested. Vouchers have been around for a longer period of time than charter schools but currently are operating effectively only in a few jurisdictions. Local school boards complain about the loss of funds to vouchers and charter schools. But whose money is it that is being lost? The question that should be asked is “who owns the children?” Boyd (2001) asked this question at a charter school conference in March of 2001. The mission of public education is to produce productive citizens. If this is not happening, which is too common in many of our urban schools, is it wrong to provide parents with a choice to escape an ineffective school? When asked if the public money that was going to parochial schools in his district troubled him, the mayor of Milwaukee replied that in his city he was more concerned with students being shot than with them praying. Given these concerns, asking a failing school district for approval of a charter within it invites decisions that can be self-serving instead of in the best interests of children.
Analysis of Pennsylvania’s Charter Law and Its Ability to Promote Competition

Continuing this study’s review of research, Pennsylvania’s charter school law will be analyzed in terms of its strength to promote the competition necessary to prompt school districts to respond. To do this, Pennsylvania’s Act 22 will be compared with legislation in several other states to determine the strength of its charter school legislation. A strong charter school law will be considered one that effectively promotes a charter school movement. A weak law will be considered one that, while allowing for the existence of charter schools, does not promote or effectively support the charter school movement in that state. The information for this comparison is drawn from Bryan C. Hassel’s (1999) book *The Charter School Challenge Avoiding the Pitfalls, Fulfilling the Promise* and from The Center for Education Reform website (www.edreform.com). The Center for Education Reform ranks all the states with charter school laws; the panel that did its review included Bruno Manno and Chester Finn who have done extensive work on how school districts are responding to the pressures of charter schools. Hassel discusses Colorado, Georgia, Massachusetts, and Michigan in detail in his analysis, which will be compared to the state of Pennsylvania by analyzing Act 22 and the context of the charter school movement in the state. Hassel refers to eight key provisions to classify each state’s law; the same will be done for Pennsylvania as follows:

1. **What organizations have the authority to approve and oversee charter schools?**

   A strong law would allow many different organizations to perform this task. A weak law would allow only the local school board to fulfill this role. In the original Pennsylvania legislation, only the local school boards could approve a charter. However, as of 1999, the decision of the local school board can be appealed to Pennsylvania’s Charter School Appeals Board (CSAB), which can overrule the decision that was made at the local level. This limits the power of the local school boards and strengthens the charter school law. A complicating factor is that the appeals board is comprised of the governor’s appointees, which leaves the door open to political influence. The overall effect of this is that Pennsylvania’s initially somewhat weak law was strengthened by the activation of the CSAB. The secretary of education is the chair for the appeals board.
From its inception until June of 2002, the CSAB had acted upon thirty-six appeals. These decisions have not demonstrated a bias for charter schools. Of the decisions, twenty-one were in support of the local school districts; fifteen were for the charter schools. This provides evidence that the appeals board is working effectively. However, critics argue that the decisions being made are not clearly explained and are not providing guidance for the local school boards to follow (Gentzel, 2001). The appeals board certainly knows that their decisions are being heavily scrutinized, they may be behaving themselves accordingly. The CSAB is still in its infancy as a board so its future decisions will have to be carefully monitored. Critics would not be so skeptical if the board were not so closely tied to the governor’s control.

In states such as Arizona and Michigan, multiple agencies outside of the local school board can approve charters. This sets the stage for greater competition because the local school district can find itself losing students to a charter school it did not approve and may know nothing about. From 1997-1999 this would have been impossible in the state of Pennsylvania. Two things that changed after 1999, however, have strengthened the movement and attracted a great deal of attention. First was the activation of the CSAB, which was an original part of the charter school legislation. This allowed a charter school that was previously denied by the district to seek approval through the appeals process. The second 1999 development, which greatly changed the charter school landscape, was the emergence of cyber charter schools. Local control of education is a very important part of the culture in Pennsylvania. Cyber charter schools go completely against this control. Consider the following quote:

To one day get a bill for $24,000 in the mail, an expense that was completely unanticipated, is a bit of a shock. We’re kind of out of the loop and yet hit with a bill, said Chartiers Valley Superintendent Bernard Sulkowski” (Chute, 2000, p 1).

This scenario has played itself out all over the Commonwealth and is likely to continue as long as the need for this type of school is left unmet. At the time of the quote above there were “virtual seats” for approximately 500 students in cyber charter schools. By the end of the 2002-2003 school year there were ‘seats’ for over 20,000 students. To
place this in perspective, over the same period the total number of students in the state attending charter schools as a whole was just under 30,000.

Both of the situations described above leave school districts to compete with charter schools they did not approve. This is likely to foster a very antagonistic relationship between the regular school district and the charter school. While not anticipated during the passage of Act 22, these developments have certainly bolstered the charter school movement in the state and the introduction of markets into the educational landscape. Because of the existence of the appeals board, and because cyber schools are permitted under the charter law, it no longer is possible for a school district to ignore charter schools because they have not approved one or because they are located a great distance away.

In both these 1999 developments, the state department of education and the Governor were not displeased with the outcome. Governor Tom Ridge and interim Governor Schweiker were strong proponents of school choice and charter schools. The activation of the CSAB was a strategic part of their push for legislation that promotes school choice across the Commonwealth. The cyber school growth is an excellent example of a market system that is meeting a previously unmet need among students and parents throughout the state.

The greatest impact on local districts is felt when students who were not involved in the regular public education system become involved in the charter school initiative. From the Department of Education’s perspective, this provides clear evidence that charter schools are working. From the perspective of the local school districts that are now paying the bill for these students, it is a clearly demonstrated financial hardship. For example, in 2002 Norristown School District was spending upwards of $800,000 on charter schools. In 2001-2002, the Philadelphia School District, which then had about thirty-five charter schools, spent $75 million on charter schools. When these expenses come from students that are leaving the regular system, charter proponents will argue that the local districts can just decrease their expenditures by the five-to-ten thousand dollars
that would have been spent on that child. In reality, the local districts cannot decrease their expenditures very much because it is impossible to cut one twenty-fifth of a teacher.

In the instance of students entering the public system for the first time to attend a charter school, no money is forthcoming from the state for this student. These students come from private schools, parochial schools, and from home-schooling predominantly. In the area of cyber charter schools, the issue is further complicated because the funding is being sent to the charter schools based on a calculation of the per-pupil expenditure in the home school district. This seems quite inappropriate when the actual cost to educate a child utilizing cyber technologies and no school building is approximately $3,000 a year. This can be less than a third of the amount cyber charters are receiving from the sending school districts. This difference between what it actually costs and what is being charged has been documented in this review and in research by Huerta (2004) and Reeves (2001). The resulting difference is a financial windfall that has drawn the attention of for-profit companies and legislators around the Pennsylvania. Financially strapped school boards have even accepted financial payments for granting cyber charters. This practice was noted as something to be avoided in a research project sponsored by the Pennsylvania Department of Education (KPMG, 2001). This research was used to shape the Act 88 legislation that revamped the way cyber charter schools are funded in the state. However, as recently as 2004 some districts were still trying to resist paying bills to cyber charter schools (Raffaele, 2004).

2. **Are charter schools legally part of the local school district?**

A strong law would make the charter school an independent public school over which the local district would have no jurisdiction. This independence offers a great deal of autonomy to the charter school. A weak law would place the charter school under the umbrella of the school district that approved its charter. All decisions would have to be approved by the sponsoring school district. In Pennsylvania, a charter school is actually considered a separate school district once it is founded. In several places, Act 22 refers to the charter schools as a separate entity from the local school district. The law actually describes them as a separate school district, yet the charter school does have to submit a yearly report to the founding school district(s). The charter does come under review for
renewal or termination after five years, but charter schools are not under the jurisdiction of the districts that approved them. This would classify Pennsylvania as very strong in this category.

3. **Does the charter law expire on a set date?**

   A strong charter school law would not have an expiration date. This gives the legislation permanence that is necessary to ensure that stakeholders will not view it as just a fad to be tolerated before it passes away. A weak law would have an expiration date of a rather short period of time that would prevent real reform from taking place. In Pennsylvania, there is no expiration date, which once again places the legislation in the strong category.

4. **Are restrictions placed on who can obtain a charter?**

   A strong law would allow almost anyone to start a charter school. Because charter schools are considered public schools, it would be important that the schools are not run for profit and that they are not faith-based. The more the legislation restricts who can found a charter school, the weaker the legislation would be considered. As an example, some states only allow existing public schools to be converted to charter schools. In Pennsylvania, the legislation is very strong. Any non-profit or non-parochial individual or organization can apply for a charter. The freedom is even greater because for-profit educational management organizations like Edison Schools can run a charter school as long as the overall school is not-for-profit.

5. **Is the scope of exemption from state law limited?**

   A strong law would have a large number of exemptions. Pennsylvania’s Act 22 does provide an exemption from the majority of state laws; however, specific regulations must still be followed. Examples of these regulations refer to safety and treatment of students in terms of suspensions and exclusions. In a very controversial step, the state excused charter schools from state-specific special education rules and regulations and directed the schools to follow the less strict federal standards of I.D.E.A. The laws charter schools must abide by seem to be minimal in comparison to the overall Pennsylvania public school code, making Pennsylvania strong in this category as well.
6. **Are exemptions from state law automatic, or must charter schools request waivers on a case-by-case basis?**

   In Pennsylvania, the exemptions to the laws for charter schools are granted automatically, which is in contrast to having to apply and possibly be rejected on a case-by-case basis. Forcing charter schools to apply for exemptions would be an example of a weak law.

7. **Is there a strict limit on the number of charter schools?**

   In Pennsylvania, there is no limit to the number of charter schools that can be formed. This would seem to open the door for uncontrolled growth, but when this is combined with the local school boards having to approve the charters, the growth is supposed to be held in check. The introduction of the appeals board does usurp some of the authority of the local school board, pushing the legislation back over to the strong side. An example of the less controlled growth in a highly political arena can be seen in the Philadelphia school district.

8. **Are charter schools funded at less than the per-pupil average cost?**

   Charter schools in Pennsylvania are funded using a calculation of the average per-pupil cost. The only stipulation is that the local school board can deduct for certain expenses that the charter school would not incur. In some cases the schools are being funded above the average, which is causing a great deal of controversy. This is taking place with cyber charter schools. Charter schools are funded based on the average per-pupil cost of the district that grants or is forced to grant the charter. The district the cyber charter school is actually located in could possibly be funded at a much lower rate. So, as an example, the cyber school sets up its yearly budget based on the average daily membership rate of $6,000 for that school, and a student winds up attending from an outside district that has an average daily membership rate of $8,000. In this case, the charter school is authorized to keep the difference. This seems a little bit strange because the charter school will receive varying amounts of money based on where the child is located. In other words, some students are more valuable than others. (Murphy and Shiffman, 2001, p.58)
To complicate matters even further, the actual cost to educate the students utilizing current cyber technologies may actually be only about $3,000, which has created a great deal of anger among the regular school districts. The Pennsylvania Department of Education estimates that the cost of operating a cyber school is 50-75% less than the cost of operating a regular charter school. To help the reader understand how complicated and controversial the development of cyber charter schools has been in Pennsylvania, two miniature case studies were created by the researcher and placed in an Appendix. They vividly illustrate the issues and controversies surrounding cyber charter schools. The writer believes these miniature case studies are a necessary part of the background for this study, because of the great significance of cyber charters as competitors with regular public schools (David, 2004; Erb, 2004). Indeed, as William Maloney, Colorado’s education commissioner (and a former school superintendent in Pennsylvania), said, "Cyber schools are the 800-pound gorilla of the choice movement, although vouchers and charter schools get a lot more attention" (Dillon, 2005, p. A1).

Regular charter schools do not enjoy the same type of financial windfall cyber schools do. Because of the method of funding, charter schools have to find a way to cover all of their expenditures without the ability to levy taxes. The Act 22 legislation considers a charter school to be independent of the local school district, but at the same time ties it financially to whatever the local district is paying to educate its students. In an ideal situation the program is supposed to determine the costs to educate a child. Pennsylvania’s charters schools are left without a method of paying for innovative or special programs that might be more costly to provide. This could limit the development of worthwhile programs.

**Importance of Individual School District Context**

The fact that the charter school movement is gaining ground in both the state of Pennsylvania and the nation is without question. Its growth has slowed to some extent but very few charter schools have closed their doors and parents seem to enjoy having the option to choose another public school alternative. Although no one seems to dispute the positive attitudes of parents toward charter schools, there is a big and continuing dispute
over conflicting research findings about whether students in charter schools do or do not do as well or better than students in regular district schools (Carnoy et al., 2005; Center for Education Reform, 2005). Ladd and Bifulco (2004) found that students in charter schools make smaller academic gains, and also that “charter schools appear to have no statistically significant effects on the achievement of the traditional public school students in North Carolina” (p.30). The reason for the poor performance of students in charter schools was attributed to the high turnover rate of students. This disruption was found to distract administrators and teachers from other tasks that would have fostered student achievement.

In Pennsylvania Miron and Nelson (2002) found that students in charter schools scored well below the average on the state assessments. In analyzing the data further to account for the differences between assessments and comparing to similar non-charter schools, the results were still behind the similar schools. The bright spot in their research came when they looked at the academic growth of charter school students over time as compared to like non-charter school students. In this comparison, they found that charter school students were gaining by as much as 15 points a year on like non-charter school students. Miron and Nelson (2002) emphasize that their results were not conclusive.

With negative charter school achievement results surfacing in some, but not all, research studies the question of why parents are continuing to choose charter schools begs to be asked. Ladd and Bifulco (2004, p.34) stated:

That charter schools, on average, have such large negative impacts, and yet are still able to attract and retain students suggests either that the decision to enroll in a charter school is not motivated solely by concerns with academic achievement or that there are information deficits in the charter school market. The idea of information deficits in the state of Pennsylvania is a clear possibility. The issue of other motivators for choosing a charter school is also in need of further exploration.

Hassel et al. (2004, p.3) seem to have touched on this when they found that “parents and community-based organizations have also been powerful forces in pushing to the forefront the need and the models for creating new schools.” What Hassel et al.’s
research indicates is how important the individual community is to the development of choice in that area. This seems to coincide with the detailed findings included in the miniature case studies of two cyber charter schools in the Appendix.
CHAPTER 3

DESIGN AND METHOD OF THE STUDY

Advocates of market-based competition in education reform believe school choice will force school districts to respond and improve. Most research, however, shows that the effects of competition are complicated and depend on the district context and on reaching a threshold level of threat which forces more than token responses from school districts (Hess, 2002; Hess and McGuinn, 2002). Based on prior research about public school responses to competition, threats, and opportunities for innovation, it was anticipated in this study that school district responses to charter schools might include efforts to capitalize on perceived opportunities; more public relations and marketing efforts to retain students; efforts to offer attractive new programs or features to retain students; efforts to cast doubt on the quality and reputation of charter schools; or some combination of these and other possibilities. To understand district responses, a comparative case study of three school districts was undertaken to investigate factors affecting responses, such as the sociopolitical context of districts, the character and quality of relationships between districts and specific charter schools, and how these relationships change over time.
Based on prior research, the following research questions guided this study:

1. To what extent and how are districts responding to opportunities or challenges they perceive to be presented by charter schools?
   
a. To what extent and how are districts altering their public relations and marketing efforts in response to opportunities or challenges they perceive?
   
b. To what extent and what kinds of programs are districts adding or altering as a result of the opportunities or challenges presented by charter schools?
   
c. To what extent are districts adding or matching programs offered by charter schools?

2. What is the character of the relationships between districts and charter schools and how are these relationships changing over time?

3. What differences in the context and leadership of districts seem to account for the variation in the responses that are seen?

**Conceptual Framework for the Study**

The conceptual framework of this study relates to theory and research on market forces and responses to competition. It takes as its point of departure research showing that the effects of competition are complicated and depend on the district context and on reaching a threshold level of threat which forces more than token responses from school districts (Hess, 2002; Hess and McGuinn, 2002). Of the opportunities and challenges presented by charter schools, previous research indicates that it is the challenges or threats that are most often perceived. Finn et al. (2001, p. 26) assert that, “The four stages in the public school establishment’s typical reaction to charter schools are (1) stop them cold, (2) keep them few and weak, (3) fight back and out-do them, and (4) embrace the concept.” Continuing, they say, “Most U.S. communities are stuck in [the] first two stages” (Finn et al., 2001, p. 26).

The key threats charter schools pose for school districts are the financial costs charter laws impose on districts, the threat of enrollment loss, and the erosion of governance control charters cause as independent public schools within the district (or beyond the district’s boundaries, in the case of cyber charter schools). Despite the
assumptions of market forces reformers that competition will force organizations to respond and improve, public monopolies (or quasi-monopolies) such as school districts can be very slow to respond to competition (Hess, 2002; Hirschman, 1970). As Hirschman (1970) noted, in his classic book, monopolies can be “comforted by competition” (at least in its early stages) because it can drain off disgruntled and demanding clients or customers. The research literature indicates that district responses to the threats and opportunities charter schools present may be influenced by district size (small districts may feel the threats and impacts sooner than larger districts), district context (e.g., wealth, education level and expectations of the population), district leadership, and the history and evolution over time of relationships between districts and their charter schools (Ericson and Silverman, 2001; Finn et al., 2001; Hess, Milliman and Maranto, 2000; Hess, 2002; Rofes, 1998, 1999).

From the review of the literature, and the conceptual framework, the following propositions about district responses to charter schools can be stated:

**Financial impact:** As the actual or potential financial impact on the district increases, the district response will become more pronounced

**Enrollment trends:** Districts with declining enrollments will feel the loss of students to charter schools more acutely; in such districts charter schools are especially likely to be seen as threats, rather than opportunities.

**Governance control:** Charter schools with district sponsorship, participation and/or influence are more likely to be accepted. Charter schools independent of district involvement will be viewed with skepticism. Charter schools forced on districts are likely to be resisted.

**Types of responses:** Low or no cost responses will be prevalent until the impacts or threats are perceived to require higher cost responses.

**Size:** Smaller districts are likely to feel the effects of charter schools sooner than larger ones.

**Passage of Time:** Districts may go through stages of development, from antagonism to cooperation (or at least peaceful co-existence) in their relationships with charter schools.
History of relationships: Past relationships between the superintendent/board and the charter school and its key players will influence current relationships, past battles may be re-fought, entrenched positions created/maintained, etc.

Community context: Community expectations and traditions will influence superintendent and board actions and decisions.

Leadership behavior: May be critical to district responses.

A general hypothesis is that the greater the impact of a charter school on a district, the greater would be their response. (Impact can be measured in terms of loss of students and the financial consequences, the types of students lost, the impact on district’s programs, etc.)

Time, Relationships, and Responses

As noted above, relationships between charter schools and school districts may change over time and go through stages. The following charts illustrate some of the important factors and propositions stated above. The charts draw on the work of Hess, Milliman, and Maranto (2000) and add the dimension of time, which has been seen as a relevant factor by Rofes (1998) and Kelly (2001). Table 3.1 depicts possible stages of a district’s response to charter schools in conjunction with types of responses a district might make. Table 3.2 lists possible responses and classifies those behaviors as either high cost or low cost, based on the resources a district would need to employ.
Table 3.1

Time and Its Impact on Relationship Stages and Types of Behaviors

<table>
<thead>
<tr>
<th>Time</th>
<th>Stage 1 (Hostility) to Stage 3 (District Responds)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Types of Behaviors</td>
<td>Minor (Low Cost Behavior)</td>
</tr>
<tr>
<td>Adopted in Response to Charter Schools</td>
<td></td>
</tr>
</tbody>
</table>

Table 3.2

Types of Responses Implemented by School Districts

<table>
<thead>
<tr>
<th>Low Cost</th>
<th>High Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing advertising campaigns to promote the school district (radio and television ads)</td>
<td>Implementing full-day kindergarten</td>
</tr>
<tr>
<td>Reporting on the accomplishments of district students and schools</td>
<td>Adding new staff</td>
</tr>
<tr>
<td></td>
<td>Lowering class size</td>
</tr>
<tr>
<td></td>
<td>Implementing new programs</td>
</tr>
<tr>
<td></td>
<td>Developing and planning new charter schools to compete with existing schools</td>
</tr>
<tr>
<td></td>
<td>Demonstration of innovation by administrators</td>
</tr>
<tr>
<td></td>
<td>Developing local policies</td>
</tr>
<tr>
<td></td>
<td>Attempting to influence state policy</td>
</tr>
</tbody>
</table>
A second model (depicted in Table 3.3) focuses specifically on the aspect of time to represent how a district’s relationship with charter schools might evolve as they become more familiar with working with one another. Act 22 mandates regular contact between the charter school and the host school district, so the question of whether this contact will lessen possible suspicion or antagonism between the entities needs to be addressed. In many instances, students move back and forth between charter schools and district schools, so professional cooperation will be important for both the schools and the students moving. Miron (2002) reported that the relationships between charter schools and districts were improving over time in Pennsylvania, so it was important to examine this factor.

Table 3.3

Time as a Possible Factor in Determining Board and Charter Relationships

<table>
<thead>
<tr>
<th>Time</th>
<th>1997 to 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Types of</td>
<td>Hostile</td>
</tr>
<tr>
<td>Relationships</td>
<td></td>
</tr>
<tr>
<td></td>
<td>To Cooperative</td>
</tr>
</tbody>
</table>

40
Design of the Study

To enable an in-depth analysis of the factors affecting responses by school districts to the challenges and opportunities they perceived to be presented by charter schools, a comparative case study design was selected, focusing on case studies of three districts experiencing significant charter school activity. Data were collected from documentary sources and through interviews with superintendents, other central office personnel including school business managers, school principals, school board presidents, union leaders, the chief administrative officers (CAO) of charter schools, charter school parents, and newspaper reporters. Following comparative case-study methodology (Yin, 1994), case studies were created, analyzed, and compared to identify the strategies and continuum of responses by the three school districts, and the variety of factors that might affect responses. The development of each district’s response over time was analyzed.

Although preventing generalizations, the small purposive sample of school districts enabled the collection of rich data and an in-depth attempt to capture the essence of the factors affecting responses, from both the district and the charter school perspective. The lessons the researcher learned from his intimate personal knowledge of the SusQ-Cyber Charter School experience (described in a miniature case study included in Appendix A) were utilized to pursue an “insider’s view” of the relationships between districts and their charter schools. To guard against and minimize the researcher’s biases, from his experience as a school administrator and as a participant in the SusQ-Cyber Charter School experience, the researcher endeavored to give equal weight to the opinions of all persons interviewed, discussed his understanding of events in follow-up interviews with key informants (and gave them an opportunity to correct or challenge any statements or interpretations with which they disagreed), and discussed his data and emerging findings with knowledgeable observers of district-charter school relationships, including his dissertation advisor.

District Selection Process

The three school districts included in this research were identified using a filtering selection process. The vast majority of the 501 districts in the state did not have a charter
school presence, so finding those that had not only a presence, but a significant presence that would warrant a district-level response was critical to this study. The first filter used to identify a competitive environment were the decisions made by the state’s Charter School Appeals Board. It was important to find school districts that had experienced some threat or conflict due to charter schools, either by being forced to approve charter schools after having previously rejected their application or by having to fight back in some way. The next step was to research whether any of those districts had approved additional charter schools. The intent was to find school districts that were experiencing a high level of charter school activity from multiple charter schools. The maximum enrollment for all of the charter schools in the district was compared to the overall student enrollment to see if the potential for a significant market share loss to charter schools was possible. The length of time that the charter schools were operating in the district was also considered. It was important to find districts that had charter schools operating for as long as possible because of the factor of time and its possible effect on shaping the district’s response to charter schools. This combination of factors narrowed the scope to eight school districts.

The next phase in the selection process involved preliminary research on each of the eight school districts to identify the districts that had the greatest potential for providing a rich basis for conducting a rich case study and cross-case analysis. Online newspaper databases were searched to see if there was information available that documented the district’s relationship with charter schools in its area. Documentation from the State Senate hearings on charter schools was reviewed to see which districts presented and to identify key contacts who would be familiar with the charter school initiative in Pennsylvania. The districts that presented at the state level were cross referenced with the eight school districts already identified to see if there were any matches. The state leaders that presented at the Senate Hearings were also contacted to see if they could identify any districts that would have a documented history of challenges or opportunities presented by charter schools. Conversations were held with leaders both for and against charter schools. This process narrowed the list of eight school districts to five.
To narrow the list of five districts down to the final three, school profiles for each district were analyzed off the Department of Education’s Website. It was important to find districts that varied in size to try to understand how that factor impacted the district-level response. It was desirable to identify districts with different socioeconomic levels to see if this had any impact on the districts’ responses to charter schools. The last step of the selection process was to choose schools that offered a variety of different relationships from adversarial to cooperative and that represented the major issues that school districts were encountering from charter schools. The differing communities were also considered because much of the research on charter schools focused on large urban areas. This study directed its attention to the smaller and medium sized school districts that represent the majority of school districts in the state. Being able to effectively document the initiative in a large urban district was another concern that factored into the selection process. The researcher felt that large urban districts are facing so many challenges that isolating the charter school impact would have been exceedingly difficult.

The three districts selected for inclusion in the study each had a documented response to charter schools. They represent schools in different parts of the state. Each district had been affected differently by multiple charter schools. Two of the districts had been directed to approve charters schools they had previously denied. The third district’s main impact came from cyber charter schools, which it never had the chance to deny because cyber charter schools can draw students from districts across the state. The districts also varied in student enrollment and achievement. The relationships identified from the preliminary research varied from proactive and cooperative to highly antagonistic.

It is important to note that another important step for including each school district in the study was to get permission from the superintendent. Two of the three superintendents were helpful and willing to cooperate; the third superintendent never responded to phone calls or emails. The first response was to eliminate this district from the study; however, based on the work of Teske et al. (2000), who documented a lack of response from district officials when invited to participate in research as an indicator of
the district’s leadership, the researcher believed it would be productive to include this school district despite the superintendent’s initial lack of cooperation.

**Interview Process**

The interview process for the study varied slightly from the initial plan. The first change was to include the business manager in the list of officials to interview in each district. This was done in an effort to fully understand the financial implications of charter schools, since financial implications have been the most documented impact on school districts. The second change to the interview process came from further reading about comparative case study methodology (Yin, 1994). The original plan called for each level of official to be interviewed across districts before moving on to the next. This would have placed the emphasis on the position instead of on each individual case, which goes against this research methodology. Had this strategy been carried out, it would have limited the valuable cross referencing of information that can take place when all of the interviews for a case are carried out in a shorter time frame. As a result, a decision was made to fully investigate one district at a time. This was in line with the intent of the research methodology, which enables developing theories to be evaluated and shaped after each case is completed.

The interview questions used for the study are presented in the Appendix. The questions for the interviews were developed by analyzing the study’s research questions, and applying them to their intended audience. The number of questions was limited so that the length of interviews would not be viewed as burdensome to the participant. The questions were designed to be open-ended in nature so that the participants would be encouraged to elaborate and discuss the issues as they saw them.

The interviews themselves were conducted between January 2004 and April 2005. Interviews with thirty-nine people were attempted over this time, with only two people in one district refusing to be interviewed. Ultimately, thirty-seven individuals were interviewed, twelve each in two districts and thirteen in the other district. In addition, there were three follow-up interviews with persons interviewed in the Stone District, two in the Brunswick District, and three in the Highland District. In these follow-up
interviews with key informants, the researcher discussed his understanding of events in their district and gave them an opportunity to correct or challenge any statements or interpretations with which they disagreed. A list of those interviewed and their positions in the districts is presented in the Appendix. Emails and phone contacts were utilized to set up the initial contacts. The study was briefly explained to all of the participants and a copy of the informed consent letter (in Appendix) was either faxed or mailed to all of the potential candidates prior to their interviews taking place. The identity of the districts and persons interviewed was protected through the use of pseudonyms. All of the informed consent letters were kept on file with the principle investigator. The interviews were conducted either in person or on the phone based on the preference of the participant. Each interview lasted approximately forty-five minutes and the researcher took notes while conducting the interviews. After an interview, the researcher reviewed the notes to add anything that might have been missed. Within two days of the actual interview the researcher transcribed the notes from the interview into an electronic database utilized to draft each case study report.

**Case Study Method and Cross-Case Analysis**

Following the methods for case studies described by Yin (1994), case studies of each of the three districts were created, based on the interview data and documentary data from newspaper accounts and other sources. Following Yin’s (1994) advice, the case studies were completed one at a time, in a sequence, which enabled the researcher to look for themes and causal relationships and “test” them in comparisons with patterns found in the subsequent case studies. Yin (1994) uses the analogy of a detective when discussing comparative case study methodology. He describes each case as a different “experiment” that is meant to test and shape a growing hypothesis. Chapter 4 presents these case studies. Each case study begins with a chronology of key events, and is followed by a case history of the important events and actors. Chapter 5 presents the cross-case analysis of the case study data, organized by findings for each of the study’s research questions, with the analysis focused on the themes and propositions from the study’s conceptual framework.
Data Analysis

Due to the variety of sources that were used to compile each case study a strategy of using a preponderance of evidence was utilized to determine what would be considered factual by the researcher. Different sources of evidence including Charter School Appeals Board decisions, interviews of district personnel, interviews of charter school personnel, newspaper articles, parent interviews, and reporter interviews were compiled during the construction of the case study database. This data was evaluated with the purpose of looking for a convergence of evidence that would safely establish the validity of statements or occurrences. This was necessary because of the equal weight given to each participant’s interview. An example of this type of analysis would be the CAO of the Matthews Charter School stating that the Brunswick District’s committee recommended the renewal of their charter and then the school board decided not to follow the advice and denied the charter. This was also stated by the administrator who chaired the committee and was reported by the local newspaper. This type of triangulation caused this information to be valued more highly than statements that were made by a single participant.

Limitations of the Study

Like all research, this study has some clear limitations. The most important limitation is that the findings of this research cannot be generalized and can only be suggestive, because of the small number of school districts studied and the purposive selection of the districts. A further important limitation arises from the researcher’s own experience as a school administrator and as a participant in the SusQ-Cyber Charter School experience. Although these experiences provided him with many helpful insights relevant to the study, they also unquestionably influenced his perceptions and value positions. As safeguards to counter these biases, the researcher endeavored to give equal weight to the opinions of all persons interviewed, discussed his understanding of events in follow-up interviews with key informants (and gave them an opportunity to correct or challenge any statements or interpretations with which they disagreed), and discussed his data and emerging findings with knowledgeable observers of district-charter school relationships, including his dissertation advisor.
CHAPTER 4

THREE CASE STUDIES

This chapter presents the case studies of the three Pennsylvania school districts selected for the research in this dissertation. Following Yin’s (1994) recommendations, the three cases are presented in the order the initial case research was completed. Subsequently, further research and interviews were done in each of the districts. The selection of contrasting districts and the sequence of researching them enabled interesting and revealing comparisons that proved fruitful for addressing the dissertation’s research questions and exploring the adequacy of findings and theories from earlier relevant research on the response of school districts to the challenges and opportunities presented by charter schools. A cross-case analysis of the three cases and the findings emerging from them is presented in Chapter 5. Chapter 6 summarizes the dissertation and presents a discussion of the limitations of the study and of the implications of the findings.

Case Study #1
The Stone Area School District
“Rejection and Resistance”

Stone Area School District was the first case completed in this study. It was chosen because of its conflictual relationship with a charter school. Of the three districts studied, it has lost the greatest market share to charter schools. Approximately twenty percent of the student body has left to attend charter schools. After the passage of Act 22, the district approved one charter school and was forced to approve another charter school. Interestingly, the district responded in vastly different ways to the two charter schools. From the district’s perspective, the first charter school, the short-lived Pole Charter School, was a positive development that, for reasons explained below, was not threatening. The development of the Step Charter School was an entirely different story that began over three decades earlier when the Township of Step merged with the Township of Stone to form the Stone Area School District. The district has consistently
fought and resisted the existence of the Step Charter School. This has cost district
taxpayers precious money and exacerbated school-community relations.

A lack of proactive administrative leadership has compounded an already difficult
situation, leaving the district in a very poor financial and academic position. The
district’s responses to the Step Charter School have not affected the growth of this school
in any discernable way. The school has added a grade each year and is also adding
students regularly. The Step charter school has programmatic offerings that some in the
community find attractive even though their facilities compare poorly to those of the
school district. Regardless of the Step charter school’s growth, the District has resisted
forging any productive relationship with it. The sub-title of this case, “Rejection and
Resistance,” represents the district’s overall position toward the Step Charter School.

Table 4.1
Stone Area School District Chronology of Events

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969</td>
<td>Merger to create the Stone Area School District</td>
</tr>
<tr>
<td>6/15/1998</td>
<td>Application and approval of the Pole Charter School by the Stone Area School District</td>
</tr>
<tr>
<td>7/20/2000</td>
<td>Community members first developed the idea to start a charter school after hearing rumors of the possible closing of the Step Elementary School</td>
</tr>
<tr>
<td>10/8/2000</td>
<td>Partnership with Pattern Educational Management Organization</td>
</tr>
<tr>
<td>1/15/2001</td>
<td>Architectural report on the status of facilities is presented; makes the recommendation to close the Step Elementary School and do a renovation/addition to the Stone Elementary School</td>
</tr>
<tr>
<td>2/15/2001</td>
<td>Step Township presentation to the school board explaining the benefits to children of having small schools</td>
</tr>
<tr>
<td>3/15/2001</td>
<td>School board votes to close Step Elementary School</td>
</tr>
<tr>
<td>3/30/2001</td>
<td>Application for the Step Charter School to the Stone Area School Board</td>
</tr>
</tbody>
</table>
• 7/19/2001 Stone Area School Board rejects the Step Charter School application
• 12/19/2001 Application presented to the CSAB
• 6/15/2002 Step Elementary School closes its doors
• 5/2/2002 CSAB Grants the Charter and overrules the school district and directing them to grant the charter
• 9/16/2002 Step Charter School opens to the public with 81 students K-6
• 6/15/2004 198 students enrolled in grades K-7
• 7/28/2004 The Step Charter School numbers grow to 262 students, K-8, for 2004-2005
• 11/20/2003 The Step Charter School legally seeks control of the vacant Step Elementary School
• 3/11/2004 Stone Area School Board votes to not turn over the Step School and property
• 3/31-4/2/2004 Stone School District teachers go on strike
• 5/15/2004 Superintendent Timothy Crimler is placed on administrative leave until his retirement in June
• 6/15/2004 Mike Howell is named Superintendent

Stone Area School District Vital Statistics

Community
The median household income for the residents of the Stone Area School District is $29,884. 96.8% of the population is white non-Hispanic. 13.0% of the population has at least a bachelor’s degree. The median home value is $68,835 compared to the state average of $94,651. The median age of the community is 43 compared to the state average of 39 years of age.

District Information
The total student enrollment in the Stone Area School District is 1498 students. The average spending per child is $7,958 as compared to the state average of $8,059. The school tax on $100,000 of property is $2,231.
Teaching Staff
The teaching staff has an average experience level of 21.3 years as compared to the state average of 16.1 years. The average teacher salary is $48,830 as compared to the state average of $49,806. 63.6% of the teachers have their master’s degree as compared to the state average of 44.2%.

Student Demographics
Of the 1,498 students in the district 45.5% are considered economically disadvantaged as compared to the state average of 29.1%. 18.5% of the population is considered special education as compared to the state average of 13.4%. Less than 1% of the students qualify for limited English Proficiency services.

Student Achievement
The students in the Stone Area School District have a PSSA passing rate of 52.9% as compared to the state average of 60.4%. The SAT combined score was an 831 as compared to the state average of 998. The attendance rate for the school district was 91.6% as compared to the state average of 93.2%. The high school graduation rate was 91.7% as compared to the state average of 86.9%. The percentage of seniors who are planning to attend college after graduation was 57.7% as compared to the state average of 70.4%.

Narrative
The Stone Area School District is found in a small suburban community in Northeastern Pennsylvania. Its poverty rates are on the rise. The amount of industry has declined in recent years, and the elderly population is growing steadily. It is a blue-collar community that has felt the pinch of the decline of the coal industry. It is a poor district with a higher-than-average number of students considered economically disadvantaged. The vast majority of the working people make far less than the teachers.

Pole Charter School
Shortly after the passage of the charter school legislation, the Stone Area School District approved the Pole Charter School. This charter school recruited students in the local intermediate unit. The type of students it planned to serve were alternative education students. The School Board, on the recommendation of the superintendent,
quickly agreed to the charter school because it would allow the district to save money by not having to either run its own alternative education program or send as many students to other more expensive programs. The Pole Charter School board was composed of administrators from around the Intermediate Unit, and one of the Stone Area School District administrators, Dr. Tom Seer, then high school principal, sat on this board. Member districts readily provided support, equipment, and materials to the school in order for it to get started. The Pole School’s Chief Administrative Officer (CAO), John Thornton, who was an employee of the Intermediate Unit, regularly met with area superintendents, and asked for and received feedback to start and improve the program. The level of cooperation to make the program a success was very high. Mr. Thornton, when interviewed, spoke proudly of being a service to the school districts and spoke of the merits of his program. He also clearly stated, “I have never seen a charter school that was worthwhile.” He had visited charter schools in other states when he was planning the start-up of the Pole Charter School but remained unimpressed. Mr. Thornton was clear about the fact that the school was a supporter of the schools in the Intermediate Unit, not a competitor.

Mr. Thornton said “it would be ridiculous for the Intermediate Unit to sponsor any program that would be considered a threat to the school districts it serves.” He went on to explain:

In the early discussions with the superintendents, the idea of a magnet school for science or the arts had been discussed. This idea was not pursued because the superintendents could not support a charter school that would draw away their top students.

Another motivator for moving in the direction of a charter school for at-risk students, was that the start-up costs that were being provided by the state. This made the idea that much more marketable financially. Many of the superintendents also mentioned that they liked having some control over the program to which they were going to be sending their students. This is a common criticism of private alternative education programs that are more expensive and outside the jurisdiction of the school district.
After several years of operation, the Pole Charter School ceased to exist as a charter school. The school still exists to this day, but it is in the form of an Intermediate Unit program. The school has continued to grow in size. When Mr. Thornton was asked why the school changed from being a charter school he said, “We felt the support from the state level for charter schools was waning and that they had a greater level of permanency as an Intermediate Unit program.” In the past, when the charter school needed money they would have to go to the bank. Mr. Thornton explained that now, as an Intermediate Unit Program, they can go back to the Intermediate Unit assistance. Mr. Thornton also said, “The staff feels more secure in their positions and the school is able to offer better benefits that attract better staff.” He added that financially the funds that they were able to make use of in the form of startup costs are no longer available, yet the money for alternative education programs still exists. This left Pole Charter School little motivation to maintain their individual status as a charter school.

**Step Charter School**

In the summer of 2000, the Stone Area School District began considering consolidating the school buildings in the district, because of concerns prompted by an engineers’ report on the status of their facilities. Superintendent Mike Howell, who was then the Step Elementary School principal said:

It was going to cost $8 million dollars to complete the needed repairs to the Step Elementary School and the school board rationalized that it would be more cost effective to close the Step Elementary School, and do a renovation and addition to the elementary school on the main campus of the school district, than to complete the repairs to the older building. This he said “would also allow the school district to eliminate the costly duplication of services that existed while operating two elementary buildings.”

When wind of the possible closing of the Step Elementary School reached the small community it served, people were greatly upset. The animosity about the consolidation of the township of Step with the Stone Area School District, which extended all the way back to 1969, returned with a vengeance. Mr. Sean Petty, a board member of the Step Charter School, said, “we pleaded with the school board not to close
the school.” He explained, that he and fellow community members provided research on the merits of smaller elementary schools and were told by the school board that the information was never read. The people of the community were not transient by any means and the older members of the community clearly remembered promises that were made over thirty years earlier when they were told they would be able to keep their neighborhood elementary school after the consolidation.

During one of the parent discussions about the closing of the Step Elementary School at which Mr. Petty was present, a parent who was taking graduate classes at a local university in the area of educational administration made a suggestion. He had learned a little about charter schools in one of his classes and suggested they investigate starting their own charter school. The idea met with approval. Support for the idea gained momentum as it became apparent that parents were not going to be able to convince the school board to keep Step Elementary School open.

After looking into the legalities and paperwork of starting their own charter school, Mr. Petty stated that he and his group were more than a little bit discouraged. The member of their group that was taking graduate classes utilized a contact at his university who informed him that they did not have to do it alone. At this point Mr. Petty said, “We contacted three Educational Management Organizations (EMO) to discuss the possibility of utilizing their services.” Mr. Petty described himself and the leaders of his parent group as “five dumbbells from Step” who would never have been able to start a charter school on their own. After meeting with the different companies, they settled on one that seemed most willing to give them the leadership they needed. This company was also willing to work in a smaller school setting than was typical for a company of their size.

When interviewed, Dr. Bruce Swatek, a representative from the Pattern Educational Management Organization (EMO) that partnered with the community members to form the Step Charter School, explained the company’s reasoning for getting involved in this project. He said:
We look for highly motivated people who are willing to work hard to establish a school. We also don’t mind starting small, but we do write into the charters a means for growth once the systems are in place to do this correctly.

The Pattern EMO was chosen by Mr. Petty and his colleagues because of their willingness to work within a smaller environment than the other EMO’s interviewed. Mr. Petty also said, “Pattern was going to allow us to have input into the program that was being offered in the charter school, which we felt was very important.”

Preparations then began in earnest to gather the information needed to secure approval for the Step Charter School. The first order of business was to open a storefront in Step Township to give the new school a form of legitimacy. They also began contacting alumni from Step Elementary School, seeking donations. Another requirement was to gather signatures of support for the new school. The entire application had to be presented to the school district in advance of the hearing in order for the School Board to preview the materials. Mr. Petty said, “this was somewhat intimidating for some of our supporters because petitions were included that had the names, phone numbers, and addresses of the people who supported the charter movement.”

Mr. Petty stated that their fears were realized when the petitions were left in a faculty room for teachers to see, which in this small tightly knit community was particularly damaging. Several effects of this were quickly seen. Parents of students who were on the list were called and harassed about their support of the charter school. A member of the charter schools founding coalition who sold gas to the school district found his orders discontinued. Mr. Petty, who had a paint store in town, had his business boycotted and had to close his store. Mr. Petty said that “two teachers in the district had also signed the petition in support of the charter school and this was particularly damaging to their relationship with their peers in the school district.” Mr. Petty also explained that another member of the founding coalition, who had a brother who was a teacher in the Stone Area School District, wound up having a difficult time with his marriage as a result of the tension. His wife did not believe that all of the stress was worth the trouble, but he felt he could not give in to district and community bullying.
Two teachers from the district made donations to the charter school and this was made public through a website. Mr. Brian Miller, a teacher in the Stone Area School District, said, “People in our district have a long memory and when the teachers in our district donated money to help with the start-up of the charter school their actions generated a lot of animosity.”

When the charter school founders presented their application to the school board, there was a 9-0 vote denying the charter school application. This was not unexpected and led the founding coalition to begin preparing for a meeting with the Pennsylvania Charter School Appeals Board (CSAB). When the CSAB heard the appeal, they determined that the program presented was significantly different from that of the school district. The application also included substantial evidence of the community support and involvement that is necessary for the approval of a charter school.

The CSAB listed several distinct differences between the Step Charter School program and the Stone Area School District elementary program that were of importance. The charter school would have a seven-and-a-half-hour school day, which was at least thirty minutes longer than the regular school district. The charter school also would have a 200-day school year instead of the traditional 180-day school year. The charter school would provide a full twenty days of professional development the first year of the school and fifteen days of professional development for each school year thereafter. This was significantly more time than that allocated by the school district.

Visits and interviews with Step Charter School CAO Beth Clarke identified several other differences between the Stone Area School District and the Step Charter School. Ms. Clarke said, “Spanish is an integral part of the charter school curriculum in every grade. The expectation is that students will graduate from the charter school being able to speak Spanish fluently.” She went on to explain that, “the school also has a limit of twenty-five students per class. If they have more students than that, they start another section.” The parent volunteer program was the last important difference mentioned by Ms. Clarke, “Parents must volunteer two hours of time each month to the charter school.”

Dr. Seer, a principal in the Stone Area School District, said, “We tried to implement an improved parent program in response to the charter school but did not get the desired
results.” Dr. Seer said, “Because it was not a mandatory program in the district, the participating parents were those already actively involved in the schools.”

The school district cited financial considerations as a significant reason for the denial of the charter school application. In the transcript from the district hearing on the charter school application, four of the nine board members said that their main reason for denying the charter was that the district could not afford the financial strain. In earlier cases decided at the CSAB level, this reason was found to be an invalid consideration for denying the charter school application. Although this was not a valid reason for the denial, it was a reality that the charter school would place an extra burden on a district that was already facing financial hardship. When interviewed, business manager Anthony Pagano described the circumstances in the school district as the “convergence of the perfect storm.” He explained, “The loss of industry, an aging population, federal and state mandates, and the charter school have made for very difficult times in the Stone Area School District.” What made the Step Charter School especially threatening was the fact that its charter proposal had no cap on its total enrollment, plus its intention was to eventually become a K-12 school, by adding a grade at the top each year until it reached that objective. This meant that it was a major threat to the enrollment and finances of the school district.

Eventually, the school district was forced to grant the charter as mandated by the CSAB, but they continued to stand in the way of the charter school’s progress. When the first day of school approached the Step Charter School Board President, Mr. Petty, explained that they had to take the Stone Area School District to court to get them to agree to provide transportation for the charter school students. The responsibility of the school district to provide transportation is clearly mandated by the charter school legislation but the school district simply refused to do this until a judge directed them to provide the transportation. Mr. Petty also stated that when it came time to pay the tuition of students attending the charter school, the district refused and the charter school had to again approach the state to receive the payments that were due. Ms. Clarke, CAO of the charter school, gave another example of the nature of the relationship by noting that when
the district’s basketball team met the Step Charter School team in a tournament, the Stone School team refused to play.

Conflict over use of the old Step Elementary School Building was one of the most contentious clashes between the charter school and the school district, and also the most documented in local newspapers. The property was originally given to the school district by a local business with the stipulation that if at any time the property ceased to be used as a school, the ownership of the property would revert back to the corporation. When this was uncovered by the members of the Step Charter School, they brought it to the attention of the corporation. The corporation, which did not have a use for the property, developed an agreement with the charter school that turned over control of the property to the charter school. When the school district found out that the property they were about to turn over to the corporation was now going to wind up in the hands of the charter school, they went to court to stop the process. Meanwhile, the Stone Area School District Board of Education voted not to turn over the property to the corporation. They then decided that they wanted to hold onto the school building so they could use it for special education, early childhood classes and offer college classes there through a local university. When Mike Howell the current superintendent was interviewed he emphatically stated, “They will never get that school!” The district, in a very weak financial situation, expended money and human capital to maintain ownership over the building specifically to deny the transfer of ownership to the charter school. From the charter school standpoint, if the transfer had taken place and the building had been placed in the hands of the charter school, it would be a vast improvement to the facilities they could provide. A reporter for a local paper stated, “The conflict over the old Step Elementary School is definitely a grudge match and, from the district perspective, if they have to spend millions of dollars to hold onto the building, then so be it.”

The current Step Charter School facility is not one of the strengths of the school. The school is renting space from a local church and also making use of portable classrooms that the Educational Management Organization owns. At the current rate of growth, the charter school will need a larger facility in the next few years. It would be considered a critical victory for the Step Charter School if it could secure the use of the
vacant school building. The leadership of the Stone Area School District is acutely aware of this, and seems willing to go to extreme financial and legal lengths to prevent this from happening.

In interviewing members from both the school district and the charter school, it was important to note the strong animosity felt by the members of the school district toward the founders of Step Charter School. They saw little value in the program being offered at the charter school because they clearly were not familiar with the charter school’s program offerings. When Mike Howell, current superintendent was interviewed he said, “There is no focus at the charter school and they are not offering anything new to the students.” When the researcher telephoned the president of the board of education about the matter, he answered politely and spoke briefly about the school. When asked if he would be willing to be interviewed anonymously about the way the district has responded to the pressures of the charter school, he agreed, and asked if he could be called back at a better time. The researcher agreed and tried him at least ten times on different days and at different times. He never picked up the phone and never returned any messages. The superintendent at the time was called weekly for over a month, but he, too, never accepted or returned the researcher’s phone calls. In less than six months this superintendent was placed on administrative leave pending his retirement. The School Board conducted a superintendent search in order to find a replacement. They hired the former principal of the Step Elementary School as their new superintendent. While a principal this administrator had quickly agreed to be part of this research project and was interviewed prior to becoming superintendent; this same person did not return emails or respond to phone calls after becoming superintendent.

The school district has raised taxes significantly over recent years. The tax increase in 2004 was 14%, and the expected increase for the upcoming school year is 10%. The main reason given to the public, through press releases, for these tax increases has been the Step Charter School. The school district recently experienced a teacher’s strike that was prompted by a breakdown in negotiations. In an interview, business administrator Anthony Pagano attributed the teacher strike to the financial pressures the district was facing as a result of the charter school. The reason given to the public
through newspaper comments, for the difficulties in coming to agreement with the
teachers has been the Step Charter School. The district has seen a 19% drop in student
enrollment, which they have also blamed on the Step Charter School. As evidenced by
interviews and newspaper articles the charter school is used regularly as an explanation
for the majority of the district’s hardships.

Mr. Crimler, the superintendent of the Stone Area School District during the first
two years of the Step Charter School, stated in a newspaper report that he did not
anticipate more than ten students attending the charter school. By the end of the second
year, his district, which has approximately 1500 students, had lost over one-hundred
students to the charter school. One of his principals, now the current superintendent, Dr.
Mike Howell, said, “The people in the community around the Step Elementary School
were clannish. They frequently could be seen taking care of the school and sweeping up
around the grounds.” Dr. Howell said that “they never wanted to be part of the Stone
Area School District.” He went on to say:

I do not think the charter school legislation was created so that each time a school
board did something a group of parents did not like, they could just go out and
form their own school. I do not know why that charter school is even there.
He did not see the need for the school and did not understand why parents in the
community were choosing the charter school.

Mr. Pagano, the Stone Area School District’s business manager, stated in an
interview that he felt “charter schools should be put out on referendum and let the will of
the people rule.” He did not feel that a minority, such as the people in the township
surrounding the Step Elementary School, should be able to have the kind of impact they
are having on the entire school district. Mr. Pagano said, “The costs for transportation
and tuition are the most difficult for the district to absorb. Our district has spent upwards
of $750,000 over the last three years.” Mr. Pagano went on to explain that his job went
from a manageable forty-five hours a week to a sixty-hour-a-week commitment because
of the challenges of tracking the charter school expenses. The only means Mr. Pagano
saw to address the district’s budgetary problems were through furloughing teachers and
tax increases. In the district’s newly agreed upon teacher agreement, early retirement incentives were put in place to address the problem of furloughing.

When the researcher asked Dr. Howell how the Step Charter School was affecting his leadership style, he said, “my leadership style has not changed or been at all affected.” He went on to discuss the benefits of the smaller class sizes due to students lost to charter schools. He also believed that the types of students leaving the district were students with greater discipline problems. He was anxious to see how the district would do on the elementary standardized tests as a result of the changes in the number and type of students in the district. He did mention that he was aware of the stress the teachers had felt as a result of the declining student enrollment. He said, “Many are in fear of losing their jobs.” He also said, “I do not see my school doing anything different, as far as programs, as a result of the charter school.” Shortly after this interview he was hired as the superintendent of the Stone Area School District. At the same meeting announcing Dr. Howell’s hiring as superintendent, the School Board announced that they would not replace one administrator and at least eight teachers as a result of retirements in the next school year.

In contrast to the other administrators in the district, Dr. Tom Seer offered a different perspective. Dr. Seer was principal of the high school during the early charter school conflicts; after Dr. Howell became superintendent, he was transferred to become the principal of the district’s elementary school. He previously had served on the School Board for the Pole Charter School at the request of Superintendent Crimler. He said:

My leadership style has definitely changed as a result of the development of charter schools. We used to have a captive audience, but no longer. This change in belief has prompted me to reach out to the community in ways I would not have in the past.

Dr. Seer now realizes that charter schools are going to be around for a while, and that he has to do something about what is going on around him. He also felt that some on the School Board chose to believe that the Step Charter School was going to go away so they did not take the steps to respond to the school. He saw the district as paying the price. Not only was the Step Charter School not going away it was growing rapidly.
Case Study #2

The Brunswick Area School District

“Proactive Accommodation and Oversight”

The Brunswick Area School District is the second case in this study. It was chosen because of its high level of charter school activity revealed through Charter School Appeals Board decisions and on-line newspaper articles. Brunswick has little in common with the Stone Area School District except for the high level of charter school activity. The districts are not close in proximity and Brunswick’s socioeconomic background is very different, with a population with many highly educated people. This can be attributed to the university located within the district.

The academic success and financial health of the Brunswick district are much more positive than that of the Stone Area School District. The district is financially sound and is regularly hiring new teachers to meet the needs of the diverse programs it offers. The students have a documented high level of success on standardized tests, which the community expects and takes pride in. In regard to its three charter schools, the district has developed a relationship that is very child-centered. The district leadership knows that nearly all of the students who attend charter schools in their district will be returning to the district at some point. Although initially reluctant, and still ambivalent to some extent about their charter schools, the district has developed a stance of working closely with the charter schools. This stance evolved in part out of tensions associated with the district’s experience in resisting approval of the third of its three charter schools, as well as its unsuccessful attempt to prevent renewal of this charter. Out of this came a more constructive approach that reflected the desires for educational choice embedded in the community, an approach that is reinforced by the leadership style of the superintendent. An example of the district’s relationship with the charter schools can be found on the district’s website where they offer links to the charter schools in the district. To an outside observer, the charter schools would appear to be just another offering within the district. It is for these reasons that the subtitle of this case study is “Proactive Accommodation and Oversight.”

Table 4.2
<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>12/1/1997</td>
<td>The Brunswick Area School District receives an application for the Focus Charter School.</td>
</tr>
<tr>
<td>1/16/1998</td>
<td>The Brunswick Area School District denies the charter for the Focus Charter School.</td>
</tr>
<tr>
<td>6/15/1998</td>
<td>The Brunswick Area School District grants the charter for the Focus Charter School after corrections are made.</td>
</tr>
<tr>
<td>8/26/1998</td>
<td>The Shenandoah Charter School has its first day of classes.</td>
</tr>
<tr>
<td>8/28/1998</td>
<td>The Focus Charter School has its first day of classes.</td>
</tr>
<tr>
<td>11/10/1998</td>
<td>Matthews Charter School presents its application to the Brunswick Area School District</td>
</tr>
<tr>
<td>7/1/1999</td>
<td>The process for appealing district decisions at the state level takes effect as directed in Act 22.</td>
</tr>
<tr>
<td>8/27/1999</td>
<td>The Charter School Appeals Board directs the Brunswick Area School Board to grant a charter to the Matthews Charter School.</td>
</tr>
<tr>
<td>8/29/1999</td>
<td>Brunswick Area School District begins offering full-day kindergarten through a lottery system.</td>
</tr>
<tr>
<td>8/29/1999</td>
<td>The Matthews Charter School has its first day of classes.</td>
</tr>
<tr>
<td>8/13/02</td>
<td>The Matthews Charter School submits an application to the Brunswick Area School District for renewal of its charter.</td>
</tr>
<tr>
<td>12/16/2002</td>
<td>The Brunswick Area School District denies the Matthews Charter School’s request for renewal.</td>
</tr>
</tbody>
</table>
1/29/03 The Matthews Charter School files an appeal to the Charter School Appeals Board.

6/16/2003 The Charter School Appeals Board overturns the Brunswick Area School District’s decision to revoke the Matthews Charter School’s charter and directs the Brunswick School District to grant the charter school a five-year renewal.

11/1/2003 Brunswick Area School District receives a charter school application from the proposed Patriot Charter School.

12/18/2003 Brunswick Area School District denies the Patriot Charter School’s application.

8/26/2004 The Brunswick Area School District begins offering full-day kindergarten to all students.

### Brunswick Area School District Vital Statistics

#### Community

The median household income for the residents of the Brunswick Area School District is $37,814. 86.4% of the population is white non-Hispanic. 56.4% of the population has at least a bachelor’s degree. The median home value is $143,310 compared to the state average of $94,651. The median age of the community is 27 compared to the state average of 39 years of age.

#### District Information

The total student enrollment in the Brunswick Area School District is 7,451 students. The average spending per child is $8,888 as compared to the state average of $8,059. The school tax on $100,000 of property is $1,379.

#### Teaching Staff

The teaching staff has an average experience level of 16.4 years as compared to the state average of 16.1 years. The average teacher salary is $47,090 as compared to the state average of $49,806. 33.1% of the teachers have their master’s degree as compared to the state average of 44.2%.

#### Student Demographics

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Of the 7,451 students in the district 15.5% are considered economically disadvantaged as compared to the state average of 29.1%. 11.1% of the population is considered special education as compared to the state average of 13.4%. 2.8% of the students qualify for services for limited English proficiency.

Student Achievement
The students in the Brunswick Area School District have a PSSA passing rate of 77.5% as compared to the state average of 60.4%. The SAT combined score was a 1099 as compared to the state average of 998. The attendance rate for the school district was 95.6% as compared to the state average of 93.2%. The high school graduation rate was 95.9% as compared to the state average of 86.9%. The percentage of seniors who are planning to attend college after graduation was 78.2% as compared to the state average of 70.4%.

Narrative
Brunswick Area School District is located in central Pennsylvania. The university located within the boundaries of the school district has a strong impact on the composition of the community the school district serves. The well-educated community members that work at the university amplify their effect by being highly involved in the decision making in the school district. This university effect has a direct relation to the amount of charter school activity in the school district. Some of the district’s well-informed parents are both willing and able to navigate the challenges of starting their own charter school, and many are willing to exercise their right to choose a charter school.

Since the passage of the Act 22 legislation, the district has granted charters to two charter schools and has been forced by the Charter Appeals Board to grant a third charter. The advent of these charter schools has been an important development in the school district. When interviewed, the superintendent of the Brunswick Area School District, Dr. Rita Rutledge, said, “There is no feather in our cap if parents choose our school when there is no other choice.” She went on to say that “having charter schools in our district has sharpened our focus because we know that parents could opt out of our system.” This has led the district to actively take steps to try to forge a constructive relationship with the charter schools.
According to business administrator Richard Tussler:

Tuition for the students attending charter schools was 1.4 million dollars during the 2003/2004 school year, out of a total budget of just over 70 million dollars. With this level of funding leaving the district for charter schools, the school board and administration believe it is their job, as guardians of the taxpayers’ money and as educational leaders, to thoroughly scrutinize all charter school applications. Because of the financial impact, the least we can do is exercise each applicant – make them jump through hoops -- to make sure they meet all of the requirements for a charter school.

Once the charter school is approved, the school district is most concerned about the quality of education being delivered to the students attending the charter schools. In the Brunswick Area School District, nearly all of the students attending the three charter schools will be returning to the school district at one point or another. None of the charter schools has a grade configuration that includes grade nine through twelve, so all students who remain in the district will eventually find their way back to the school district. This promotes a sense of district ownership over these students that would not be present if the students finished their high school career in a school outside the district. As a result, the district has gone to great lengths to thoroughly evaluate the charters it has granted.

During the course of this case study, it became clear that educational choice was an expectation of the community and that the school district cannot easily offer all of the options that the community desires. The school board president, Sarah Hausher, summarized these feelings when she said, “The highly educated college town atmosphere prompts the level of charter activity we have seen. Our type of parent is just looking for alternatives.” Although the district does offer unique programs like the Omega Program, which is an individualized highly technology laden alternative school serving grades 7-12, it cannot afford to satisfy all of the communities desires. Some parents desire small niche schools that offer an opportunity for direct hands on leadership and charter schools fill this void. Understanding this, the Brunswick Area School District takes the oversight role in the charter school relationship very seriously. Instead of trying to compete with
each of these schools, the district first verifies that the charter school is actually offering something unique, and then makes sure the quality of the education found at the charter school meets the standards expected by the school district. Doing what is best for the students is the top priority, whether or not school officials personally agreed with the charter school. Business administrator Richard Tussler said, “Putting the children first is not always easy, but it is the best thing to do and I try to model the example of the superintendent, who clearly has this belief.”

Because of the culture of choice that permeates segments of the community the Brunswick Area School District serves, the school district has developed thorough processes to evaluate charter school applications and then to oversee the charter schools after they have been approved. Unlike most school districts in Pennsylvania, the Brunswick School District has had many opportunities to evaluate charter school applications since the passage of Act 22 in 1997. They have made the most of this experience by developing systems to evaluate each charter school application. The district has also designated personnel to lead the evaluation of each charter application and to follow up with a recommendation to the school board. Tadd Loemb chairs this committee. This role is in addition to his responsibilities as assistant to the superintendent supervising elementary education. He feels his role is to help the district be “good stewards of the communities’ money. If they are offering something new to our students, then so be it, but we are not having choice just for the sake of having choice.” The district has also assigned an administrator to serve as charter school liaison once a charter school is approved. Rob Hyatt fills this role in addition to his duties as the director of student support services. His main responsibilities concerning charter schools are to foster communication with the charter schools and to encourage a cooperative relationship for the benefit of the students.

According to Tadd Loemb:

The review of each charter school application has prompted improvement in the district’s process for evaluating charter school applications. The focus of the evaluation is first to make sure the application is completed correctly and then to determine if the proposed program is offering something innovative. The
evaluators have tweaked this process over the years through trial and error, and now feel very confident in their ability to effectively evaluate each application that comes before them in order to make a sound recommendation to the school board.

Because of past challenges, the district now records all of the hearings to make sure everything is documented. The school solicitor is highly involved in the process. Although this is a costly endeavor, it is considered a wise use of district funds because of the expense of having students attend a new charter school that is not offering anything new. The school district understands that the process is potentially litigious, especially because of the state appeals process. On two occasions, in regard to the same charter school, the school district was overruled by the state appeals board. As a result of the improved evaluation of each application, Brunswick is able to reject applications without further incident because of their skill at finding flaws in the applications. For example, one application had the appropriate petitions signed, but upon further investigation, the names were those of college students who are not eligible to sign. Mr. Richard Tussler, business administrator, did offer one criticism of the process when he stated, “We spend all of this time evaluating the applications to identify problems and then the proposed charter school can set about fixing the problems we identify before challenging our decision before the Charter School Appeals Board.” He believes, in other words, that the district’s process actually improves the charter school application for the proposed charter school.

In an effort to foster a cooperative relationship with the charter schools that are approved, the district created the role of charter school liaison. To add credence to their belief in making the process productive, the Brunswick Area School District separated the liaison role from the evaluative role. Rob Hyatt meets monthly with the leaders of the charter schools and shares information in both directions. The district is very concerned that students make a smooth transition to and from the charter schools a process this line of communication fosters. The district tries to maintain a very child-centered philosophy throughout this process. They have developed an orientation program for eighth grade students who are moving out of the two charter schools that end after eighth-grade. The
monthly meetings allow them to discuss the students who are moving back and forth so the school they are attending will have all of the current information to effectively meet the needs of each student.

There are four additional examples of the district sharing resources with the charter schools. The charter schools use the school district’s translation services for students or parents with limited English proficiency. It would not be efficient for the charter school to contract for this service alone, so it is a benefit to be able to utilize the district’s resource in this area. The employees of the charter schools also purchase the district’s insurance, which is a definite cost savings for the charter school personnel because of the district’s purchasing power. The district’s business services are used by the charter schools as well. This helps especially with the use of health insurance services. The last example concerns health services. When the charter schools do student health screenings, they utilize the district services, which frees them from having to create their own programs, which would be quite expensive. The liaison looks to find opportunities for cooperation such as these.

**Focus Charter School**

The Focus Charter School was the first charter school approved by the Brunswick Area School District. This school was approved very early in the life of charter school legislation. The application for the charter school was created by a professor and a doctoral student who were affiliated with the local university. These two individuals worked with the school district to develop an idea for a project-based charter school that would utilize technology integration and a flat bureaucratic structure. The grade configuration for the proposed school was six to eight. On their first try to get their application approved they were denied by the school district. Because of the past relationship between the charter school founders and the school district, this rejection created no ill will. One of the founders, Dr. Matthew Duey, who was the doctoral student at the time, said that their original application did not deserve to be approved. They revised their application to fix the problems the district pointed out and submitted their application again. The school district then approved the Focus Charter School.
Sarah Hausher, the School Board President for the Brunswick Area School District stated when interviewed that, “The Focus Charter School was the ideal type of charter school. It was truly an educational experiment, a unique experience for our students.” This school met her main criteria for a charter school, which is innovation. Also, the Focus Charter School was not something the school district could afford to emulate. The school has about one hundred students and an average of one teacher to approximately twelve students. Every student has their own computer at home and at school and they are moving toward laptops for each student on a grade-by-grade basis. One example given by Dr. Duey, of the type of projects students’ have completed, is the opening of a miniature golf business. The students had to complete every aspect of this project from developing a sound business plan to actually constructing the miniature golf course. Another project that developed was the construction of an electrical power plant. In order to complete this project, students had to build a working model.

Throughout the completion of the different projects, the role of the teacher is that of facilitator. They guide the students instead of directing them. To promote this type of collaborative relationship, students are encouraged to call teachers by their first name. This is meant to promote a feeling of equality among the students. Dr. Duey stated that “lecture never takes place and the staff strives to promote problem-solving skills.” In his view, students leave the school with excellent skills for solving complex tasks. For example, the ability to do research and write is practiced during the completion of each task.

During his interview, Dr. Duey stated, “the relationship with the Brunswick School District is excellent.” Their charter was recently reauthorized for five years, and although the district did ask several questions about their plans, the process was not difficult. Dr.Duey does not believe the Focus Charter School is large enough to prompt a response from the school district. When asked, Dr. Rita Rutledge, Superintendent of the Brunswick Area School District, stated, “it would not be cost effective to try to compete with such a charter school.” Dr. Rutledge went on to say that some parents in the district want a small school for their children, and the Focus Charter School fills this niche. The school district does offer a rather unique program called the Omega Program.
for students in grades seven through twelve. This program has been in existence for over twenty years and includes small-group instruction and a strong technology program. This also serves as a form of alternative school with some similar components to the Focus Charter School. Some students have made use of district’s program after attending the Focus Charter School, but not as many as Dr. Rutledge would have thought.

**Shenandoah Charter School**

The Shenandoah Charter School was an existing private school located within the Brunswick Area School District prior to the passage of Act 22. Seeing a possibility to tap into public funds and still maintain their private school character, the leader decided to apply to become a charter school. The school serves grades kindergarten through eighth grade and has a cap of forty-eight students. They specialize in individualized instruction and offer the type of small-school atmosphere that would be very costly to recreate in the Brunswick Area School District. When interviewed, Carey Romig, the CAO of this school described several key features that make the charter school unique. The first revolves around the idea of individualized instruction. She said, “Each child has his or her own educational plan. Students move at their own pace and are monitored closely.” She feels they “have the ability to truly differentiate each child’s curriculum.” She explained that this is possible because the school has a maximum of only forty-eight students divided over nine grade levels. This information is coupled with a maximum of twelve students per teacher and an average of far less.

Field trips are a large part of their curriculum and the Shenandoah Charter School took over fifty field trips last year. Mrs. Romig explained that they foster a hands-on approach with real life examples of what they are studying, a philosophy that requires the regular use of field trips into the community to support what they are studying. They rotate their curriculum on a four-year cycle, so that no matter what level the students are on, the information they are studying will not be repeated for four years. They find this to be a valuable strategy because of the frequent cross-grade activities that are inherent in such an individualized curriculum.

Mrs. Romig describes the Brunswick School Board as “very supportive of the charter school” and feels they have a “very professional relationship.” She feels that the
school district likes what it sees in the Shenandoah Charter School. Mrs. Romig believes
the district views the charter school as a niche school with which they could not or would
not want to compete. Mrs. Romig meets monthly with the representative from the school
district, and she gives an oral report to the school board on a yearly basis. “The school
district seems most concerned that the students are being educated well and all our
interactions revolve around this type of discussion,” she says. Mrs. Romig mentioned
that when she became the CAO of the school, she spent time going through the charter.
What Mrs. Romig found were about twenty areas in which the charter school was not in
compliance with their written charter. Mrs. Romig said, “At any time the school district
could have chosen to call us on the areas of non-compliance, but they did not, and chose
instead to focus on the fact that they were abiding by the spirit of our mission.” This
clearly demonstrated to her that the school district was not out to get her or the charter
school for which she worked.

Matthews Charter School

The Matthews Charter School is a single grade charter school that offers two
sections of full-day kindergarten. The school is run in conjunction with a private day
care. The daycare size was reduced by fifty percent in order to accommodate the two
sections of seventeen students that make up the charter school. The school opened its
doors in the fall of 1999 and currently has a waiting list of students who would like to
attend. The facility does not allow for any further growth, so their maximum enrollment
is thirty-four students. Each classroom has two teachers that work as a team to meet the
needs of the students in the class. The roles of the two teachers are communicated to the
students so that they are aware which teacher is in charge. This type of structure
epitomizes many of the decisions that have been made about the school’s style and
delivery of instruction.

The founders have three goals for every student that comes to the Matthews
Charter School. Mr. Ken Garabadian, the CAO of the Matthews Charter School,
elaborated on the goals in our interview. Mr. Garabadian said, “The first is that each
student will learn all of the cognitive subject matter such as math and reading prior to
going to first grade.” The school follows an individualized, direct instruction process for
students in math, reading, and language arts. He said, “The second goal is to teach
students how to go to school.” This is accomplished by teaching the students “structure.”
The founders believe it is very important for students to know exactly what is expected of
them so that the students can grow at an appropriate pace. For example, students are told
they are only allowed to swing on a swing to the height of the person who is supervising
them. This makes it very clear as to what is expected no matter who is watching, and
also allows students to regulate themselves instead of having to be told by each person
who is watching them at the time. Mr. Garabadian said, “The last goal we have for each
student is that they leave the school for first grade loving and being excited about
school.”

Mr. Garabadian said, “I believe our charter school is actually saving the school
district money because of the type of student we are sending them for first grade.” He
explained that they take the idea of an individualized education plan and apply it to every
student. Mr. Garabadian feels that this is only possible because of the low student-to-
teacher ratio of one teacher to every eight and a half students. “Instead of waiting to see
if students outgrow problems that are identified we provide all of the necessary supports
right away,” Garabadian said. He believes this is more effective than waiting for a child
to be identified when the disparity between achievement and ability necessitates a special
education label. By meeting the students’ needs when they need it, the founders believe
they allow students to find success and develop most effectively.

Teachers in the Matthews Charter School work year-round in order to develop
the kind of individualized programs the students are delivered. Mr. Garabadian believes
that the routines of school are very important, so all professional development days are
scheduled for over the summer. Mr. Going, a Matthews Charter School parent, said he
has heard the school being criticized for being overly structured, but stated, “I have not
seen any evidence of this.” He also spoke to other parents about the school’s program
and heard nothing but praise about the school. He described the school’s program as a
good business model. He explained, “The directors told me what they would deliver and
then went about doing exactly what they promised.”
The relationship of the Mathews Charter School with the Brunswick Area School district has been well documented. The Matthews Charter School submitted their application to the school district at the end of 1998 and they were rejected in December. The charter school founders did not submit their application sooner because the Act 22 legislation did not offer the opportunity for appeals until July of 1999. The charter school founders expected that they would be denied and have to take their application to the Charter School Appeals Board (CSAB). In August of 1999, the CSAB overruled the decision of the Brunswick School Board and directed the school district to grant the charter. The Matthews Charter School opened its doors to the public later that month.

The Brunswick Area School District began offering full-day kindergarten in the same school year as the Matthews Charter School. The school district had been discussing offering full-day kindergarten as part of their strategic plan. They surveyed the community and found overwhelming support for the program. Because of facility concerns, the district settled on a lottery system to begin phasing in full-day kindergarten as space became available. When the researcher asked Superintendent Rutledge if Brunswick began offering full-day kindergarten as a result of the Matthews Charter School, she adamantly said “no,” that “Offering full day kindergarten grew out of the district’s strategic plan.” Mr. Garabadian and other administrators in the school district also stated that full-day kindergarten would have come to the district either way. However, the Matthews CAO and two administrators in the district felt that the rate at which full implementation of full-day kindergarten was achieved was faster as a result of the pressures felt by the Matthews Charter School.

After a period of tense relationships, the Matthews Charter School has a satisfactory working relationship with the administration of the Brunswick Area School District. The teachers in the charter school purchase their medical coverage through the school district as they do in the other charter schools in the district. The charter school also makes use of the translation services that are offered through the district. There is a steady stream of information that is shared through the monthly meetings with Mr. Hyatt, the charter school liaison, that helps with the transition of students from the charter school to the school district.
Mr. Garabadian respects and values the relationship he has with the administrators in the school district. Garabadian said, “I believe any animosity toward the Matthews Charter School comes from the Brunswick Area School Board not the administration.” Two examples of this were given by Mr. Garabadian. The first occurred when the charter school found out prior to the start of the school year that one of its students would be relocating shortly after the start of the school year. Mr. Garabadian had students on the waiting list to come in as soon as the student left, but this meant that two students would begin kindergarten in one place and then move to another. Because of the value placed on continuity in the school, this was not believed to be educationally productive. The student who was moving was beyond their control but Mr. Garabadian approached Mr. Hyatt to see if the school could start the student who was at the top of the waiting list in the charter school instead of having the child move in shortly after the school year began. Mr. Garabadian said, “Mr. Hyatt told me he believed that this was the best suggestion and he wound up making this recommendation to the superintendent.” Because the Matthews Charter School’s charter states that it will have a maximum of thirty-four students at any given time the superintendent had to bring this decision to the school board for approval. “The school board denied the request even though it was better for the student, because it was afraid of setting a precedent”, Garabadian said.

A second example of the school board’s disagreeing with the recommendations of the administration came when the charter for the Matthews Charter School came up for renewal. Dr. Tadd Loemb, Assistant Superintendent and leader of the committee that evaluates charter schools, reported to the school board that his committee found no reason to deny the Matthews Charter School’s application for renewal. Mr. Garabadian was not going to attend the voting meeting of the board because he felt that the school board intended to revoke the school’s charter, no matter what he said or did. When he spoke to Superintendent Rutledge, he was encouraged to attend because Dr. Rutledge felt it would be a good night for him. Mr. Garabadian said, “Dr. Rutledge believed that the school board was going to approve the renewal of our charter based on her and the school district committee’s recommendation. To Dr. Rutledge’s surprise, after long discussions, the school board voted to revoke the charter of the Matthews Charter School.”
Matthews Charter School appealed the decision once again before the Charter School Appeals Board. For a second time the appeals board unanimously overruled the school district and mandated that the school district grant the school a new five-year charter.

**Case Study #3**

**The Highland Area School District**

“Protective Entrepreneurship”

The Highland Area School District is the final case in this study. This case offered an opportunity to test emerging theories and conclusions. The features the Highland Area School District shared with the other two districts made it a valuable addition to the study. When looking at the size of the districts, both Highland and the Brunswick Area School District are comparable in size. Both districts are large suburban communities that are a significant distance from major metropolitan areas. When comparing Highland to the Stone Area School District, on the other hand, similarities also emerge. Both districts have a population with a similar socioeconomic level. Both the Stone Area School District and Highland are facing very difficult financial circumstances that have little to do with charter schools. The charter schools pose a similar challenge to these two districts; however a surprisingly different response occurred as a result of differences in the leadership displayed by the superintendent of each district. Based on the Stone Area School District case, it might have been predicted that the Highland Area School District would be defensive or negative toward charter schools. However, such a prediction would have been misleading. In practice, this district not only accepted a charter school, it actively pushed for and founded the Far State Cyber Charter School as a proactive response to cyber charter schools. For this reason this case has been subtitled “Protective Entrepreneurship”.

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Table 4.3
Highland Area School District Chronology of Events

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/1/1985</td>
<td>Last tax increase for the Highland Area School District</td>
</tr>
<tr>
<td>6/11/1997</td>
<td>Pennsylvania passes Act 22</td>
</tr>
<tr>
<td>3/20/2001</td>
<td>Newton Cyber Charter School has its charter granted.</td>
</tr>
<tr>
<td>11/10/2002</td>
<td>The Highland Area School District stops paying tuition for students to attend the Newton Cyber Charter School.</td>
</tr>
<tr>
<td>1/16/2002</td>
<td>Superintendent Dublin begins to develop an idea to begin his own Cyber Charter School as a form of “counter terrorism”.</td>
</tr>
<tr>
<td>3/13/2002</td>
<td>Superintendent Dublin organizes a meeting of local superintendents to discuss opening a regional cyber charter school that Highland Area School District would host.</td>
</tr>
<tr>
<td>4/2/2002</td>
<td>Superintendent Dublin organizes a meeting of twenty-three local union representatives to discuss the idea of opening a regional cyber charter school that Highland Area School District would host.</td>
</tr>
<tr>
<td>6/15/2002</td>
<td>The Highland Area School District is paying as much as seventy-five thousand dollars in a year to send students to cyber charter schools.</td>
</tr>
<tr>
<td>7/1/2002</td>
<td>Act 88 legislation is passed</td>
</tr>
<tr>
<td>7/15/2002</td>
<td>The Far State Cyber Charter School is approved by the Highland Area School Board and the thirty-four other member school districts.</td>
</tr>
<tr>
<td>9/1/2002</td>
<td>The Far State Cyber Charter School begins operation with one hundred students.</td>
</tr>
<tr>
<td>4/10/2003</td>
<td>The Highland Area School District stops paying bills they are being sent by the Newton Cyber Charter School and files an injunction against them. Soon after the Department of Education stops sending money to this cyber charter school as well.</td>
</tr>
<tr>
<td>6/5/2003</td>
<td>Newton Cyber Charter School has its charter revoked.</td>
</tr>
<tr>
<td>11/15/2003</td>
<td>Superintendent Dublin considers closing the Far State Charter School but is encouraged not to by the other participating superintendents.</td>
</tr>
<tr>
<td>6/30/2004</td>
<td>The costs to the Highland Area School District to send students to the Far State Cyber Charter School total two hundred thousand dollars.</td>
</tr>
</tbody>
</table>
The Far State Cyber Charter School has an enrollment of one hundred eighty-five students.

Highland Area School District Vital Statistics

Community
The median household income for the residents of the Highland Area School District is $32,323. 94.3% of the population is white non-Hispanic. 13.1% of the population has at least a bachelor’s degree. The median home value is $62,132 compared to the state average of $94,651. The median age of the community is 40 compared to the state average of 39 years of age.

District Information
The total student enrollment in the Highland Area School District is 8,521 students. The average spending per child is $7,345 as compared to the state average of $8,059. The school tax on $100,000 of property is $946.

Teaching Staff
The teaching staff has an average experience level of 17.8 years as compared to the state average of 16.1 years. The average teacher salary is $48,376 as compared to the state average of $49,806. 37.4% of the teachers have their master’s degree as compared to the state average of 44.2%.

Student Demographics
Of the 8,521 students in the district 52.1% are considered economically disadvantaged as compared to the state average of 29.1%. 16.2% of the population is considered special education as compared to the state average of 13.4%. There are no students who qualify for limited English Proficiency services.

Student Achievement
The students in the Highland Area School District have a PSSA passing rate of 63.2% as compared to the state average of 60.2%. The SAT combined score was a 983 as compared to the state average of 998. The attendance rate for the school district was 94.4% as compared to the state average of 93.2%. The high school graduation rate was 81.7% as compared to the state average of 86.9%. The percentage of seniors who are
planning to attend college after graduation was 61.9% as compared to the state average of 70.4%.

**Narrative**

Highland Area School District is a large school district in the central portion of the state. It has been faced some difficult challenges that are common in many other districts around the state. The amount of industry has decreased over recent years. This has led to a decrease in revenue. The population is aging, so the willingness to support public education because of a direct benefit is waning. The number of students has decreased so the reimbursement from the state and federal governments also is decreasing. Despite all of problems, the school district has been able to do something quite remarkable. They have not raised taxes in nineteen years! The last time the school district raised taxes the students who are currently graduating were not even born.

Superintendent Alex Dublin has been leading the district for the last nineteen years. He has been able to control spending when similar districts in the state have raised taxes regularly over the same time period. When asked how he has been able to do this, he said that he is a tough negotiator. He said, “I go right to the negotiating table.” He also said, “I ask a great deal of my administrators, and they know they have to be creative in finding funding for things they want to do.” He believes it is his responsibility to do the same thing. Dr. Dublin also said:

I like to think of myself as a benevolent dictator. I want my people to know if they are not doing a good job and that if they do not improve, I will find someone else who will do it correctly.

He sees it as important that there is a separation between administrators and teachers. He feels that if administrators get too close to their staff, they will not be able to effectively manage them.

The relationship Dr. Dublin has with the colleagues, the school board, administration, and teachers is relevant to understanding the development of the Far State Cyber Charter School. The president of the board of education, Mr. Tim Vogler, spoke highly of Dr. Dublin and stated “I am very proud of both our streak of level spending and the product we have been able to produce educationally.” Dr. Mulligan, who serves as
both a central office administrator and as CAO of the Far State Cyber Charter School, spoke very favorably about Dr. Dublin as well. She said, “Dr. Dublin has a strong commitment to quality education and he is always trying to find a better way to do things.” This is coming from an administrator who was assigned the task of overseeing the new cyber school while maintaining her current responsibilities. The union president, Harry Wright, also had very positive things to say about the superintendent. He said, “Dr. Dublin has been very proactive and very creative with district spending over the years.” The results have been fair contracts that Mr. Wright has been able to support. One expects a school board member to speak favorably about a superintendent when they have maintained such a history of fiscal responsibility, but it is quite remarkable that all segments of the school community said very similar things.

Dr. Dublin described his initial motivation to develop the Far State Cyber Charter School as a form of “counter terrorism.” He felt helpless as his students moved to the other cyber charter schools in the state. The high cost to his district of these students and questions he had about the quality of what they were getting from the cyber schools they chose troubled him. As a superintendent who always had a firm grip on the finances and educational programs his district provides, Dr. Dublin felt particularly threatened by the cyber charter schools. Understanding the legislation and political climate that created the cyber charter schools, he found no other method of addressing the issue as appealing as founding the Far State Cyber Charter School.

Dr. Dublin has a vision for the future of education and believes that a cyber school fits into this vision. He does not see teachers as the disseminators of information to a captive audience. He explained, “I believe that the future of education will depend on teachers taking on the roles of facilitators, curriculum developers, and assessment developers. These beliefs fit right into the role teacher’s play in the Far State Charter School.” As a result of these beliefs and his understanding of the climate that created cyber charter schools, it seems that it was a natural progression for Dr. Dublin to develop the idea to found a cyber charter school.

Many superintendents have ideas they would like to pursue but it is not often that a superintendent has the ability to motivate a group of superintendents, teachers, and
board members to help him develop that idea. Over the years that Dr. Dublin has been a superintendent, he has developed a level of trust that has allowed him to explore the possibilities that founding a cyber charter school would provide. The fiscally conservative Highland Area School Board had to put up a significant portion of the startup costs for the Far State Cyber School; they would not have dreamed of supporting this outlay of money if they had not trusted Dr. Dublin’s judgment.

Dr. Dublin held a meeting with thirty-five area superintendents to see if there was interest in joining him in developing a regional cyber charter school that would be located in the Highland Area School District. The thirty-five superintendents agreed that it would be better for their districts to send students and significant amounts of money to a school run by Dr. Dublin than to the other cyber charter schools across the state. Dr. Dublin structured the charter school so that the superintendents would have a voice in the process by making them part of the board of directors for the school. This fostered a high level of cooperation from the participating school districts. Mr. Mathias, Highland’s Director of Public Relations said:

Dr. Dublin did a wonderful job allaying the fears of the superintendents and selling them on the idea of founding the Far State Cyber Charter School. The cyber school was even able to send money back to the participating school districts when a surplus of funds accumulated.

In addition to soliciting the support of the superintendents, Dr. Dublin held a meeting for the union representatives from twenty-three school districts. This was done to explain the rationale for starting the Far State Cyber Charter School. It was meant to ease teacher concerns about the motives for starting the school. The result was that, out of trust in Dr. Dublin, the teachers agreed to support a school that could potentially eliminate their teaching positions, if allowed to grow without control.

These rather remarkable occurrences all happened because of the level of trust that Dr. Dublin enjoys. This trust was earned over decades of working with others as a team and dealing with difficult situations together.

Other specific developments also prompted Dr. Dublin to act. The first was the movement of home-schoolers to available cyber charter schools across the state. These
students had benefited the district because it was able to collect property taxes from their parents without having to deliver any services. When these students began moving into the cyber charter schools, and the district had to pay their tuition, the financial impact was difficult to accept. One of the first steps the school district took after founding the Far State Charter School was to send letters to all of the home-schoolers in their district explaining the program being offered at the Far State Cyber Charter School. The result was that the vast majority of students moved out of the other cyber charter schools and into the Far State Cyber Charter School. This gave the school district at least some control over these former home-schooled students who were now in the public system.

The exorbitant costs for special education students to attend cyber charter schools were another challenge that motivated Dr. Dublin. Each special education student that attended a cyber charter school cost the district about twice that of a non-special education student. This was especially disturbing when coupled with the fact that it costs cyber schools approximately half as much to deliver the educational program to its students as compared to students attending a typical brick and mortar school. Mr. Livengood, Highland Assistant Superintendent in charge of Special Services added that, “We were paying significantly more for our students to attend cyber schools across the state but we had no confidence or evidence to support that the goals of the students’ IEP’s were being met.” This clearly was another factor prompting Dr. Dublin to move forward with the Far State Cyber Charter School. If it were possible for him to at least gain control of the quality provided and of the costs spent in this area he felt it was worth the effort. As it turned out special education is still an issue for the Far State Cyber Charter School but the concern is similar to those heard at many other schools across the state.

The content of a student’s individualized education plan can cost the district a fortune per student. In one case described by Dr. Dublin a special education student with significant difficulties posed a particular challenge. He said, “The parents were requesting unreasonable services; however, we were able to negotiate a compromise and in the process the home school district willingly shared the cost to educate the student.” This is yet another example of the cooperative relationship found in many aspects of the operation of the Far State Cyber Charter School.
The motivation for starting the cyber school was as much or more for control than for containing costs. Chief Fiscal Officer Art Martins said:

Prior to the opening of the Far State Cyber Charter School, the Highland School District paid approximately seventy-five thousand dollars a year in tuition for students to cyber charter schools. This past school year the school district paid approximately two hundred thousand dollars to the Far State Cyber Charter School.

Mr. Martins explained that if the chief motivation was saving money the program would have been considered a failure. The financial benefit to the school district can be best explained using the analogy of starting a home business. The Far State Cyber Charter School could be viewed as the Highland Regional School District’s own small business. The level of deductions increases dramatically whether that business makes money or not. It is legal for the Highland Area School District to sell services to the Cyber Charter School. Examples of these types of service could be administrative costs, secretarial costs, rent for space used by the cyber charter school, and special education services. The fees collected by the school district for these services are a windfall instead of cost incurred if this money had gone to a cyber school on the other side of the state. Through creative financing like this, the Highland Area School District has been able to avoid raising taxes for the last nineteen years.

At one point, Dr. Dublin saw that there might no longer be a need for the cyber school because of the passage of Act 88 (Cyber School Law, 2002). This legislation addressed the programmatic concerns that plagued cyber charter schools when they first developed. Act 88 made the state responsible for oversight of the cyber charter schools instead of individual districts that chartered them and also delineated charges for services provided. When the other superintendents heard Dr. Dublin was considering closing the Far State Cyber Charter, they encouraged him to reconsider. They saw a need for the school and liked the fact that they had it as an option for students who benefit from this type of program. They also mentioned that they liked the way the program was running and enjoyed the fact that they had the opportunity to give and receive feedback on the students that were attending. Mr. Dave Dysart, a teacher at the cyber school and a retired
area principal, said, “The first year we ran the cyber school the costs were just a guess. With the help of the superintendents who comprise the board of directors, we have been able to tweak things so the costs are more accurate.” He felt that the superintendents appreciate the efforts to closely match the costs to the fees charged. Based on the encouragement of the superintendents Dr. Dublin decided not to pursue closing the school.

The Highland Area School District and community are very proud of the program being delivered by the Far State Cyber Charter School. The school board has stated that they appreciate the proactive stance the school district has taken in response to the other cyber charter schools. Dr. Mulligan, CEO of the Far State Cyber Charter School, described the relationship with the school district as being cooperative. She added that “where some charter schools prompt school districts to add programs, our Far State Cyber Charter School actually saves school districts from having to invest the time and money needed to develop their own program.” Dr. Mulligan further pointed out that they are actually offering advanced placement courses to other school districts that cannot typically afford or are unable to provide these classes. There is a fee involved for this, but it is reduced for participating districts.

At Far State Cyber Charter School students do their work through online courses but have certified mentors available to them in each subject area. This allows the students to receive live help from a person when they have a problem or do not understand a concept. Some of the mentors are teachers in the Highland School District, which is further evidence of the cooperative relationship between the school district and the Far State Cyber Charter School. One of the criticisms of charter schools in general is that not all teachers have to be certified in order to teach in the school. The Far State Cyber School, however, can boast that all of their instructors are certified which adds to the school’s credibility. Dr. Mulligan said:

Students attending the Far State Cyber Charter School can be broken up into thirds. The first third are home-schoolers who have entered the public school system for the first time. The second third are students involved in this type of
school for religious reasons. The last third of the students are those that are running from the traditional bricks and mortar school. She explained that approximately ten percent of the students will move back to the regular public school over the course of the year. The fluctuation in population is, therefore, very high. This makes budgeting as well as a consistent educational program for students difficult to achieve.

As much as the Far State Cyber Charter School’s relationship with the public schools is cooperative, the same cannot be said for at least one private school in the area. Brittany Shultz, a parent of a cyber school student said:

My children were never part of the public school system. They moved to the cyber school from a parochial school. The cyber school is able to offer a much wider curriculum than the parochial school simply because of the private school’s financial constraints. In the parochial school it was not uncommon for my children to be taught by someone who was not certified in the area they were teaching. This I found troubling.

She explained that her children now have a mentor who is certified in every subject in which her children are enrolled.

Mrs. Shultz went on to explain that, after contacting her, three other parents had removed their children from the parochial school for the same reasons she did. She said:

There is a strong sense at this parochial school that they must respond to the programs being offered at the Far State Cyber School. They are advertising their school now, which they had not done in the past. They are being more proactive; one example is offering electives online, whereas in the past they did not offer such classes. They are more interested in the public perception of their school.

She believed that this is a direct result of the loss of students to the Far State Cyber Charter School and the loss of tuition that the parochial school relied upon.

When asked if she missed the religious education the parochial school provided for her children, she said “no.” She went on to explain that her family is highly involved in their church and that this is where they receive their religious education. Both of her
children are involved in youth groups at their church and are involved in many activities outside of school. This, she felt, prevented any isolation from their peers.

This example of how the small parochial school has responded to the pressures from the cyber school is instructive. Smaller schools and districts have a much more difficult time absorbing the loss of students and funds to other schools. The Highland District is a large district that has a variety of experienced administrators. Dr. Dublin has used the talents of these administrators to create and run the cyber school. As assistant superintendent Dave Livengood said, “Dr. Dublin surrounds himself with good people and then lets them do their job.” Mrs. Bonnie Troxell, assistant to the superintendent in charge of human resources, said:

I see the size of our district being a real perk when looking at how we have been able to respond proactively to the challenge of charter schools. We have enough people on our administrative staff to make something like this happen where people don’t have to be jacks of all trades. We can bring our particular areas of expertise to the table, and people then speak to problems and solutions from their own area of knowledge.

This quote explains a good deal about how the Highland district was able to create the Far State Cyber Charter School.
CHAPTER 5

CROSS-CASE ANALYSIS AND FINDINGS

This comparative case study was designed to explore in depth key factors thought to influence the responses of school districts to challenges and opportunities presented by charter schools. For this purpose, of Pennsylvania’s 501 school districts, only three were selected to be included in the study. Following Yin’s (1994) advice, the case studies were completed one at a time, in a sequence, which enabled the researcher to look for themes and causal relationships and “test” them in comparisons with patterns found in the subsequent case studies. Yin (1994) uses the analogy of a detective when discussing comparative case study methodology. He describes each case as a different “experiment” that is meant to test and shape a growing hypothesis. Chapter 4 presented these case studies. This chapter presents the cross-case analysis of the case study data, organized by findings for each of the study’s research questions, with the analysis focused on the themes and propositions from the study’s conceptual framework.

Once again, the research questions that guided this exploratory study were:

1. To what extent and how are districts responding to opportunities or challenges they perceive to be presented by charter schools?
   a. To what extent and how are districts altering their public relations and marketing efforts in response to opportunities or challenges they perceive?
   b. To what extent and what kinds of programs are districts adding or altering as a result of the opportunities or challenges presented by charter schools?
   c. To what extent are districts adding or matching programs offered by charter schools?

2. What is the character of the relationships between districts and charter schools and how are these relationships changing over time?

3. What differences in the context and leadership of districts seem to account for the variation in the responses that are seen?
The conceptual framework for this study took as its point of departure research showing that the effects of competition are complicated and depend on the district context and on reaching a threshold level of threat which forces more than token responses from school districts (Hess, 2002; Hess and McGuinn, 2002). The key threats charter schools pose for school districts are the financial costs charter laws impose on districts, the threat of enrollment loss, and the erosion of governance control charters cause as independent public schools within the district (or beyond the district’s boundaries, in the case of cyber charter schools). The research literature indicates that district responses to the threats and opportunities charter schools present may be influenced by district size (small districts may feel the threats and impacts sooner than larger districts), district context (e.g., wealth, education level and expectations of the population), district leadership, and the history and evolution over time of relationships between districts and their charter schools (Ericson and Silverman, 2001; Finn et al., 2001; Hess, Milliman and Maranto, 2000; Hess, 2002; Rofes, 1998, 1999).

Based on the review of the literature, and the conceptual framework, the following propositions about district responses to charter schools were formulated:

*Financial impact:* As the actual or potential financial impact on the district increases, the district response will become more pronounced.

*Enrollment trends:* Districts with declining enrollments will feel the loss of students to charter schools more acutely; in such districts charter schools are especially likely to be seen as threats, rather than opportunities.

*Governance control:* Charter schools with district sponsorship, participation and/or influence are more likely to be accepted. Charter schools independent of district involvement will be viewed with skepticism. Charter schools forced on districts are likely to be resisted.

*Types of responses:* Low or no cost responses will be prevalent until the impacts or threats are perceived to require higher cost responses.

*Size:* Smaller districts are likely to feel the effects of charter schools sooner than larger ones.

*Passage of Time:* Districts may go through stages of development, from antagonism to cooperation (or at least peaceful co-existence) in their relationships with charter schools.
History of relationships: Past relationships between the superintendent/board and the charter school and its key players will influence current relationships, past battles may be re-fought, entrenched positions created/maintained, etc.

Community context: Community expectations and traditions will influence superintendent and board actions and decisions.

Leadership behavior: May be critical to district responses.

A general hypothesis is that the greater the impact of a charter school on a district, the greater would be their response. (Impact can be measured in terms of loss of students and the financial consequences, the types of students lost, the impact on district’s programs, etc.)

Overview of Findings

After reviewing and comparing each case study, and sifting through the differences between the districts, themes related to the conceptual framework emerged that spanned the districts. The influence of the passage of time and movement through stages of relationships proved to be less significant than expected. Leadership, on the other hand, emerged as more significant than objective measures of charter impacts in determining a district’s view of charter schools and choice of responses. Each of the districts responded differently, but their type of response seemed to be predicated on the style of leadership displayed by the superintendent, which in turn was influenced by community and school board expectations. A summary of each district’s responses is presented below in Table 5.1.

Based on the overall character of their responses, each district was categorized or labeled, based on the typical response demonstrated. Because of the high level of threat it presented, Stone Area School District demonstrated a great deal of resistance to the Step Charter School. Consequently, it was labeled “Rejection and Resistance.” The Brunswick Area School District was skeptical, and remains ambivalent, about the development of its charter schools, but developed a relationship with them that was in the best interests of the district’s students. Hence, it was labeled “Proactive Accommodation and Oversight.” The leaders of the Highland District, while not facing a large market share loss to charter schools, were quite dissatisfied with the costs and educational
programs of cyber charter schools, as well as their lack of control over them, and therefore decided to found their own cyber charter school. This type of response warranted labeling the Highland Area School District as “Protective Entrepreneurship.” In the presentation of findings for each research question that follows, themes and propositions from the conceptual framework are addressed.
| Stone Area School District  
  “Rejection & Resistance” | Brunswick School District  
  “Proactive Accommodation and Oversight” | Highland Area School District  
  “Protective Entrepreneurship” |
<table>
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<tbody>
<tr>
<td><strong>Behaviors toward the Pole Charter School</strong></td>
<td>Unsuccessfully resisted approval of Mathews Charter School providing full-day kindergarten</td>
<td>Refused initially to pay tuition to external cyber charter school</td>
</tr>
<tr>
<td>Approved Pole Charter School, of which district was a co-sponsor</td>
<td>Implemented its own full-day kindergarten</td>
<td>Paid to start its own cyber charter school</td>
</tr>
<tr>
<td>Administrator position on the board of directors</td>
<td>Established charter school liaison</td>
<td>Established CAO position</td>
</tr>
<tr>
<td>Transferred high cost students to the school from other programs</td>
<td>Established charter school evaluation committee</td>
<td>Meetings with area superintendents to promote its cyber charter</td>
</tr>
<tr>
<td><strong>Behaviors toward the Step Charter School</strong></td>
<td>Conducted monthly meetings with charter school CAO’s</td>
<td>Meetings with area union representatives to promote its cyber charter</td>
</tr>
<tr>
<td>Adversarial and combative behavior, due to high level of threat this school posed for district costs and enrollments</td>
<td>Increased litigation</td>
<td>Letters to all homeschoolers to attempt to recruit them to the district’s cyber school</td>
</tr>
<tr>
<td>Unsuccessfully resisted approval of the Step Charter School application</td>
<td>Provided orientation programs for students moving back to the district from charter schools</td>
<td></td>
</tr>
<tr>
<td>Refusal to provide transportation</td>
<td>Hired an aide for transportation</td>
<td></td>
</tr>
<tr>
<td>Fighting to prevent Step from using the school building closed in its neighborhood</td>
<td>Permitted dual enrollment of home-schooled students</td>
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<td>Parent program</td>
<td></td>
<td></td>
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<tr>
<td>Tax increases &amp; increased litigation</td>
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<td>Retirement incentives</td>
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<td>Teacher strike</td>
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<tr>
<td>Refusal initially to pay charter school tuition</td>
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Findings Regarding Key Propositions

Financial Impact: As the actual or potential financial impact on the district increases, the district response will become more pronounced.

• The Stone District experience supported this proposition.
• While district respondents saw charter school financial impacts as one of their primary challenges, this actually seemed more perception and propaganda than fact.
• Charter school impacts were greatest at the outset, when budgets couldn’t be adjusted to accommodate expenditures. When large numbers of students left a district they could make budget cuts to compensate for the loss, and for each student lost they only had to pay the charter school about 70% of their per pupil expenditure.

Enrollment Trends: Districts with declining enrollments will feel the loss of students to charter school more acutely; in such districts charter schools are especially likely to be seen as threats, rather than opportunities.

• Enrollment trends did seem to either blunt (if increasing) or accentuate (if decreasing) the impacts of charter schools.
• An aging population and declining industry also seemed to go along with declining enrollment and left districts in a more challenging financial situation.

Governance Control: Charter schools with district sponsorship, participation and/or influence are more likely to be accepted. Charter schools independent of district involvement will be viewed with skepticism. Charter schools forced on districts are likely to be resisted.

• Control was a critical factor in how districts perceived and responded to charter schools. Leaders in each district tended to see charter schools they didn’t approve as a threat or challenge, while many of the same leaders viewed charter schools they did approve, or had a hand in developing, as an opportunity.
• Two districts (Brunswick and Highland) used the control they had over charter schools very effectively while a third (Stone) did not.
Types of Responses: Low cost responses will be prevalent until impacts or threats are perceived to require high cost responses.

- Some districts took high cost responses even when the charter school impacts were not viewed as big threats.
- Stone district resisted a charter school to try to avoid high costs, but ultimately incurred high costs due to their resistance.

Size: Smaller districts are likely to feel the effects of charter schools sooner than larger ones.

- Size seemed to affect whether a district was able to muster a constructive response; it warrants further investigation.
- The smallest district (Stone) felt the greatest threat and had the most difficulties.
- The other two districts, with larger administrative staffs, were able to mount more effective responses to charter schools.

Passage of Time: Districts may go through stages of development, from antagonism to cooperation (or at least peaceful co-existence) in their relationships with charter schools.

- The three case studies didn’t display the stages Rofes found in response to charter schools.
- Their behavior showed some variation in responses over time, but these shifts seemed associated with changes in leadership philosophy at either the charter school or the school district.

History of Relationships: Past relationships between the superintendent/board and the charter school and its key players will influence current relationships, past battles may be re-fought, entrenched positions created/maintained, etc.

- The history of relationships between a charter school and a district was a critical factor affecting district responses.
- In some instances relationships were poisoned by links to earlier community disputes.
• Where charter school founders had a positive working relationship with the district prior to founding their charter school, it tended to continue in that fashion after the founding.

Community Context: Community expectations and traditions will influence superintendent and board actions and decisions.
• Traditions, trust, and expectations seemed very important components shaping how a district would respond.
• Leaders tended to reflect the desires of the community they served but, with the presence of trust, could move the response to charter school beyond what might have been expected for that community.

Leadership Behavior: May be critical to district responses.
• The effects of leadership behavior were even greater than expected.
• Even in challenging situations leaders were able to spin the other factors to strongly impact the district’s response to charter school.
• This was evident in responses that, from the researcher’s perspective, benefited or harmed the students living within that district.

Findings Related to the Research Questions
To what extent and how are districts responding to opportunities or challenges they perceive to be presented by charter schools? (Key Propositions Addressed: Governance Control, Types of Responses, and History of relationships)

At first glance the districts’ responses to charter schools seem to follow no pattern. In each district responses varied from low to high cost behaviors. All three districts demonstrated uncooperative behavior toward some charter schools and cooperative behavior toward others, especially those over which they had some control. This erratic behavior was consistent with what Rofes (1998, p.16) found when he stated that districts did not behave in one predictable manner. Regarding this research question, the theme that emerged revolved around power and control. The school districts studied
do not like being told what to do. The idea of local control is deeply embedded in the
culture of Pennsylvania and the individual school districts. When looked at through this
frame the district behaviors begin to make sense. In all three school districts, when the
idea for a charter school emerged from within the leadership of the district, cooperative
relationships can be documented. When the idea for a charter school emerged outside a
district’s leadership, the relationship was more skeptical and often antagonistic, and the
districts’ behaviors reflected this.

In the Stone Area School District, the contrasting behaviors epitomize the effect
of power and control and how it affects the school districts’ behavior. The Pole Charter
School was a joint effort in the Intermediate Unit and the Stone district participated and
was in favor of founding the school. A school district being supportive of a charter
school serving at-risk students was documented in studies conducted in Arizona (Hess,
2000). By contrast, the Step Charter School was founded by community members upset
by the school district closing their neighborhood school. The school district’s leadership
reacted negatively to the charter school proposal and became antagonistic. The pattern of
a charter school being formed as a result of a school board’s unresponsiveness to the
desires of a segment of the community has been found in a number of studies (e.g., Hess,

In the Brunswick Area School District the relationships are clearly more
professional, as the culture of the district would require, but the issues of power and
control can still be seen. The school district had discussed full-day kindergarten and was
working on an implementation schedule, but not with the speed that a portion of the
community desired. The Matthews Charter School founders developed the idea for
transforming their pre-school into a kindergarten charter school, presented it to the
School Board, and were met with resistance. Based on the professionalism and the
success of this charter school, it would seem that this had more to do with the district
being prodded to do something that it did not want to do than it did with the abilities of
the founders to run a successful school. This was further exemplified when the school
board voted not to renew the charter of this successful charter school despite a
recommendation from the superintendent to renew it.
This resistant behavior by the Brunswick School District toward the Matthews Charter School was offset by a comprehensive practice of accommodation toward the two other charter schools in the district. The district went to great lengths to work with the charter schools in the district to develop a healthy relationship. This behavior can be attributed to the superintendent who shaped, through their evolving experience, a practice of thoroughly evaluating charter school applications and overseeing their programs that was exemplary. The superintendent did this with the blessings of the school board, not because of their love for charter schools, but because of the superintendent’s urging to focus on what is best for children. It is his belief that, if the community wants charter schools, they as a school district must make sure the schools are effective and that the money spent on the schools is efficiently used. The level of charter school activity in this highly successful district might come as a surprise to Hess, Maranto and Milliman (2000), who found charter school activity primarily in troubled school districts.

In the Highland Area School District, the district on one hand fought adamantly against the external Newton Cyber Charter School and then founded its own Far State Cyber Charter School. The district initially refused payment to the Newton School and was highly dissatisfied with the program and costs associated with that cyber school. During the process of fighting this school, the Superintendent came to understand the value that portions of his community placed on this type of schooling. Instead of suppressing this type of schooling because he did not agree with it, the Superintendent developed the idea of founding the Far State Cyber Charter School in order to offer to his community what they desired, but in a way the district could control.

To what extent and how are districts altering their public relations and marketing efforts in response to opportunities or challenges they perceive to be presented by charter schools? (Key Propositions Addressed: Types of Responses, Governance Control, and Community Context)

The school districts did little to advertise their programs as a response to charter schools. The Stone Area school district publicized a newly constructed school upon its completion but it could be argued that this would have been done regardless of the
existence of the Step Charter School. In the Brunswick Area School District the district already had a strong reputation in the community. No new public relations or marketing campaign was identified. It was noteworthy that the manner in which the district has accommodated the charter schools has led some in the public to believe that the charter schools are just another district program. The Brunswick Superintendent will often get parent calls about the charter schools and he must redirect the parents to the charter school and explain the district’s relationship with the charter school. The district fosters this belief by having the charter schools listed on their website. This is close to the stage four behavior Finn et al. (2001, p. 26) describe as embracing the concept of charter schools. They noted that very few districts have reached this level of behavior.

In the Highland Area School District there was a marketing and advertising campaign, but it was for the Far State Cyber Charter School, which it founded. They sent letters out to the parents of homeschoolers in the district in an effort to recruit them to attend the Far State Cyber Charter School. This was a productive endeavor that led the vast majority of cyber school students enrolled in other cyber schools to transfer to their cyber school. This also prompted some homeschoolers who were not previously involved in public education to enroll in the district’s cyber charter school. Finn et al. (2001, p. 26) would argue that this is an example of what they call stage three behavior, where districts try to fight back and outdo charter schools. It just so happens that in this instance the district’s response was in the form of another charter school. The district’s response achieved the desired outcome of attracting back students who had left (or who had thought about leaving) to a program over which the district had control.

To what extent and what kinds of programs are districts adding or altering as a result of the opportunities or challenges presented by charter schools? To what extent are districts adding or matching programs by charter schools? (Key Propositions Addressed: Financial Impact, Enrollment Trends, Governance Control, Types of Responses, Size, and Leadership Behavior)

In all three districts charter schools have influenced the programmatic offerings of the school districts. No district would admit to adding programs because of a competitive
relationship with a charter school. They did, however, admit to changing their program in response to charter schools with which they had a cooperative relationship. The relationship in some cases prompted a district to cut back on programs that were costly, as in the case of the Stone Area School District. They decreased the number of students placed in private alternative education programs and enrolled those students in the Pole Charter School. This was viewed as a cost savings and also an issue of control. The district had an administrator on the board of the charter school overseeing the program. The Stone Area School District also added a low cost parent program in response to the parent program being offered at the Step Charter School.

The real (or alleged) financial impacts of charter schools have affected district behavior, with implications for the quality of their programs. The administration in the Stone Area School District believed a recent teacher strike could be attributed to the Step Charter School. The district believed and publicized that they had to significantly raise taxes as a result of the Step Charter School. They offered an early retirement incentive in the district, and have not replaced retired administrative and instructional staff because of declining enrollments they attribute to the Step Charter School. It is important to note that the district was not strong prior to the impact of charter schools and now, through statements to the media, the majority of their problems are attributed to the Step Charter School.

In the Brunswick Area School District the rate at which a high cost program was implemented was influenced by the Matthews Charter School. The Superintendent vehemently denied that the district began offering full-day kindergarten as a result of the Matthews Charter School. He stated that the addition of this program was a part of the district’s strategic plan. What can be safely stated, based on feedback from several administrators inside the district, is that the district fully implemented full-day kindergarten sooner than it would have without the presence of the Matthews Charter School.

The Brunswick Area School District’s overall philosophy of accommodation toward charter schools impacted other new programs offered. The district developed an orientation program to help students moving back to the district from charter schools at
the end of eighth grade. This was done to help the students make a smooth transition back into the school district. This example reflects the district’s belief that the students in the district are their students, regardless of whether they attend a charter school. According to the union president, the Brunswick district has also increased its technology offerings over the last few years in their middle schools, due to the high technological offerings at the middle level charter schools in the district.

As in the Stone Area School District, there was a documented financial impact in the Brunswick School District. The major difference between the two districts had to do with the market share lost to charter schools. The charter schools in the Brunswick Area School District had enrollment caps that had already been met, so the financial impact has not substantially increased in recent years. The Stone Area School District is facing a market share loss that is increasing on a yearly basis because the Step Charter School’s charter has no cap on enrollment and includes the addition of a grade at the top each year, until it becomes a K-12 school. This makes the threat to, and impact on, the Stone Area School District much more severe. To compound the differences, the Brunswick Area School District is better able to handle tax increases because its population is more willing and able to pay for increased choice and programmatic offerings.

The Highland Area School District developed a unique entrepreneurial response to the limited pressure it felt from cyber charter schools. The district had not lost a significant market share to charter schools, but its leadership was extremely dissatisfied with the services their students were receiving, the tuition costs they were being forced to pay to cyber charters schools around the state, and their lack of control over these matters. The district decided that the best way to compete with the cyber charter schools around the state was to found their own cyber charter school. The Superintendent used the phrase “counter terrorism” to describe the district’s motivation for starting the charter school. The Highland District planned to expand the curricular offerings within the district by offering a variety of distance learning courses through their cyber charter school. The opportunity to retain control of district funds, offer a desired program, and broaden the district’s curricular offerings were definite motives for this entrepreneurial Superintendent. Hess, Marranto, and Milliman (2000) would argue that the perceived
threat of losing large numbers of students to cyber charter schools was used by the entrepreneurial superintendent to motivate the school board to fund the founding of the Far State Cyber Charter School. Such a high cost response to such a small loss of market share was inconsistent with Rofes’ (1998) findings.

What is the character of the relationships between districts and charter schools and how are these relationships changing over time? (Key Propositions Addressed: Financial Impact, Governance Control, Passage of Time, History of Relationships, Community Context, and Leadership Behavior)

As noted earlier, this dissertation was meant to be exploratory in nature and suggestive of what might be investigated further. The researcher has followed the development of charter schools in Pennsylvania since the movement began with the passage of Act 22 in 1997. He observed the impact of charter schools in four districts prior to the research study and researched three other districts during the research project. The study drew on developments in nine different charter schools. Two of these charter schools were covered in the miniature case studies concluded prior to the research project (see Appendix A), and seven of the charter schools were studied during the research. Four of the charter schools studied were cyber charter schools. The study included two districts that were forced to approve charters by the Charter School Appeals Board (CSAB). Selection of these districts was done in response to the research done by Ericson and Silverman (2001, p. 46) who found that when an entity outside the school district grants the charter it sets the stage for a competitive relationship. The focus of this research was on developing a clear picture of the complex relationships in a small sample of school districts and the CSAB helped identify the location of these relationships.

The relationships with charter schools varied greatly within each district and from district to district. In the Stone Area School District, the relationship with the Pole charter school was clearly cooperative and led to an arrangement the district found productive, particularly because the charter school was viewed as a benefit since it affordably educated at-risk students. The relationship with the Step Charter School began in a hostile fashion and stayed that way. The district spent large amounts of
money fighting this charter school and the adversarial relationship shows no sign of changing.

In the Brunswick Area School District the relationships were more civil but still varied from cooperative to antagonistic. The Matthews Charter School, which offers full-day kindergarten, had its charter denied by the school board both at its original presentation and again when the charter was due to be renewed. In both instances the state’s Charter School Appeals Board overturned the district’s denial and then directed the school district to approve the charter. In the case of the Shenandoah Charter School, the district and charter school relationship, as described by the leader of the charter school, has been very cooperative. The chief administrative officer explained that she even had identified several areas where her school was not living up to their charter agreement and the school district had overlooked the deficiencies.

In the Highland Area School District, contrasting behaviors between the district and charter schools can also be seen over the history of the study. The Newton Cyber Charter School began enrolling students from the district but was initially refused payment by the district. This was the result of the district’s objections to financial and programmatic problems it perceived in the Newton Cyber School. The district filed an injunction against the Newton Cyber Charter School as a result of this. In an imaginative and entrepreneurial response, the district founded the Far State Cyber Charter School. The money for the start-up of this charter school was approved by the district, and the district actually housed and shared staff with the cyber school.

These contrasting relationships within each district make it very difficult to characterize each relationship other than to say it resembles that of the split personalities of Dr. Jekyll and Mr. Hyde. The key feature seems to point back to whether the district supported the idea from the start or whether the charter school was perceived as a threat to the finances, control, and culture of the school district. School Districts do not like to be told what to do and, when a charter school in effect does that, districts may respond in an antagonistic way.

The study’s conceptual framework called for an analysis of how the district charter relationship changed over time. The work of Rofes (1998) and Kelly (2001)
discussed the impact of time on the relationship. They described districts going through
stages from hostility, response, and finally equilibrium. This study used data collected
from a broad segment of the educational community in order to generate an
understanding of the district and charter school relationship over time. Data were
collected from interviews inside the district, outside the district, and through third party
sources to detail the relationship over time. It is certainly possible that more time could
be necessary for the district and charter relationship to develop along the continuum of
stages proposed by previous research, but the findings generated by Rofes (1998) were
over a fairly short time period. The results of this research in Pennsylvania did not point
to time as being a reliable factor in predicting the nature of the relationship between
charter schools and the traditional school districts.

Change in the relationship between the school districts and charter school was
noted in several districts, but these changes usually could not be attributed to the passage
of time. In other districts where charter schools have been in place for several years there
has been no notable change in the relationship. Dramatic shifts in the charter and district
relationship have been documented that then were maintained for years afterward.
School districts appear to respond to charter schools in a manner that is consistent with
how they respond to any other challenge or opportunity. The manner in which districts
and charter schools behave can be attributed to the leadership in that organization and to
perceptions about threats and opportunities. In the case of the school districts the focus is
on the Superintendent and School Board. In the case of the charter schools the focus is
primarily on the chief administrative officer.

Stepping outside the districts studied for this dissertation, for another example
known by the researcher, in 1998 the Bloomsburg, Berwick, and Milton school districts
founded the SusQ-Cyber Charter School. The nature of the new cyber charter school
changed from a means to deliver a more diverse curriculum to the founding school
districts to a financial drain that attracted a large number of at-risk students whose sole
motivation was to escape the traditional public school system. These students were never
the intended audience for enrollment in the cyber school. The leadership of the charter
school at that time encouraged this development. This was very alarming to the founding
districts and caused a contentious and hostile relationship between the districts and the cyber charter school. Just one year later the enrollment in the cyber charter school leveled off. The relationship with the districts had improved and the cyber school was being looked at by the department of education as a model for how cyber schooling should be delivered. This was not attributed to the passage of time, but due to the changes in the leadership of the cyber school. The new leader came out of the public school system. He was a retired Superintendent from the Bloomsburg Area School District. He worked hard to develop a productive relationship with the founding districts and this was greatly appreciated by the districts with which he worked. This was something the board of the cyber school valued and looked to maintain once this leader left the cyber school. The result was the hiring of another retired superintendent who went on to maintain this relationship with the districts.

At the other extreme, the Stone Area School District decided to close a neighborhood elementary school, which severely angered the community it served. The people of the community then founded the Step Charter School as a response. This response was consistent with Finn et al.’s (2001, p. 30) observation that charter innovations are situational and can provide communities with opportunities not found in the district. This charter school would not have existed if the school board had not closed the neighborhood elementary school. The district opposed the formation of the charter school and then was forced to accept the charter by the Charter School Appeals Board. This relationship was antagonistic from the start. By the third year of Step’s charter with the district, there had been no documented change in the relationship. The district actually expended financial resources to challenge and fight the Step Charter School. In this instance, there also was a change of superintendents, but the new leader was promoted from within and maintained the same stance as the previous administration. This was a direct result of the desires of the School Board.

It would be fair to say that more time might be needed to see if the predicted types of relationships emerge. Because the Step Charter School’s enrollment is uncapped, and its charter also allows it to add a grade a year until it becomes a K-12 school, it will not be possible for the Stone Area School District to resist this charter school indefinitely,
because they will have to begin to accommodate it in some way. If not, the financial drain on the district could reach a breaking point and the district might no longer be able to function. Murphy and Shiffman (2002, p.142) proposed that competition could lead to the replacement of non-responsive systems of conventional schooling. This is within the realm of possibility if the school district refuses to develop an understanding of why parents are opting to send their children to the Step Charter School.

What differences in the context and leadership of districts seem to account for the variation in the responses that are seen? (Key Propositions Addressed: Financial Impact, Governance Control, Types of Responses, Size, History of Relationships, Community Context, and Leadership Behavior)

As described above, the district responses to charter schools in this study varied greatly. The responses ranged from highly antagonistic to cooperative. Placement on this continuum did not seem to vary in a predictable way based on time. The variations also did not seem to vary based on the type of community the district served, although this had an influence. The primary source of a district’s response seemed to stem from the leadership of the superintendent, and the superintendent’s perception of the degree of threat being faced. The School Board hires and evaluates the Superintendent so their role is obviously important as well. The style of leadership displayed by the Superintendent did not appear to change as a result of charter schools. The Superintendent’s behavior toward charter schools seemed consistent with their behavior toward other challenges faced by the district. This agrees with the findings of Teske et al. (2000 p. 9) when they described the superintendent’s behavior toward competition as similar to that preceding the growth of charter schools. Examples of these challenges would be No Child Left Behind, declining tax base, drops in enrollment, school consolidations, school board turnover, etc.

The leadership of the Stone Area School District was consistent even after a change in Superintendents. The past Superintendent displayed hostile behavior toward Step Charter School. He placed roadblocks in the path of the school’s formation that cost the school district money with few foreseeable benefits. The denying of transportation
that was clearly required by the legislation was an example. This resulted in a court hearing and lawyer fees that were simply wasted. The most significant example was a protracted battle to prevent the Step Charter School from being able to use the closed Step Elementary School.

The Stone Area School District spent large sums of money retaining ownership of a school building they had recently voted to close. This took place in a district that was financially strapped. There had been a difficult labor negotiations resulting in a teachers strike due to financial difficulties. This facility issue developed because of wording in the deed to the property. The company that gave the property to the school district for the construction of school, wanted ownership of the property to be returned to the company if the property was no longer to be used as a school. The new Step Charter School found out about the deed restriction and asked the company to give the property to them for use once again as a school. The company, having no use for the property, felt this would be appropriate.

The school district found out about this and decided to keep the school open for supplementary school purposes. The financially challenged school district was continuing to spend money on a school they said they did not need, just to keep it out of the hands of the Step Charter School. The new Superintendent was quoted saying “they (the Step Charter School) will never get that school”. This view was perpetuated by the School Board and maintained by two different Superintendents. At no point did either the past or present Superintendent go on the record saying that this might not be a wise use of district funds. On a final note the past Superintendent did not return phone calls and refused repeated written requests to participate in this study. The new Superintendent, who had participated in the study as a principal, did not return phone calls or respond to emails after becoming superintendent. The School Board President, who responded cooperatively to a call and asked to reschedule a time to be interviewed, then never returned a phone call or an email.

The second school district studied, the Brunswick Area School District, certainly offered a contrasting view on the state of public education in Pennsylvania when compared to the Stone Area School District. The Brunswick community is more affluent
and highly educated, thanks to the location of a university inside the district. The school district has a very good reputation and is known for its outstanding academic performance. This type of setting was not a place where charter school activity would have been predicted to have been high. What emerged were three niche charter schools that offered small schools with unique programs that parents valued. The three charter schools served a total population of just over two hundred students, which amounted to less than three percent of the total student population.

The Brunswick District displayed collegial behavior toward its first two charter schools, but antagonistic behavior toward its third charter school. The school district willingly approved two charter schools within the first year of the legislation. Both schools were small in scope and were believed to be innovative by the district. The district felt that these schools were desired by the community and would be too costly to recreate in a regular public school setting. The third charter school proposed was the Matthews Charter School. They proposed offering a full-day kindergarten, which the school district had not yet begun to offer. When the district reviewed the application, they denied it, but then were forced to accept it by the Charter School Appeals Board. One of the reasons for the district’s denial focused on the program not being innovative. This was difficult to understand, and was not accepted by the Charter School Appeals Board, due to the fact that the district did not offer that program. The question that had to be asked was why wouldn’t the district view full-day kindergarten as innovative when they were not offering it, but were planning to offer this costly program in the near future?

Later, after being forced to accept the Matthews Charter Schools, the School Board voted to deny a renewal of its charter, against the advice of the Superintendent and the district’s own committee. Again, they clearly were operating in an antagonistic manner. The motives seemed to revolve around personality conflicts between board members and the Mathews Charter School’s Chief Administrative Officer, rather than the best interests of the students and the taxpayer dollars for which the School Board was responsible. The district then had to spend more money on legal fees to defend their decision, only to be overturned once again by the Charter School Appeals Board. Power
and control were at the heart of this School Board’s decision and, in this instance, interrupted an admirable record of working with and not against charter schools.

Although the School Board’s behavior was less than commendable in this instance, the district developed a longer history of productive behavior toward charter schools, following the guidance of their Superintendent. The Superintendent had developed two processes that operated separate from one another to achieve two important goals for the district. The first goal, of effectively evaluating each charter school application, is accomplished through a committee set up by the Superintendent and run by a district administrator. The second goal was to effectively monitor the operations of the charter schools, so that district funds are being spent appropriately and the proper education of the district’s students is ensured. This is accomplished by the charter school liaison, who is an administrator assigned by the Superintendent to meet monthly with the charter school leaders and to oversee their operations. This insures a steady flow of information between the district and the charter schools that has proven highly productive for the students who often move from one school to another.

This model of working with charter schools, instead of against them, was both refreshing and productive. The negative behaviors by the School Board were not prompted by the administrative leadership in the district. The superintendent has successfully worked with the board to foster relationships with the charter schools. Based on the data collected in this case study, the issue of the context of the community seemed to arise as a possible explanation for the district level response. The last case study was the perfect test of this hypothesis.

The Highland Area School District community is much larger than that of the Stone Area School District, but mirrors the same culture. The steady decline of industry, the declining student enrollment, and the blue-collar nature of the community all are features similar to the Stone Area School District. The district’s response to charter schools began in a fashion similar to Stone Area, but then showed dramatic differences. The district leadership was very upset by the loss of students to cyber charter schools. They were concerned about the quality of the program received by the students, the exorbitant costs, and the loss of control. The district’s tradition of thrifty fiscal
management made the bills from cyber charter schools particularly difficult to pay. The
district’s response (like that of a number of Pennsylvania districts at the time) was not to
pay the cyber charter schools that were drawing students. This refusal to pay tuition for
services provided to their students was ruled illegal, but made life very difficult for the
Newton Cyber Charter School.

In the process of practicing this form of civil disobedience, the Superintendent
developed an understanding of both the cyber charter school initiative and the desire for
this form of education by a segment of his community. This prompted him to develop
the Far State Cyber Charter School. He would not have gone in this direction without an
in depth understanding of the charter school initiative and it effects on his district.
Founding their own cyber school was an entrepreneurial response to the advent of cyber
schools that moved his district into a position of power with greater control over the
outcome. In either situation the district would have to spend money on cyber charter
schools, but the difference was that in one instance the district had no control and in the
other the district had complete control of the finances and program offered to the
district’s students.

For the superintendent to found the Far State Cyber Charter School, he had to
convince his school board to agree to expend scarce district resources to cover the startup
costs of the school. When the researcher discussed this with the school board president,
he declared a very high level of trust in the superintendent. This gave the president and
the rest of the school board the confidence to approve and fund this initiative. This trust
had been built over the nineteen years during which time the district never raised taxes.
This was not accomplished by standing still, but by developing a habit of creatively using
state and district funds.

When the three case studies are placed together and analyzed from the perspective
of the context present in each of the districts, and then the leadership provided by the
superintendent is added, a workable hypothesis can be developed. The context of the
school district is very important to the district’s response to charter schools. The
academic results are clearly different in each district as a result of the community they
serve. The district can influence this performance and certainly does, both positively and
negatively depending on the district. The level of education in the community also affects the support for and the value placed upon education. The financial health of the community is clearly important to the amount of funds that are available to be spent on education. The Brunswick School District was able to spend almost a thousand dollars more per pupil than the Stone Area School District, and over fifteen hundred dollars more per student than the Highland Area School District. Still, these contextual factors were not the most significant influence upon the districts’ responses to charter schools.

Leadership differences provide the most compelling case for the most influential factor in determining the district level response to charter schools. This is consistent with the findings of Rofes (1998, p.18), who found that districts with a high level of responsiveness to charter schools usually had reform-minded leaders. None of the superintendents voiced enthusiasm for charter schools, either through first person interviews or through third party sources. They each demonstrated negative responses to the impact of charter schools on their districts. Each superintendent had disputes with at least one charter school within their district. Only one superintendent refused to move past these views and to develop a plan for their district that reflected the realities of the community they served. The Stone Area superintendent was faced with the greatest challenge from charter schools, but this challenge was largely the result of decisions for which he was responsible. The Step Charter School had taken a far greater market share than charter schools in the other districts. This made the mistakes of the past much more costly. Despite the likelihood of a charter school proposal as a possible response, this superintendent failed to effectively understand the impact of closing a neighborhood elementary school in his school district. He felt he and his school board had the power and authority to do this and believed that this was in the best interests of his school district.

Teske et al.’s (2000, p.10) research found that school principals’ behavior tended to become more entrepreneurial as a result of pressures felt from charter schools. However, in this case study research in the Stone district, one principal felt that his behavior had changed, while another stated that his had not, even while facing the most significant market share loss. Teske et al.’s research studied districts ranging from eleven
thousand to over seventy thousand students. When compared to this study the behavior of the superintendents probably most closely parallels the principals in the large urban districts included in their research.

The superintendents in the Brunswick and Highland districts moved beyond their personal feelings to respond in ways that were productive for their particular districts. The Brunswick Superintendent was visionary and developed a process of accommodating the charter schools that was admirable. This behavior may be what one could have been expected in such a successful and affluent school district. The most surprising development was the leadership displayed by the Highland Area Superintendent. When the context of the school district was compared to the other two, the district closely resembled the Stone Area School District, but its responses to charter schools did not. When the Highland district was more closely analyzed, the behavior of the school district was less surprising. The Superintendent had a long history of proactive and visionary leadership that was simply applied to the district’s response to charter schools.

Murphy and Shiffman (2002, p. 211) argue that the idea of charter schools is too anemic to power change, or at the very least that the charter school movement is more complex and considerably less predictable than it has often been portrayed to be. To this, a mixed response would come from the present study. The idea that the charter school movement is too anemic would be difficult to agree with when you refer back to the Stone Area School District case study. District officials point to the Step Charter School as a critical issue affecting their district. However, the experiences detailed in this district are probably not characteristic of relationships around the state. To the comment about the charter school movement being more complex than it is often portrayed, the researcher whole-heartedly concurs. Until we have many more detailed studies of districts with charter schools in Pennsylvania, it will be very difficult to make sweeping statements about the effects of the charter school movement across the state.

Discussion of Findings

The order of the completion of the case studies and the cross-case analysis allowed for an exploration of propositions from the study’s conceptual framework as well
as answers to the study’s broader research questions. The Stone Area School District, a slightly below-average school district in terms of student achievement, had a significant amount of negative press coverage regarding charter schools. After involvement with a charter school co-sponsored with other adjacent districts, they faced the most significant challenge of the three districts, with the emergence of the Step Charter School, with an uncapped enrollment and plans to expand to a K-12 school. The problems began after the district denied the charter school’s application and the state’s Charter School Appeals Board over-ruled their decision and mandated that they accept the Step Charter School.

The second school district studied is one of the most advantaged school districts in the state. The school district spends significantly more per pupil than the other two districts, and has a very high level of student achievement. The district’s three charter schools enjoy a relationship with the school district’s leadership that could be best described as collegial, even though one of the schools was rejected initially by the school board (before being mandated by the CSAB) and later opposed again unsuccessfully by the board for renewal of its charter.

These polar opposites could easily have led to conclusions about the socioeconomic status of the community served and their attitude toward choice in education. The predominantly blue-collar Stone District vehemently opposed choice and placed the Step Charter School founders in unbelievably difficult public and personal situations; the higher status Brunswick District was more open to choice, which many felt would only help the educational process. These conclusions would have been supported by previous research findings but would have been somewhat misleading without the evidence provided by the last case study.

The last school district investigated, Highland Area School District, was similar to the first district in both its financial difficulties and its social class makeup. The community was aging, and the number of students in the district was decreasing. The student achievement in the district was considered good among its peers but was about average statewide. Remarkably, the school district had not raised taxes in almost two decades but was facing a difficult challenge due to costs associated with the loss of
students to cyber charter schools. Would its responses be similar to the pattern of “rejection and resistance” seen in the Stone District?

The first contact with the Highland district set the stage for a better understanding of the differences and similarities among the three districts. The superintendent shed a great deal of light on the importance of leadership in not only the district’s response to charter schools but to any challenge his school district might face. This superintendent is leading a school district that might easily be heading down a very difficult path in terms of financial distress and educational challenges. He is a superintendent who has provided his district with continuity for nineteen years. Over this time he has never raised taxes. He is viewed as an educational leader who is widely respected across the school community.

Instead of viewing charter schools as the downfall of public education, Highland’s superintendent saw them as another challenge to be worked through. He concluded that the best way for his district to deal with the specific challenges cyber charter schools were posing was to create his own cyber charter school. Understanding the complexities of doing this, he contacted area colleagues who were facing the same problem with cyber charter schools and offered his solution. He also contacted the union representatives from school districts around the area in order to explain his position and solicit their support. He developed ideas for bringing alternative programs into the school district through creating its own cyber school that would help his district’s financial situation and also provide greater offerings to his students.

After interviewing members of the Highland school community to try to understand the dynamics of this school district, it became apparent that the district benefited by having a strong and far-sighted leader. This superintendent has gained the trust of his school board, teachers, and community by effectively guiding the district through many challenges over his nineteen years of service. The type of respect he commanded was similar to the feelings the Brunswick Area School District had for its superintendent. The Highland Area School District demonstrated that, while the composition of the community and the enrollment trends in the district may be indicators of how it will view charter schools, they are not absolutely determinative. Strong
proactive and entrepreneurial leadership can intervene to guide even a challenged district to view the coming of charter schools as an opportunity.

Leadership thus rose to the top of the list as the primary explanation for the differing responses in the three districts. The board and superintendent in the Stone Area School district did not listen to the concerns of their citizens when they discussed closing a neighborhood elementary school. They did not appreciate the complexities of the culture that made the neighborhood elementary school so significant to the residents it served. The superintendent was trying to save the school district money by consolidating and renovating the school buildings, but he did not anticipate the consequences of his actions. He also underestimated the impact of the fledgling Step Charter School. The final result was a problem that was very difficult to solve. Instead of seeking a compromise or trying to accommodate the Step Charter School, he continued to try to undermine it. He was acting in concert with the school board, but did not offer any alternatives to the district’s negative behavior toward the Step Charter School.

Interestingly, a change in leadership in the Stone Area School District did not bring a new perspective or direction. The new superintendent was promoted from within the district and was the principal at the now-closed Step Elementary School. He seemed receptive in interviews prior to becoming superintendent and then refused to return phone calls after becoming superintendent. The district did not change its policies toward the Step Charter School in any discernable way. The philosophies of the Board of Education were maintained and reflected in the change in leadership and seemed to reflect the feelings of the rest of the Stone blue-collar community. The number of students leaving for the Step Charter School was continuing to grow as they added a grade each year they were open.

The situation in the Stone Area School District will only become more challenging as time passes. The Step Charter School was only in its fourth year of operation so this story has by no means concluded or even reached a level of stability. At what point will the market share loss be enough to make the district’s stance toward the Step Charter School open for discussion? This threshold has yet to be reached. The change in legislation that governs charter schools now allows charter schools to borrow
for capital expenditures. With the increases in both grade levels and enrollment, the Step Charter School could easily find other facilities available, without having to gain control over the old elementary school building.

**Conclusion**

Following Yin’s (1994) recommendations, the replication logic applied in this comparative case study analysis allowed for conclusions to be tested as each case study “experiment” was completed. When a finding could be applied successfully across all three case studies, the result qualified for inclusion in the cross-case conclusions. Although the study’s propositions concerning the effects on the relationships between districts and charter schools over the passage of time and movement through stages were not supported in any consistent fashion, the overall propositions about higher levels of threat in terms of financial costs and enrollment losses predicting stronger district responses were supported. However, the character and quality of district responses to increasing perceptions of threats varied and were not always positive or effective, as seen especially in the Stone District’s experience.

The character and quality of leadership in each district seemed to be the strongest single factor contributing to an explanation of the district’s behavior toward charter schools. This also seemed to affect whether school districts found any opportunities or benefits in having charter schools in their district. The combination of leadership with the context of the community the district served provided the most compelling explanation for district behavior. One could not eliminate the community from this equation. In the case of the Stone Area School District, even if the superintendent had wanted to change the district’s stance on charter schools, he would have faced strong opposition from the school board. In the Brunswick Area School District, if the superintendent decided to oppose the development of charter schools instead of accommodating them, he would face opposition from members of the community who supported choice. The Highland District demonstrated the most surprising behavior. The district responded to a relatively low-level threat from cyber charter schools with a high cost behavior, founding a cyber charter school. This happened because the superintendent was able to convince the
school board and the community of the benefits of getting into the cyber charter school arena. Dublin used the Newton Charter School and the threat it posed his district as a motivator for his school board. In this way he was able to use the challenge as an opportunity to get his school board to do something it might not otherwise have done. They had come to trust his judgment and the merits of his reasoning, because of his reputation, years of successful leadership, and proven character. He had earned their respect through years of wise decision-making.

The competitive effects of charter schools were significantly different in each of the districts. In the Stone District the effects have yet to reach their full potential. Each year the district will face an increased level of threat because of the growing Step Charter School. As yet the threshold has not been reached that will prompt the school district to view the Step Charter School as an opportunity that could allow them to lower costs or increase programs. They certainly have not taken the time to understand why parents are choosing the charter school to then evaluate and improve their own programs. In the Brunswick District the superintendent has recognized that the charter schools are viewed as a strength by some parents in the community. She sees the niche charter schools as something the district does not have to provide to the demanding parents who would be seeking those services from the school district without the presence of charter schools. She also understands that her district cannot and should not provide all of the services the charters have provided, and in turn has developed relationships with the charter schools in the best interests of the students in the district. In the Highland District, the superintendent has used the cyber charter school they created to expand curriculum offerings and deliver valued services to their community. These examples are meant to illustrate the opportunities that the districts have seen or missed with respect to competition from charter schools.
CHAPTER 6

SUMMARY, FINDINGS AND IMPLICATIONS OF THE STUDY

Introduction and Purpose

The purpose of this exploratory study was to describe and analyze how selected Pennsylvania school districts are dealing with charter schools and, especially, how they perceive and respond to the challenges and opportunities presented by the arrival of charter schools. This is an increasingly significant policy issue in national education reform efforts because the Bush Administration and the Republican Party are squarely behind increasing school choice and the number of charter schools, and because the far-reaching federal “No Child Left Behind” Act features school choice and supplemental services providers as the answer for children “trapped in failing public schools.”

Advocates of market-based competition in education reform believe school choice will force school districts to respond and improve. Most research, however, shows that the effects of competition are complicated and depend on the district context and on reaching a threshold level of threat which forces more than token responses from school districts (Hess, 2002; Hess and McGuinn, 2002). Based on prior research about public school responses to competition, threats, and opportunities for innovation, it was anticipated in this study that school district responses to charter schools might include efforts to capitalize on perceived opportunities; more public relations and marketing efforts to retain students; efforts to offer attractive new programs or features to retain students; efforts to cast doubt on the quality and reputation of charter schools; or some combination of these and other possibilities. To understand district responses, a comparative case study of three school districts was undertaken to investigate factors affecting responses, such as the sociopolitical context of districts, the character and quality of relationships between districts and specific charter schools, and how these relationships change over time.
Based on prior research, the following research questions guided this study:

1. To what extent and how are districts responding to opportunities or challenges they perceive to be presented by charter schools?
   a. To what extent and how are districts altering their public relations and marketing efforts in response to opportunities or challenges they perceive?
   b. To what extent and what kinds of programs are districts adding or altering as a result of the opportunities or challenges presented by charter schools?
   c. To what extent are districts adding or matching programs offered by charter schools?

2. What is the character of the relationships between districts and charter schools and how are these relationships changing over time?

3. What differences in the context and leadership of districts seem to account for the variation in the responses that are seen?

**Background and Need for the Study**

The creation of charter schools -- as a new form of public schools independent of school districts, yet accountable for results in exchange for autonomy -- was intended to increase choice and innovation in American public education. By releasing these schools from the bureaucracy and regulations thought to inhibit creativity and responsiveness in public schools, the hope was that charter schools would be not only innovative and attractive in their own right, but would become incubators of innovations that would spread to other schools. Further, as Ted Kolderie (1990), one of the founders of the charter school movement, argued, by ending the “exclusive franchise” that public school districts enjoyed over the provision of public education within their boundaries, charter schools would introduce competition for students and funds that would spur districts to improve their schools. Indeed, beginning with the influential publications of Nobel Laureate Milton Friedman (1962), many economists and neoconservative education reformers have long argued that competition is needed in public education to combat monopoly pathologies they perceive, by forcing educators to improve the quality of their programs.
Frederick Hess captured these concerns, as well as the obstacles to introducing competition to public education, when he asked:

What if Michael Dell, CEO of Dell Computer, and Michael Armstrong, CEO of AT&T, operated in a market where revenues depended hardly at all on attracting or losing customers? What if competition exerted minimal pressure and if market threats could often be trumped by successful efforts to glean government subsidies? What if they had only sparse information on the performance of personnel and could not fire or demote most employees? What if they could count on potential competitors’ being deterred or eliminated by political and legal forces? This should all sound familiar to education reformers because these are the market conditions faced by the administrators running urban schools today (Hess, 2001, p. 8).

Besides being highly controversial, the introduction of market forces into public education has proven to be much more complex and far less certain of results than its advocates expected. Although opponents predict dire consequences will flow from choice plans that bring market forces into public education (Bracey, 2001), research shows that the effects vary considerably (from mild to significant), and that advocates and opponents consistently disagree about the effects. A study conducted for the U.S. Department of Education found that almost half of the 49 districts studied had implemented at least one new program in response to charter schools (Ericson and Silverman, 2001). Miron and Nelson (2002, p. 131) report numerous signs of change in Michigan districts as a result of competition from charter schools. As noted above, most research shows that the effects of competition depend on the district context and on reaching a threshold level of threat which forces more than token responses from school districts (Hess, 2002; Hess and McGuinn, 2002). This comparative case study explored the ramifications of this conclusion in three Pennsylvania school districts.

Design and Method of the Study
The conceptual framework of this study relates to theory and research on market forces and responses to competition. It takes as its point of departure research showing
that the effects of competition are complicated and depend on the district context and on reaching a threshold level of threat which forces more than token responses from school districts (Hess, 2002; Hess and McGuinn, 2002). Of the opportunities and challenges presented by charter schools, previous research indicates that it is the challenges or threats that are most often perceived (Finn et al., 2001, p. 26).

The key threats charter schools pose for school districts are the financial costs charter laws impose on districts, the threat of enrollment loss, and the erosion of governance control charters cause as independent public schools within the district (or beyond the district’s boundaries, in the case of cyber charter schools). Despite the assumptions of market forces reformers that competition will force organizations to respond and improve, public monopolies (or quasi-monopolies) such as school districts can be very slow to respond to competition (Hess, 2002; Hirschman, 1970). As Hirschman (1970) noted, in his classic book, monopolies can be “comforted by competition” (at least in its early stages) because it can drain off disgruntled and demanding clients or customers. The research literature indicates that district responses to the threats and opportunities charter schools present may be influenced by district size (small districts may feel the threats and impacts sooner than larger districts), district context (e.g., wealth, education level and expectations of the population), district leadership, and the history and evolution over time of relationships between districts and their charter schools (Ericson and Silverman, 2001; Finn et al., 2001; Hess, Milliman and Maranto, 2000; Hess, 2002; Rofes, 1998, 1999).

From the review of the literature, and the conceptual framework, the following propositions about district responses to charter schools can be stated:

*Financial impact:* As the actual or potential financial impact on the district increases, the district response will become more pronounced.

*Enrollment trends:* Districts with declining enrollments will feel the loss of students to charter schools more acutely; in such districts charter schools are especially likely to be seen as threats, rather than opportunities.

*Governance control:* Charter schools with district sponsorship, participation and/or influence are more likely to be accepted. Charter schools independent of
district involvement will be viewed with skepticism. Charter schools forced on districts are likely to be resisted.

Types of responses: Low or no cost responses will be prevalent until the impacts or threats are perceived to require higher cost responses.

Size: Smaller districts are likely to feel the effects of charter schools sooner than larger ones.

Passage of Time: Districts may go through stages of development, from antagonism to cooperation (or at least peaceful co-existence) in their relationships with charter schools.

History of relationships: Past relationships between the superintendent/board and the charter school and its key players will influence current relationships, past battles may be re-fought, entrenched positions created/maintained, etc.

Community context: Community expectations and traditions will influence superintendent and board actions and decisions.

Leadership behavior: May be critical to district responses.

A general hypothesis is that the greater the impact of a charter school on a district, the greater would be their response. (Impact can be measured in terms of loss of students and the financial consequences, the types of students lost, the impact on district’s programs, etc.)

To enable an in-depth analysis of the factors affecting responses by school districts to the challenges and opportunities they perceived to be presented by charter schools, a comparative case study design was selected, focusing on case studies of three districts experiencing significant charter school activity. Data were collected from documentary sources and through interviews with superintendents, other central office personnel including school business managers, school principals, school board presidents, union leaders, the chief administrative officers (CAO) of charter schools, charter school parents, and newspaper reporters. Following comparative case-study methodology (Yin, 1994), case studies were created, analyzed, and compared to identify the strategies and continuum of responses by the three school districts, and the variety of factors that might affect responses. The development of each district’s response over time was analyzed.
Although preventing generalizations, the small purposive sample of school districts enabled the collection of rich data and an in-depth attempt to capture the essence of the factors affecting responses, from both the district and the charter school perspective. The lessons the researcher learned from his intimate personal knowledge of the SusQ-Cyber Charter School experience (described in a miniature case included in Appendix A) were utilized to pursue an “insider’s view” of the relationships between districts and their charter schools. To guard against and minimize the researcher’s biases, from his experience as a school administrator and as a participant in the SusQ-Cyber Charter School experience, the researcher endeavored to give equal weight to the opinions of all persons interviewed, discussed his understanding of events in follow-up interviews with key informants (and gave them an opportunity to correct or challenge any statements or interpretations with which they disagreed), and discussed his data and emerging findings with knowledgeable observers of district-charter school relationships, including his dissertation advisor.

**District Selection Process**

The three school districts included in this research were identified using a filtering selection process. The vast majority of the 501 districts in the state did not have a charter school presence, so finding those that had not only a presence, but a significant presence that would warrant a district-level response was critical to this study. The first filter used to identify a competitive environment were the decisions made by the state’s Charter School Appeals Board. It was important to find school districts that had experienced some threat or conflict due to charter schools, either by being forced to approve charter schools after having previously rejected their application or by having to fight back in some way. The next step was to research whether any of those districts had approved additional charter schools. The intent was to find school districts that were experiencing a high level of charter school activity from multiple charter schools. The maximum enrollment for all of the charter schools in the district was compared to the overall student enrollment to see if the potential for a significant market share loss to charter schools was possible. The length of time that the charter schools were operating in the
district was also considered. It was important to find districts that had charter schools operating for as long as possible because of the factor of time and its possible effect on shaping the district’s response to charter schools. This combination of factors narrowed the scope to eight school districts.

The next phase in the selection process involved preliminary research on each of the eight school districts to identify the districts that had the greatest potential for providing a rich basis for conducting a rich case study and cross-case analysis. Online newspaper databases were searched to see if there was information available that documented the district’s relationship with charter schools in its area. Documentation from the State Senate hearings on charter schools was reviewed to see which districts presented and to identify key contacts who would be familiar with the charter school initiative in Pennsylvania. The districts that presented at the state level were cross referenced with the eight school districts already identified to see if there were any matches. The state leaders that presented at the Senate Hearings were also contacted to see if they could identify any districts that would have a documented history of challenges or opportunities presented by charter schools. Conversations were held with leaders both for and against charter schools. This process narrowed the list of eight school districts to five.

To narrow the list of five districts down to the final three, school profiles for each district were analyzed off the Department of Education’s website. It was important to find districts that varied in size to try to understand how that factor impacted the district-level response. It was desirable to identify districts with different socioeconomic levels to see if this had any impact on the districts’ responses to charter schools. The last step of the selection process was to choose schools that offered a variety of different relationships from adversarial to cooperative and that represented the major issues that school districts were encountering from charter schools. The differing communities were also considered because much of the research on charter schools focused on large urban areas. This study directed its attention to the smaller and medium sized school districts that represent the majority of school districts in the state. Being able to effectively document the initiative in a large urban district was another concern that factored into the
selection process. The researcher felt that large urban districts are facing so many challenges that isolating the charter school impact would have been exceedingly difficult.

The three districts selected for inclusion in the study each had a documented response to charter schools. They represent schools in different parts of the state. Each district had been affected differently by multiple charter schools. Two of the districts had been directed to approve charter schools they had previously denied. The third district’s main impact came from cyber charter schools, which it never had the chance to deny because cyber charter schools can draw students from districts across the state. The districts also varied in student enrollment and achievement. The relationships identified from the preliminary research varied from proactive and cooperative to highly antagonistic.

It is important to note that another important step for including each school district in the study was to get permission from the superintendent. Two of the three superintendents were helpful and willing to cooperate; the third superintendent never responded to phone calls or emails. The first response was to eliminate this district from the study; however, based on the work of Teske et al. (2001), who documented a lack of response from district officials when invited to participate in research as an indicator of the district’s leadership, the researcher believed it would be productive to include this school district despite the superintendent’s initial lack of cooperation.

**Interview Process**

The interview process for the study varied slightly from the initial plan. The first change was to include the business manager in the list of officials to interview in each district. This was done in an effort to fully understand the financial implications of charter schools, since financial implications have been the most documented impact on school districts. The second change to the interview process came from further reading about comparative case study methodology (Yin, 1994). The original plan called for each level of official to be interviewed across districts before moving on to the next. This would have placed the emphasis on the position instead of on each individual case, which goes against this research methodology. Had this strategy been carried, out it would have
limited the valuable cross referencing of information that can take place when all of the interviews for a case are carried out in a shorter time frame. As a result, a decision was made to fully investigate one district at a time. This was in line with the intent of the research methodology, which enables developing theories to be evaluated and shaped after each case is completed.

The interview questions used for the study are presented in the Appendix. The questions for the interviews were developed by analyzing the study’s research questions, and applying them to their intended audience. The number of questions was limited so that the length of interviews would not be viewed as burdensome to the participant. The questions were designed to be open-ended in nature so that the participants would be encouraged to elaborate and discuss the issues as they saw them.

The interviews themselves were conducted between January 2004 and April 2005. Interviews with thirty-nine people were attempted over this time, with only two people in one district refusing to be interviewed. Ultimately, thirty-seven individuals were interviewed, twelve each in two districts and thirteen in the other district. In addition, there were three follow-up interviews with persons interviewed in the Stone District, two in the Brunswick District, and three in the Highland District. In these follow-up interviews with key informants, the researcher discussed his understanding of events in their district and gave them an opportunity to correct or challenge any statements or interpretations with which they disagreed. A list of those interviewed and their positions in the districts is presented in the Appendix. Emails and phone contacts were utilized to set up the initial contacts. The study was briefly explained to all of the participants and a copy of the informed consent letter (in Appendix) was either faxed or mailed to all of the potential candidates prior to their interviews taking place. The identity of the districts and persons interviewed was protected through the use of pseudonyms. All of the informed consent letters were kept on file with the principle investigator. The interviews were conducted either in person or on the phone based on the preference of the participant. Each interview lasted approximately forty-five minutes and the researcher took notes while conducting the interviews. After an interview, the researcher reviewed the notes to add anything that might have been missed. Within two days of the actual interview the
researcher transcribed the notes from the interview into an electronic database utilized to draft each case study report.

**Case Study Method and Cross-Case Analysis**

Following the methods for case studies described by Yin (1994), case studies of each of the three districts were created, based on the interview data and documentary data from newspaper accounts and other sources. Following Yin’s (1994) advice, the case studies were completed one at a time, in a sequence, which enabled the researcher to look for themes and causal relationships and “test” them in comparisons with patterns found in the subsequent case studies. Yin (1994) uses the analogy of a detective when discussing comparative case study methodology. He describes each case as a different “experiment” that is meant to test and shape a growing hypothesis. Chapter 4 presents these case studies. Each case study begins with a chronology of key events, and is followed by a case history of the important events and actors. Chapter 5 presents the cross-case analysis of the case study data, organized by findings for each of the study’s research questions, with the analysis focused on the themes and propositions from the study’s conceptual framework.

**Limitations of the Study**

Like all research, this study has some clear limitations. The most important limitation is that the findings of this research cannot be generalized and can only be suggestive, because of the small number of school districts studied and the purposive selection of the districts. Another limitation revolves around the size of the school districts included in the study. No large city school districts were included in the study and most of Pennsylvania’s charter schools are located in one large city, Philadelphia. The researcher did not believe that the charter school relationships could have been effectively documented in Philadelphia within the constraints of time and resources available for this dissertation. Time was also a limiting factor. The study followed the charter school initiative over close to eight years but some of the schools in the study have only been in operation for a fraction of that time. Simply having this same study
replicated five years from now might produce interesting results. Some of the relationships will no doubt reach a point of change over that period of time.

Another word of caution about this project is that it took place during a time when multiple reforms were simultaneously impacting school districts. Murphy and Shiffman (2002, p.206) warn that charter schools are just one of a complex array of school reforms. This must qualify any explanation of district behavior that is attributed to charter schools. This is compounded by the fact that, for a variety of reasons, districts were hesitant to attribute any changes directly to charter schools. The most challenging issue facing school districts in the state is the federal No Child Left Behind (NCLB) legislation. As this legislation unfolds, the requirements for schools to reach Adequate Yearly Progress (AYP) increase and require more of the districts’ attention.

A final important limitation arises from the researcher’s own experience as a school administrator and as a participant in the SusQ-Cyber Charter School experience. Although these experiences provided him with many helpful insights relevant to the study, they also unquestionably influenced his perceptions and value positions. As safeguards to counter these biases, the researcher endeavored to give equal weight to the opinions of all persons interviewed, discussed his understanding and interpretation of events in follow-up interviews with key informants (and gave them an opportunity to correct or challenge any statements or interpretations with which they disagreed – a modest form of “member checking” [Gall, Gall, and Borg, 2005, p. 322]), and discussed his data and emerging findings with knowledgeable observers of district-charter school relationships, including his dissertation advisor.

Findings Regarding Key Propositions

Financial Impact: As the actual or potential financial impact on the district increases, the district response will become more pronounced.

- The Stone District experience supported this proposition.
- While district respondents saw charter school financial impacts as one of their primary challenges, this actually seemed more perception and propaganda than fact.
• Charter school impacts were greatest at the outset, when budgets couldn’t be adjusted to accommodate expenditures. When large numbers of students left a district they could make budget cuts to compensate for the loss, and for each student lost they only had to pay the charter school about 70% of their per pupil expenditure.

Enrollment Trends: Districts with declining enrollments will feel the loss of students to charter school more acutely; in such districts charter schools are especially likely to be seen as threats, rather than opportunities.

• Enrollment trends did seem to either blunt (if increasing) or accentuate (if decreasing) the impacts of charter schools.

• An aging population and declining industry also seemed to go along with declining enrollment and left districts in a more challenging financial situation.

Governance Control: Charter schools with district sponsorship, participation and/or influence are more likely to be accepted. Charter schools independent of district involvement will be viewed with skepticism. Charter schools forced on districts are likely to be resisted.

• Control was a critical factor in how districts perceived and responded to charter schools. Leaders in each district tended to see charter schools they didn’t approve as a threat or challenge, while many of the same leaders viewed charter schools they did approve, or had a hand in developing, as an opportunity.

• Two districts (Brunswick and Highland) used the control they had over charter schools very effectively while a third (Stone) did not.

Types of Responses: Low cost responses will be prevalent until impacts or threats are perceived to require high cost responses.

• Some districts took high cost responses even when the charter school impacts were not viewed as big threats.

• Stone district resisted a charter school to try to avoid high costs, but ultimately incurred high costs due to their resistance.
Size: Smaller districts are likely to feel the effects of charter schools sooner than larger ones.

- Size seemed to affect whether a district was able to muster a constructive response; it warrants further investigation.
- The smallest district (Stone) felt the greatest threat and had the most difficulties.
- The other two districts, with larger administrative staffs, were able to mount more effective responses to charter schools.

Passage of Time: Districts may go through stages of development, from antagonism to cooperation (or at least peaceful co-existence) in their relationships with charter schools.

- The three case studies didn’t display the stages Rofes found in response to charter schools.
- Their behavior showed some variation in responses over time, but these shifts seemed associated with changes in leadership philosophy at either the charter school or the school district.

History of Relationships: Past relationships between the superintendent/board and the charter school and its key players will influence current relationships, past battles may be re-fought, entrenched positions created/maintained, etc.

- The history of relationships between a charter school and a district was a critical factor affecting district responses.
- In some instances relationships were poisoned by links to earlier community disputes.
- Where charter school founders had a positive working relationship with the district prior to founding their charter school, it tended to continue in that fashion after the founding.

Community Context: Community expectations and traditions will influence superintendent and board actions and decisions.
• Traditions, trust, and expectations seemed very important components shaping how a district would respond.
• Leaders tended to reflect the desires of the community they served but, with the presence of trust, could move the response to charter school beyond what might have been expected for that community.

Leadership Behavior: May be critical to district responses.
• The effects of leadership behavior were even greater than expected.
• Even in challenging situations leaders were able to spin the other factors to strongly impact the district’s response to charter school.
• This was evident in responses that, from the researcher’s perspective, benefited or harmed the students living within that district.

Findings Related to the Research Questions
To what extent and how are districts responding to opportunities or challenges they perceive to be presented by charter schools? (Key Propositions Addressed: Governance Control, Types of Responses, and History of relationships)

At first glance the districts’ responses to charter schools seem to follow no pattern. In each district responses varied from low to high cost behaviors. All three districts demonstrated uncooperative behavior toward some charter schools and cooperative behavior toward others, especially those over which they had some control. This erratic behavior was consistent with what Rofes (1998, p.16) found when he stated that districts did not behave in one predictable manner. Regarding this research question, the theme that emerged revolved around power and control. The school districts studied do not like being told what to do. The idea of local control is deeply embedded in the culture of Pennsylvania and the individual school districts. When looked at through this frame the district behaviors begin to make sense. In all three school districts, when the idea for a charter school emerged from within the leadership of the district, cooperative relationships can be documented. When the idea for a charter school emerged outside a
district’s leadership, the relationship was more skeptical and often antagonistic, and the districts’ behaviors reflected this.

In the Stone Area School District, the contrasting behaviors epitomize the effect of power and control and how it affects the school districts’ behavior. The Pole Charter School was a joint effort in the Intermediate Unit and the Stone district participated and was in favor of founding the school. A school district being supportive of a charter school serving at-risk students was documented in studies conducted in Arizona (Hess, 2000). By contrast, the Step Charter School was founded by community members upset by the school district closing their neighborhood school. The school district’s leadership reacted negatively to the charter school proposal and became antagonistic. The pattern of a charter school being formed as a result of a school board’s unresponsiveness to the desires of a segment of the community has been found in a number of studies (e.g., Hess, Maranto, and Milliman (2000); Rofes (1998).

In the Brunswick Area School District the relationships are clearly more professional, as the culture of the district would require, but the issues of power and control can still be seen. The school district had discussed full-day kindergarten and was working on an implementation schedule, but not with the speed that a portion of the community desired. The Matthews Charter School founders developed the idea for transforming their pre-school into a kindergarten charter school, presented it to the School Board, and were met with resistance. Based on the professionalism and the success of this charter school, it would seem that this had more to do with the district being prodded to do something that it did not want to do than it did with the abilities of the founders to run a successful school. This was further exemplified when the school board voted not to renew the charter of this successful charter school despite a recommendation from the superintendent to renew it.

This resistant behavior by the Brunswick School District toward the Matthews Charter School was offset by a comprehensive practice of accommodation toward the two other charter schools in the district. The district went to great lengths to work with the charter schools in the district to develop a healthy relationship. This behavior can be attributed to the superintendent who shaped, through their evolving experience, a practice
of thoroughly evaluating charter school applications and overseeing their programs that was exemplary. The superintendent did this with the blessings of the school board, not because of their love for charter schools, but because of the superintendent’s urging to focus on what is best for children. It is his belief that, if the community wants charter schools, they as a school district must make sure the schools are effective and that the money spent on the schools is efficiently used. The level of charter school activity in this highly successful district might come as a surprise to Hess, Maranto and Milliman (2000), who found charter school activity primarily in troubled school districts.

In the Highland Area School District, the district on one hand fought adamantly against the external Newton Cyber Charter School and then founded its own Far State Cyber Charter School. The district initially refused payment to the Newton School and was highly dissatisfied with the program and costs associated with that cyber school. During the process of fighting this school, the Superintendent came to understand the value that portions of his community placed on this type of schooling. Instead of suppressing this type of schooling because he did not agree with it, the Superintendent developed the idea of founding the Far State Cyber Charter School in order to offer to his community what they desired, but in a way the district could control.

**To what extent and how are districts altering their public relations and marketing efforts in response to opportunities or challenges they perceive to be presented by charter schools? (Key Propositions Addressed: Types of Responses, Governance Control, and Community Context)**

The school districts did little to advertise their programs as a response to charter schools. The Stone Area school district publicized a newly constructed school upon its completion but it could be argued that this would have been done regardless of the existence of the Step Charter School. In the Brunswick Area School District the district already had a strong reputation in the community. No new public relations or marketing campaign was identified. It was noteworthy that the manner in which the district has accommodated the charter schools has led some in the public to believe that the charter schools are just another district program. The Brunswick Superintendent will often get
parent calls about the charter schools and he must redirect the parents to the charter school and explain the district’s relationship with the charter school. The district fosters this belief by having the charter schools listed on their website. This is close to the stage four behavior Finn et al. (2001, p. 26) describe as embracing the concept of charter schools. They noted that very few districts have reached this level of behavior.

In the Highland Area School District there was a marketing and advertising campaign, but it was for the Far State Cyber Charter School, which it founded. They sent letters out to the parents of homeschoolers in the district in an effort to recruit them to attend the Far State Cyber Charter School. This was a productive endeavor that led the vast majority of cyber school students enrolled in other cyber schools to transfer to their cyber school. This also prompted some homeschoolers who were not previously involved in public education to enroll in the district’s cyber charter school. Finn et al. (2001, p. 26) would argue that this is an example of what they call stage three behavior, where districts try to fight back and outdo charter schools. It just so happens that in this instance the district’s response was in the form of another charter school. The district’s response achieved the desired outcome of attracting back students who had left (or who had thought about leaving) to a program over which the district had control.

To what extent and what kinds of programs are districts adding or altering as a result of the opportunities or challenges presented by charter schools? To what extent are districts adding or matching programs by charter schools? (Key Propositions Addressed: Financial Impact, Enrollment Trends, Governance Control, Types of Responses, Size, and Leadership Behavior)

In all three districts charter schools have influenced the programmatic offerings of the school districts. No district would admit to adding programs because of a competitive relationship with a charter school. They did, however, admit to changing their program in response to charter schools with which they had a cooperative relationship. The relationship in some cases prompted a district to cut back on programs that were costly, as in the case of the Stone Area School District. They decreased the number of students placed in private alternative education programs and enrolled those students in the Pole
Charter School. This was viewed as a cost savings and also an issue of control. The district had an administrator on the board of the charter school overseeing the program. The Stone Area School District also added a low cost parent program in response to the parent program being offered at the Step Charter School.

The real (or alleged) financial impacts of charter schools have affected district behavior, with implications for the quality of their programs. The administration in the Stone Area School District believed a recent teacher strike could be attributed to the Step Charter School. The district believed and publicized that they had to significantly raise taxes as a result of the Step Charter School. They offered an early retirement incentive in the district, and have not replaced retired administrative and instructional staff because of declining enrollments they attribute to the Step Charter School. It is important to note that the district was not strong prior to the impact of charter schools and now, through statements to the media, the majority of their problems are attributed to the Step Charter School.

In the Brunswick Area School District the rate at which a high cost program was implemented was influenced by the Matthews Charter School. The Superintendent vehemently denied that the district began offering full-day kindergarten as a result of the Matthews Charter School. He stated that the addition of this program was a part of the district’s strategic plan. What can be safely stated, based on feedback from several administrators inside the district, is that the district fully implemented full-day kindergarten sooner than it would have without the presence of the Matthews Charter School.

The Brunswick Area School District’s overall philosophy of accommodation toward charter schools impacted other new programs offered. The district developed an orientation program to help students moving back to the district from charter schools at the end of eighth grade. This was done to help the students make a smooth transition back into the school district. This example reflects the district’s belief that the students in the district are their students, regardless of whether they attend a charter school. According to the union president, the Brunswick district has also increased its technology
offerings over the last few years in their middle schools, due to the high technological offerings at the middle level charter schools in the district.

As in the Stone Area School District, there was a documented financial impact in the Brunswick School District. The major difference between the two districts had to do with the market share lost to charter schools. The charter schools in the Brunswick Area School District had enrollment caps that had already been met, so the financial impact has not substantially increased in recent years. The Stone Area School District is facing a market share loss that is increasing on a yearly basis because the Step Charter School’s charter has no cap on enrollment and includes the addition of a grade at the top each year, until it becomes a K-12 school. This makes the threat to, and impact on, the Stone Area School District much more severe. To compound the differences, the Brunswick Area School District is better able to handle tax increases because its population is more willing and able to pay for increased choice and programmatic offerings.

The Highland Area School District developed a unique entrepreneurial response to the limited pressure it felt from cyber charter schools. The district had not lost a significant market share to charter schools, but its leadership was extremely dissatisfied with the services their students were receiving, the tuition costs they were being forced to pay to cyber charters schools around the state, and their lack of control over these matters. The district decided that the best way to compete with the cyber charter schools around the state was to found their own cyber charter school. The Superintendent used the phrase “counter terrorism” to describe the district’s motivation for starting the charter school. The Highland District planned to expand the curricular offerings within the district by offering a variety of distance learning courses through their cyber charter school. The opportunity to retain control of district funds, offer a desired program, and broaden the district’s curricular offerings were definite motives for this entrepreneurial Superintendent. Hess, Maranto, and Milliman (2000) would argue that the perceived threat of losing large numbers of students to cyber charter schools was used by the entrepreneurial superintendent to motivate the school board to fund the founding of the Far State Cyber Charter School. Such a high cost response to such a small loss of market share was inconsistent with Rofes’ (1998) findings.
What is the character of the relationships between districts and charter schools and how are these relationships changing over time? (Key Propositions Addressed: Financial Impact, Governance Control, Passage of Time, History of Relationships, Community Context, and Leadership Behavior)

As noted earlier, this dissertation was meant to be exploratory in nature and suggestive of what might be investigated further. The researcher has followed the development of charter schools in Pennsylvania since the movement began with the passage of Act 22 in 1997. He observed the impact of charter schools in four districts prior to the research study and researched three other districts during the research project. The study drew on developments in nine different charter schools. Two of these charter schools were covered in the miniature case studies concluded prior to the research project (see Appendix A), and seven of the charter schools were studied during the research. Four of the charter schools studied were cyber charter schools. The study included two districts that were forced to approve charters by the Charter School Appeals Board (CSAB). Selection of these districts was done in response to the research done by Ericson and Silverman (2001, p. 46) who found that when an entity outside the school district grants the charter it sets the stage for a competitive relationship. The focus of this research was on developing a clear picture of the complex relationships in a small sample of school districts and the CSAB helped identify the location of these relationships.

The relationships with charter schools varied greatly within each district and from district to district. In the Stone Area School District, the relationship with the Pole charter school was clearly cooperative and led to an arrangement the district found productive, particularly because the charter school was viewed as a benefit since it affordably educated at-risk students. The relationship with the Step Charter School began in a hostile fashion and stayed that way. The district spent large amounts of money fighting this charter school and the adversarial relationship shows no sign of changing.

In the Brunswick Area School District the relationships were more civil but still varied from cooperative to antagonistic. The Matthews Charter School, which offers full-day kindergarten, had its charter denied by the school board both at its original
The state’s Charter School Appeals Board overturned the district’s denial and then directed the school district to approve the charter. In the case of the Shenandoah Charter School, the district and charter school relationship, as described by the leader of the charter school, has been very cooperative. The chief administrative officer explained that she even had identified several areas where her school was not living up to their charter agreement and the school district had overlooked the deficiencies.

In the Highland Area School District, contrasting behaviors between the district and charter schools can also be seen over the history of the study. The Newton Cyber Charter School began enrolling students from the district but was initially refused payment by the district. This was the result of the district’s objections to financial and programmatic problems it perceived in the Newton Cyber School. The district filed an injunction against the Newton Cyber Charter School as a result of this. In an imaginative and entrepreneurial response, the district founded the Far State Cyber Charter School. The money for the start-up of this charter school was approved by the district, and the district actually housed and shared staff with the cyber school.

These contrasting relationships within each district make it very difficult to characterize each relationship other than to say it resembles that of the split personalities of Dr. Jekyll and Mr. Hyde. The key feature seems to point back to whether the district supported the idea from the start or whether the charter school was perceived as a threat to the finances, control, and culture of the school district. School Districts do not like to be told what to do and, when a charter school in effect does that, districts may respond in an antagonistic way.

The study’s conceptual framework called for an analysis of how the district charter relationship changed over time. The work of Rofes (1998) and Kelly (2001) discussed the impact of time on the relationship. They described districts going through stages from hostility, response, and finally equilibrium. This study used data collected from a broad segment of the educational community in order to generate an understanding of the district and charter school relationship over time. Data were collected from interviews inside the district, outside the district, and through third party
sources to detail the relationship over time. It is certainly possible that more time could be necessary for the district and charter relationship to develop along the continuum of stages proposed by previous research, but the findings generated by Rofes (1998) were over a fairly short time period. The results of this research in Pennsylvania did not point to time as being a reliable factor in predicting the nature of the relationship between charter schools and the traditional school districts.

Change in the relationship between the school districts and charter school was noted in several districts, but these changes usually could not be attributed to the passage of time. In other districts where charter schools have been in place for several years there has been no notable change in the relationship. Dramatic shifts in the charter and district relationship have been documented that then were maintained for years afterward. School districts appear to respond to charter schools in a manner that is consistent with how they respond to any other challenge or opportunity. The manner in which districts and charter schools behave can be attributed to the leadership in that organization and to perceptions about threats and opportunities. In the case of the school districts the focus is on the Superintendent and School Board. In the case of the charter schools the focus is primarily on the chief administrative officer.

Stepping outside the districts studied for this dissertation, for another example known by the researcher, in 1998 the Bloomsburg, Berwick, and Milton school districts founded the SusQ-Cyber Charter School. The nature of the new cyber charter school changed from a means to deliver a more diverse curriculum to the founding school districts to a financial drain that attracted a large number of at-risk students whose sole motivation was to escape the traditional public school system. These students were never the intended audience for enrollment in the cyber school. The leadership of the charter school at that time encouraged this development. This was very alarming to the founding districts and caused a contentious and hostile relationship between the districts and the cyber charter school. Just one year later the enrollment in the cyber charter school leveled off. The relationship with the districts had improved and the cyber school was being looked at by the department of education as a model for how cyber schooling should be delivered. This was not attributed to the passage of time, but due to the
changes in the leadership of the cyber school. The new leader came out of the public school system. He was a retired Superintendent from the Bloomsburg Area School District. He worked hard to develop a productive relationship with the founding districts and this was greatly appreciated by the districts with which he worked. This was something the board of the cyber school valued and looked to maintain once this leader left the cyber school. The result was the hiring of another retired superintendent who went on to maintain this relationship with the districts.

At the other extreme, the Stone Area School District decided to close a neighborhood elementary school, which severely angered the community it served. The people of the community then founded the Step Charter School as a response. This response was consistent with Finn et al.’s (2001, p. 30) observation that charter innovations are situational and can provide communities with opportunities not found in the district. This charter school would not have existed if the school board had not closed the neighborhood elementary school. The district opposed the formation of the charter school and then was forced to accept the charter by the Charter School Appeals Board. This relationship was antagonistic from the start. By the third year of Step’s charter with the district, there had been no documented change in the relationship. The district actually expended financial resources to challenge and fight the Step Charter School. In this instance, there also was a change of superintendents, but the new leader was promoted from within and maintained the same stance as the previous administration. This was a direct result of the desires of the School Board.

It would be fair to say that more time might be needed to see if the predicted types of relationships emerge. Because the Step Charter School’s enrollment is uncapped, and its charter also allows it to add a grade a year until it becomes a K-12 school, it will not be possible for the Stone Area School District to resist this charter school indefinitely, because they will have to begin to accommodate it in some way. If not, the financial drain on the district could reach a breaking point and the district might no longer be able to function. Murphy and Shiffman (2002, p.142) proposed that competition could lead to the replacement of non-responsive systems of conventional schooling. This is within the
realm of possibility if the school district refuses to develop an understanding of why parents are opting to send their children to the Step Charter School.

**What differences in the context and leadership of districts seem to account for the variation in the responses that are seen? (Key Propositions Addressed: Financial Impact, Governance Control, Types of Responses, Size, History of Relationships, Community Context, and Leadership Behavior)**

As described above, the district responses to charter schools in this study varied greatly. The responses ranged from highly antagonistic to cooperative. Placement on this continuum did not seem to vary in a predictable way based on time. The variations also did not seem to vary based on the type of community the district served, although this had an influence. The primary source of a district’s response seemed to stem from the leadership of the superintendent, and the superintendent’s perception of the degree of threat being faced. The School Board hires and evaluates the Superintendent so their role is obviously important as well. The style of leadership displayed by the Superintendent did not appear to change as a result of charter schools. The Superintendent’s behavior toward charter schools seemed consistent with their behavior toward other challenges faced by the district. This agrees with the findings of Tasked et al. (2000, p. 9) when they described the superintendent’s behavior toward competition as similar to that preceding the growth of charter schools. Examples of these challenges would be No Child Left Behind, declining tax base, drops in enrollment, school consolidations, school board turnover, etc.

The leadership of the Stone Area School District was consistent even after a change in Superintendents. The past Superintendent displayed hostile behavior toward Step Charter School. He placed roadblocks in the path of the school’s formation that cost the school district money with few foreseeable benefits. The denying of transportation that was clearly required by the legislation was an example. This resulted in a court hearing and lawyer fees that were simply wasted. The most significant example was a protracted battle to prevent the Step Charter School from being able to use the closed Step Elementary School.
The Stone Area School District spent large sums of money retaining ownership of a school building they had recently voted to close. This took place in a district that was financially strapped. There had been a difficult labor negotiations resulting in a teachers strike due to financial difficulties. This facility issue developed because of wording in the deed to the property. The company that gave the property to the school district for the construction of school, wanted ownership of the property to be returned to the company if the property was no longer to be used as a school. The new Step Charter School found out about the deed restriction and asked the company to give the property to them for use once again as a school. The company, having no use for the property, felt this would be appropriate.

The school district found out about this and decided to keep the school open for supplementary school purposes. The financially challenged school district was continuing to spend money on a school they said they did not need, just to keep it out of the hands of the Step Charter School. The new Superintendent was quoted saying “they (the Step Charter School) will never get that school”. This view was perpetuated by the School Board and maintained by two different Superintendents. At no point did either the past or present Superintendent go on the record saying that this might not be a wise use of district funds. On a final note the past Superintendent did not return phone calls and refused repeated written requests to participate in this study. The new Superintendent, who had participated in the study as a principal, did not return phone calls or respond to emails after becoming superintendent. The School Board President, who responded cooperatively to a call and asked to reschedule a time to be interviewed, then never returned a phone call or an email.

The second school district studied, the Brunswick Area School District, certainly offered a contrasting view on the state of public education in Pennsylvania when compared to the Stone Area School District. The Brunswick community is more affluent and highly educated, thanks to the location of a university inside the district. The school district has a very good reputation and is known for its outstanding academic performance. This type of setting was not a place where charter school activity would have been predicted to have been high. What emerged were three niche charter schools
that offered small schools with unique programs that parents valued. The three charter schools served a total population of just over two hundred students, which amounted to less than three percent of the total student population.

The Brunswick District displayed collegial behavior toward its first two charter schools, but antagonistic behavior toward its third charter school. The school district willingly approved two charter schools within the first year of the legislation. Both schools were small in scope and were believed to be innovative by the district. The district felt that these schools were desired by the community and would be too costly to recreate in a regular public school setting. The third charter school proposed was the Matthews Charter School. They proposed offering a full-day kindergarten, which the school district had not yet begun to offer. When the district reviewed the application, they denied it, but then were forced to accept it by the Charter School Appeals Board. One of the reasons for the district’s denial focused on the program not being innovative. This was difficult to understand, and was not accepted by the Charter School Appeals Board, due to the fact that the district did not offer that program. The question that had to be asked was why wouldn’t the district view full-day kindergarten as innovative when they were not offering it, but were planning to offer this costly program in the near future?

Later, after being forced to accept the Mathews Charter Schools, the School Board voted to deny a renewal of its charter, against the advice of the Superintendent and the district’s own committee. Again, they clearly were operating in an antagonistic manner. The motives seemed to revolve around personality conflicts between board members and the Mathews Charter School’s Chief Administrative Officer, rather than the best interests of the students and the taxpayer dollars for which the School Board was responsible. The district then had to spend more money on legal fees to defend their decision, only to be overturned once again by the Charter School Appeals Board. Power and control were at the heart of this School Board’s decision and, in this instance, interrupted an admirable record of working with and not against charter schools.

Although the School Board’s behavior was less than commendable in this instance, the district developed a longer history of productive behavior toward charter schools, following the guidance of their Superintendent. The Superintendent had
developed two processes that operated separate from one another to achieve two important goals for the district. The first goal, of effectively evaluating each charter school application, is accomplished through a committee set up by the Superintendent and run by a district administrator. The second goal was to effectively monitor the operations of the charter schools, so that district funds are being spent appropriately and the proper education of the district’s students is ensured. This is accomplished by the charter school liaison, who is an administrator assigned by the Superintendent to meet monthly with the charter school leaders and to oversee their operations. This insures a steady flow of information between the district and the charter schools that has proven highly productive for the students who often move from one school to another.

This model of working with charter schools, instead of against them, was both refreshing and productive. The negative behaviors by the School Board were not prompted by the administrative leadership in the district. The superintendent has successfully worked with the board to foster relationships with the charter schools. Based on the data collected in this case study, the issue of the context of the community seemed to arise as a possible explanation for the district level response. The last case study was the perfect test of this hypothesis.

The Highland Area School District community is much larger than that of the Stone Area School District, but mirrors the same culture. The steady decline of industry, the declining student enrollment, and the blue-collar nature of the community all are features similar to the Stone Area School District. The district’s response to charter schools began in a fashion similar to Stone Area, but then showed dramatic differences. The district leadership was very upset by the loss of students to cyber charter schools. They were concerned about the quality of the program received by the students, the exorbitant costs, and the loss of control. The district’s tradition of thrifty fiscal management made the bills from cyber charter schools particularly difficult to pay. The district’s response (like that of a number of Pennsylvania districts at the time) was not to pay the cyber charter schools that were drawing students. This refusal to pay tuition for services provided to their students was ruled illegal, but made life very difficult for the Newton Cyber Charter School.
In the process of practicing this form of civil disobedience, the Superintendent developed an understanding of both the cyber charter school initiative and the desire for this form of education by a segment of his community. This prompted him to develop the Far State Cyber Charter School. He would not have gone in this direction without an in depth understanding of the charter school initiative and its effects on his district. Founding their own cyber school was an entrepreneurial response to the advent of cyber schools that moved his district into a position of power with greater control over the outcome. In either situation the district would have to spend money on cyber charter schools, but the difference was that in one instance the district had no control and in the other the district had complete control of the finances and program offered to the district’s students.

For the superintendent to found the Far State Cyber Charter School, he had to convince his school board to agree to expend scarce district resources to cover the startup costs of the school. When the researcher discussed this with the school board president, he declared a very high level of trust in the superintendent. This gave the president and the rest of the school board the confidence to approve and fund this initiative. This trust had been built over the nineteen years during which time the district never raised taxes. This was not accomplished by standing still, but by developing a habit of creatively using state and district funds.

When the three case studies are placed together and analyzed from the perspective of the context present in each of the districts, and then the leadership provided by the superintendent is added, a workable hypothesis can be developed. The context of the school district is very important to the district’s response to charter schools. The academic results are clearly different in each district as a result of the community they serve. The district can influence this performance and certainly does, both positively and negatively depending on the district. The level of education in the community also affects the support for and the value placed upon education. The financial health of the community is clearly important to the amount of funds that are available to be spent on education. The Brunswick School District was able to spend almost a thousand dollars more per pupil than the Stone Area School District, and over fifteen hundred dollars more.
per student than the Highland Area School District. Still, these contextual factors were not the most significant influence upon the districts’ responses to charter schools.

Leadership differences provide the most compelling case for the most influential factor in determining the district level response to charter schools. This is consistent with the findings of Rofes (1998, p.18), who found that districts with a high level of responsiveness to charter schools usually had reform-minded leaders. None of the superintendents voiced enthusiasm for charter schools, either through first person interviews or through third party sources. They each demonstrated negative responses to the impact of charter schools on their districts. Each superintendent had disputes with at least one charter school within their district. Only one superintendent refused to move past these views and to develop a plan for their district that reflected the realities of the community they served. The Stone Area superintendent was faced with the greatest challenge from charter schools, but this challenge was largely the result of decisions for which he was responsible. The Step Charter School had taken a far greater market share than charter schools in the other districts. This made the mistakes of the past much more costly. Despite the likelihood of a charter school proposal as a possible response, this superintendent failed to effectively understand the impact of closing a neighborhood elementary school in his school district. He felt he and his school board had the power and authority to do this and believed that this was in the best interests of his school district.

Teske et al.’s (2000, p.10) research found that school principals’ behavior tended to become more entrepreneurial as a result of pressures felt from charter schools. However, in this case study research in the Stone district, one principal felt that his behavior had changed, while another stated that his had not, even while facing the most significant market share loss. Teske et al.’s research studied districts ranging from eleven thousand to over seventy thousand students. When compared to this study the behavior of the superintendents probably most closely parallels the principals in the large urban districts included in their research.

The superintendents in the Brunswick and Highland districts moved beyond their personal feelings to respond in ways that were productive for their particular districts.
The Brunswick Superintendent was visionary and developed a process of accommodating the charter schools that was admirable. This behavior may be what one could have been expected in such a successful and affluent school district. The most surprising development was the leadership displayed by the Highland Area Superintendent. When the context of the school district was compared to the other two, the district closely resembled the Stone Area School District, but its responses to charter schools did not. When the Highland district was more closely analyzed, the behavior of the school district was less surprising. The Superintendent had a long history of proactive and visionary leadership that was simply applied to the district’s response to charter schools.

Murphy and Shiffman (2002, p. 211) argue that the idea of charter schools is too anemic to power change, or at the very least that the charter school movement is more complex and considerably less predictable than it has often been portrayed to be. To this, a mixed response would come from the present study. The idea that the charter school movement is too anemic would be difficult to agree with when you refer back to the Stone Area School District case study. District officials point to the Step Charter School as a critical issue affecting their district. However, the experiences detailed in this district are probably not characteristic of relationships around the state. To the comment about the charter school movement being more complex than it is often portrayed, the researcher whole-heartedly concurs. Until we have many more detailed studies of districts with charter schools in Pennsylvania, it will be very difficult to make sweeping statements about the effects of the charter school movement across the state.

**Discussion of Findings**

The order of the completion of the case studies and the cross-case analysis allowed for an exploration of propositions from the study’s conceptual framework as well as answers to the study’s broader research questions. The Stone Area School District, a slightly below-average school district in terms of student achievement, had a significant amount of negative press coverage regarding charter schools. After involvement with a charter school co-sponsored with other adjacent districts, they faced the most significant challenge of the three districts, with the emergence of the Step Charter School, with an
uncapped enrollment and plans to expand to a K-12 school. The problems began after the
district denied the charter school’s application and the state’s Charter School Appeals
Board over-ruled their decision and mandated that they accept the Step Charter School.

The second school district studied is one of the most advantaged school districts
in the state. The school district spends significantly more per pupil than the other two
districts, and has a very high level of student achievement. The district’s three charter
schools enjoy a relationship with the school district’s leadership that could be best
described as collegial, even though one of the schools was rejected initially by the school
board (before being mandated by the CSAB) and later opposed again unsuccessfully by
the board for renewal of its charter.

These polar opposites could easily have led to conclusions about the
socioeconomic status of the community served and their attitude toward choice in
education. The predominantly blue-collar Stone District vehemently opposed choice and
placed the Step Charter School founders in unbelievably difficult public and personal
situations; the higher status Brunswick District was more open to choice, which many felt
would only help the educational process. These conclusions would have been supported
by previous research findings but would have been somewhat misleading without the
evidence provided by the last case study.

The last school district investigated, Highland Area School District, was similar to
the first district in both its financial difficulties and its social class makeup. The
community was aging, and the number of students in the district was decreasing. The
student achievement in the district was considered good among its peers but was about
average statewide. Remarkably, the school district had not raised taxes in almost two
decades but was facing a difficult challenge due to costs associated with the loss of
students to cyber charter schools. Would its responses be similar to the pattern of
“rejection and resistance” seen in the Stone District?

The first contact with the Highland district set the stage for a better understanding
of the differences and similarities among the three districts. The superintendent shed a
great deal of light on the importance of leadership in not only the district’s response to
charter schools but to any challenge his school district might face. This superintendent is
leading a school district that might easily be heading down a very difficult path in terms of financial distress and educational challenges. He is a superintendent who has provided his district with continuity for nineteen years. Over this time he has never raised taxes. He is viewed as an educational leader who is widely respected across the school community.

Instead of viewing charter schools as the downfall of public education, Highland’s superintendent saw them as another challenge to be worked through. He concluded that the best way for his district to deal with the specific challenges cyber charter schools were posing was to create his own cyber charter school. Understanding the complexities of doing this, he contacted area colleagues who were facing the same problem with cyber charter schools and offered his solution. He also contacted the union representatives from school districts around the area in order to explain his position and solicit their support. He developed ideas for bringing alternative programs into the school district through creating its own cyber school that would help his district’s financial situation and also provide greater offerings to his students.

After interviewing members of the Highland school community to try to understand the dynamics of this school district, it became apparent that the district benefited by having a strong and far-sighted leader. This superintendent has gained the trust of his school board, teachers, and community by effectively guiding the district through many challenges over his nineteen years of service. The type of respect he commanded was similar to the feelings the Brunswick Area School District had for its superintendent. The Highland Area School District demonstrated that, while the composition of the community and the enrollment trends in the district may be indicators of how it will view charter schools, they are not absolutely determinative. Strong proactive and entrepreneurial leadership can intervene to guide even a challenged district to view the coming of charter schools as an opportunity.

Leadership thus rose to the top of the list as the primary explanation for the differing responses in the three districts. The board and superintendent in the Stone Area School district did not listen to the concerns of their citizens when they discussed closing a neighborhood elementary school. They did not appreciate the complexities of the
culture that made the neighborhood elementary school so significant to the residents it served. The superintendent was trying to save the school district money by consolidating and renovating the school buildings, but he did not anticipate the consequences of his actions. He also underestimated the impact of the fledgling Step Charter School. The final result was a problem that was very difficult to solve. Instead of seeking a compromise or trying to accommodate the Step Charter School, he continued to try to undermine it. He was acting in concert with the school board, but did not offer any alternatives to the district’s negative behavior toward the Step Charter School.

Interestingly, a change in leadership in the Stone Area School District did not bring a new perspective or direction. The new superintendent was promoted from within the district and was the principal at the now-closed Step Elementary School. He seemed receptive in interviews prior to becoming superintendent and then refused to return phone calls after becoming superintendent. The district did not change its policies toward the Step Charter School in any discernable way. The philosophies of the Board of Education were maintained and reflected in the change in leadership and seemed to reflect the feelings of the rest of the Stone blue-collar community. The number of students leaving for the Step Charter School was continuing to grow as they added a grade each year they were open.

The situation in the Stone Area School District will only become more challenging as time passes. The Step Charter School was only in its fourth year of operation so this story has by no means concluded or even reached a level of stability. At what point will the market share loss be enough to make the district’s stance toward the Step Charter School open for discussion? This threshold has yet to be reached. The change in legislation that governs charter schools now allows charter schools to borrow for capital expenditures. With the increases in both grade levels and enrollment, the Step Charter School could easily find other facilities available, without having to gain control over the old elementary school building.
Conclusion

Following Yin’s (1994) recommendations, the replication logic applied in this comparative case study analysis allowed for conclusions to be tested as each case study “experiment” was completed. When a finding could be applied successfully across all three case studies, the result qualified for inclusion in the cross-case conclusions. Although the study’s propositions concerning the effects on the relationships between districts and charter schools over the passage of time and movement through stages were not supported in any consistent fashion, the overall propositions about higher levels of threat in terms of financial costs and enrollment losses predicting stronger district responses were supported. However, the character and quality of district responses to increasing perceptions of threats varied and were not always positive or effective, as seen especially in the Stone District’s experience.

The character and quality of leadership in each district seemed to be the strongest single factor contributing to an explanation of the district’s behavior toward charter schools. This also seemed to affect whether school districts found any opportunities or benefits in having charter schools in their district. The combination of leadership with the context of the community the district served provided the most compelling explanation for district behavior. One could not eliminate the community from this equation. In the case of the Stone Area School District, even if the superintendent had wanted to change the district’s stance on charter schools, he would have faced strong opposition from the school board. In the Brunswick Area School District, if the superintendent decided to oppose the development of charter schools instead of accommodating them, he would face opposition from members of the community who supported choice. The Highland District demonstrated the most surprising behavior. The district responded to a relatively low-level threat from cyber charter schools with a high cost behavior, founding a cyber charter school. This happened because the superintendent was able to convince the school board and the community of the benefits of getting into the cyber charter school arena. Dublin used the Newton Charter School and the threat it posed his district as a motivator for his school board. In this way he was able to use the challenge as an opportunity to get his school board to do something it might not otherwise have done.
They had come to trust his judgment and the merits of his reasoning, because of his reputation, years of successful leadership, and proven character. He had earned their respect through years of wise decision-making.

The competitive effects of charter schools were significantly different in each of the districts. In the Stone District the effects have yet to reach their full potential. Each year the district will face an increased level of threat because of the growing Step Charter School. As yet the threshold has not been reached that will prompt the school district to view the Step Charter School as an opportunity that could allow them to lower costs or increase programs. They certainly have not taken the time to understand why parents are choosing the charter school to then evaluate and improve their own programs. In the Brunswick District the superintendent has recognized that the charter schools are viewed as a strength by some parents in the community. She sees the niche charter schools as something the district does not have to provide to the demanding parents who would be seeking those services from the school district without the presence of charter schools. She also understands that her district cannot and should not provide all of the services the charters have provided, and in turn has developed relationships with the charter schools in the best interests of the students in the district. In the Highland District, the superintendent has used the cyber charter school they created to expand curriculum offerings and deliver valued services to their community. These examples are meant to illustrate the opportunities that the districts have seen or missed with respect to competition from charter schools.

**Implications of the Study**

Any discussion of research on charter schools and their implications needs to acknowledge, and take into account, how controversial they remain in the eyes of Americans still committed to the democratic philosophy or goal of the common public school attended by all, what Tyack (1974) called “the one best system” of schooling. Charters threaten to undermine the possibility of achieving this goal, but it was already far from realization before the advent of charter schools, for several reasons, including
residential segregation by social class and race and the option to attend parochial or private schools.

Nevertheless, many in the public education establishment still tend to resist charter schools for the challenge they present to the “one best system” and for the competition for funds and students that they bring. This is why Finn et al. (2001, p. 26) asserted that, “The four stages in the public school establishment’s typical reaction to charter schools are (1) stop them cold, (2) keep them few and weak, (3) fight back and out-do them, and (4) embrace the concept.” Research on charter schools is inevitably value-laden and controversial (see, e.g., Carnoy et al., 2005) and this study probably will be no exception to this rule.

Since some people would like to see charter schools eliminated or, at least, no public schools affected in any way by them, whatever implications the writer draws from this research may be disputed and his values questioned. Because the researcher is a public school administrator, if his handling of this topic seems favorable to charter schools, he could be accused of being a “traitor” to public education. On the other hand, if he seems to worry about the costs and challenges for public education created by charter schools, he can be accused of being an obstructionist, and a cost-conscious administrator unconcerned about what is best for children. This is the point in this dissertation where a discussion of implications is expected, however, so the writer now must take the plunge into these turbulent waters.

**Implications for Research**

Because it appears, for better or worse, that charter schools have a firm foothold and probably won’t be “stamped out,” one important line of research that needs more attention should explore the conditions under which districts reach Finn et al.’s (2001) stage four and creatively “embrace the concept.” In the present study, the Brunswick District came the closest to doing this, as it generally practiced a cooperative and supportive relationship with its three charter schools approaching at times a partnership. It was interesting to note that this was the only district that was led by a female superintendent. Given research indicating that female leaders place more emphasis than
men on relationships and caring, this may be worth considering in further research. The Highland District also could be said to have creatively embraced the concept in its “protective entrepreneurship’’ mode. As it happens, Philadelphia, home to the largest number of charter schools in Pennsylvania, is in fact at the forefront nationally in embracing charter schools and developing productive partnerships with them, in large part because of the leadership of Superintendent Paul Vallas and Philadelphia’s School Reform Commission (Gold et al., 2005). This development and Philadelphia’s experiment with a “diverse providers” approach to contracting out the management of (some of its) district schools and charter schools is discussed in a paper called “Blurring the Boundaries: Private Sector Involvement in Philadelphia Public Schools” (Gold et al., 2005). This is the kind of research that is much needed to enable a better understanding of partnership approaches involving charter schools and the conditions that may support them.

In the present study, the two school districts that handled the challenges of charter schools most effectively varied greatly in the communities they served, but were of comparable size. They did not have a large percentage of their students leaving to attend charter schools. By contrast, the Stone Area School District is approximately one quarter the size of the other two school districts and lost between fifteen and twenty percent of its students to charter schools. It would be useful to investigate whether the size of the market share that was lost to charter schools would tend to precipitate the same type of negative response seen in the Stone Area School District. It would be important to study districts of similar size and demographic configuration, as well as larger districts with similar demographics and similar loss of market share to see if this would have an impact on district level responses. Compared to the smaller district, the size of the administrative staff available in the two larger districts seemed to provide them with an advantage in dealing with charter schools.

Further comparative studies of districts responding to charter schools would be useful. One possible study might include three small schools of similar social and economic makeup and a similar loss of market share. Another study might be of larger schools with similar community makeup and a high level of charter activity. As much as
both of these studies might be worthwhile, it might be difficult to find such perfect experiments in one state. However, in a comparison of districts in different states it would be very difficult to eliminate the contextual elements that are specific to each state’s political context, which clearly affects any charter school initiative.

Another limitation of this and future studies is the increasing role the No Child Left Behind (NCLB) legislation is playing in our nation’s schools. Any changes or reform agendas that are initiated are going to have NCLB as their primary target, so detecting the effects of charter schools may become increasingly difficult, especially as the mandates of NCLB become increasingly difficult to achieve.

**Implications for Policy and Practice**

If research on charter schools can be controversial, recommendations for policy and practice are sure to strike sparks. Nevertheless, here are some implications that emerge from this study:

**Think carefully before closing down a school**

In Stone Area School District the board and administration closed a neighborhood school and renovated another to create a one-campus district to save money, but did not anticipate or fully consider the ramifications of, and likely reactions to, this decision, in light of the option community members had to propose a charter school to replace the closed school. Clearly, this kind of situation presents dilemmas for school leaders. They want to provide the best education for children, but they need to do so within the budget possibilities for their community. Closing schools as a way to pursue these goals has always been controversial, but it is even more problematic now that charter schools are an option for community members.

**Know the community you serve**

In the Brunswick Area School District, charter schools are a part of the culture that is going to exist whether the district wants them to or not, so they worked to develop the idea of being good stewards of the district’s money and also doing what was best for
children, because the vast majority of the students who were attending charter schools would be returning to the district for high school.

In the Stone Area School District, a community dispute spanning three decades exacerbated the district’s decision to close the Step Elementary School. Failing to recognize and anticipate this and effectively deal with this issue led to serious problems for the district.

In the Highland Area School District, the superintendent’s intimate knowledge of the community and of his colleagues led him to develop the idea of starting his own cyber charter school. He saw that by doing this they could stop losing money and generate money, could regain control over the cyber school issue, and could offer a better cyber school program to the students in his district. He correctly predicted that he could recruit the home-schoolers in his district to enroll in his cyber charter school because of the reputation of his district. He believed that he would be able to generate interest in the cyber school among his colleagues because they would rather deal with someone they trusted, particularly when they found they would have a voice in the operation of the cyber school. The superintendent was sensitive to the feelings of the unionized professional staff in the area and organized a meeting to explain his rationale for starting the school and to solicit their support. After nineteen years without a tax increase the school board trusted him enough to allow him to spend limited district funds to start the cyber school, with the promise it would generate funds. The actions he took were not the result of charter schools. Rather, they were examples listed of his leadership applied to the opportunities he perceived from charter schools.

**Find opportunities in the challenges**

The Stone Area School District added a parent program to their elementary school that mirrored the one found in the Step Charter School.

The Brunswick Area School District had been working with the idea of full-day kindergarten prior to the Matthews Charter School offering full-day kindergarten. However, by the accounts of several administrators within the district, the program’s full
implementation was brought about more quickly as a result of the Matthews Charter School.

According to the Highland Area School District’s superintendent, the decision to found a cyber charter school was a form of “counter terrorism”. Many districts around the state had been complaining about the loss of funds and students to cyber schools, but with a keen understanding of the political landscape and the charter school initiative Dr. Dublin was one of the few who moved forward with the idea of founding his own cyber charter school as a response.

Develop a clear understanding of the issues before taking action

At the conclusion of this research, the Stone Area School District still had not come to terms with the challenge they were facing in their situation. They had a brand new school building that students were leaving to attend a charter school housed in old run-down trailers, and they did not know why. They were spending precious funds to hold onto a closed school just to prevent the Step Charter School from getting access to the building. This was at the expense of the children who could benefit by access to the building. This struggle was being perpetuated by a school board and superintendent who could afford it but showed no sign of stopping because of their entrenched beliefs about the Step Charter School. It is important to remember that the new superintendent was the last principal of the closed elementary school and had an intimate knowledge of the history surrounding the issue. Still, this new leader had not been able to alter the district’s stance and behavior toward the Step Charter School.

In the Brunswick School District, the Board of Education had one bad experience with a charter school on which they were overruled two times by the Charter School Appeals Board. They did not like this little school pressuring them to move in the direction of full-day kindergarten, even though they were heading in that direction anyway. However, the superintendent learned from the experience of working with charter schools and developed policies and procedures that promoted a collegial relationship with the current charter schools, and provided oversight over the charter schools as well as thorough evaluation of proposals for new charter schools. In this
district charter schools are now an integral part of the highly educated and active school community.

**Leadership matters: Importance of the superintendent and school board**

In the Stone Area School District, resistance and leadership mistakes in responding to the Step Charter School have left the district in a very difficult situation. Even changes in top leadership have not improved the situation because of a commitment to past beliefs. The lack of sensitivity about the issue of closing the neighborhood elementary school hurt the district. The lack of understanding about charter schools and their impacts hurt the district. The lack of a positive response when close to twenty percent of the student population left to enroll in the charter school hurt the district. The decision to hold onto a school building that they already determined they did not need, to thwart the charter school hurt the district and the children who would benefit from use of that building. All of this was compounded by the fact that the district had been in a difficult financial situation even prior to charter schools being an issue, because of a decline in industry and the tax base, an aging population, and declining enrollment.

The Highland Area School District was very important to this study because of the similarities between it and the Stone Area School District and yet the dramatic differences in responses. Both districts have an aging population. Both have seen a decrease in industry, which has affected revenue. Both already had declining enrollments prior to the impact of charter schools. Still, this did not prevent the Highland superintendent from using his leadership skills to effectively move the district forward and to develop an entrepreneurial response to the cyber charter school threat.

In the Brunswick Area School District, leadership also played a critical role. The situation was much different from the other two school districts. The community is vibrant, well educated, and has high expectations for its schools. The superintendent has developed a philosophy of accommodation toward charter schools that mirrors the desires of the community. The philosophy is child-centered and insures that the resources expended for charter schools are well spent. Another unique factor about this superintendent is that she is female. It is possible that her method of handling challenges
that face her district could be affected by her gender. Female leaders are thought to have a different way of knowing that could lead to the strong emphasis Dr. Rutledge placed on good and caring relationships.

To sum up, it is often said that leadership matters, and that it can be crucial to the success of schools. To a degree that went beyond what would have been expected from previous research on relationships between districts and charter schools, leadership differences, although importantly conditioned and shaped by the community context, proved to be the single most important factor in this comparative study. While the small sample size of this study makes generalizations impossible, it seems clear that future studies of this topic should pay close attention to how leadership behavior may mediate, and possibly overcome, some of the contextual factors that often seem to dominate school district affairs.
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http://www.schoolmatters.com/App/SES/SPSServlet/MenuLinksRequest?StateID=39 &LocLevelID=111&StateLocLevelID=152&LocationID=39


APPENDIX A
TWO MINIATURE CASE STUDIES OF CYBER CHARTER SCHOOLS

The following miniature case studies were completed prior to the beginning of this research project. They were critical to the development of the research questions and served as an introduction for the researcher into the intricacies of the charter school movement in Pennsylvania. The case studies presented follow the same presentation style as those found within the research project in that they are presented in the order in which they were completed. The data for the first case study was compiled while the researcher served as a board member for the SusQ-Cyber Charter School between the years 1998 and 2004. The data for the second case study was compiled using the testimony given by the Western Pennsylvania Cyber Charter School’s founder Dr. Nick Trombetta at the Senate Hearings in Harrisburg and numerous newspaper articles. Since the completion of this case study, the Western Pennsylvania Cyber Charter School has been renamed the Pennsylvania Cyber Charter School. The researcher met and spoke with Dr. Trombetta when they both presented at the Pennsylvania Senate Hearings on cyber charter schools. Trombetta’s district’s story in conjunction with the researcher’s first hand knowledge of the development of the SusQ-Cyber school clearly illustrated the importance of context on the charter school initiative and set the stage for this research project.

The SusQ-Cyber Charter School:
“A School within Schools – A School without Walls”

In the winter of 1998, four school districts -- Berwick, Bloomsburg, Lewisburg, and Milton -- were asked to vote on becoming partners with the SusQ-Cyber Charter School. The curriculum director of the Bloomsburg School District, made a presentation to the school board, after which board members asked questions regarding whom the charter school would serve and what it would cost the district. The board wanted to know why they should get involved in such a venture. They were told that the charter
school would offer their best and brightest students academic extras that they might not be able to receive from a small school district unable to offer certain specialized classes. With the SusQ-Cyber Charter School there would be no limits. The school board soon saw the SusQ-Cyber Charter School as a technological marvel, and after some discussion, voted unanimously to approve the charter and become a member of the founding coalition for the SusQ-Cyber Charter School.

The idea to create a cyber charter school grew from a distance-learning consortium developed by the Central Susquehanna Intermediate Unit. Thousands of dollars of distance learning technology equipment had been purchased and was being greatly underutilized. With the passage of Act 22 in 1997, personnel at the intermediate unit contacted members of the consortium to see if there would be any interest in creating a charter school that would utilize the equipment already present in the school districts. The purchasing of one class here and another there seemed harmless and very similar to how the districts provided college courses to students who were advancing beyond the district’s curriculum.

Three of the four school districts voted to become partners in the charter school, in conjunction with Central Susquehanna Intermediate Unit. Each of the participating districts was allowed to nominate one member of the board of trustees (3), and they would serve in conjunction with the founding coalition (4), members at large (4), and the CSIU representative (1). The total number on the Board of Trustees would be twelve. After being appointed, the trustees would serve three-year terms and would have to run for re-election.

The new board of trustees set some policies and procedures to outline how the SusQ-Cyber Charter School would do business. The following quote from the philosophy section of the SusQ-Cyber Charter School application to the state provides an excellent summary of what the board of trustees and the founding school districts intended for the SusQ-Cyber School: “The charter school has the purpose of serving a specialized population within the member schools as well as the potential to inform and reform the parent schools to foster widespread change. It will be a school within schools providing seamless mobility between the home and charter school; yet, it will be a school
without walls providing access to a world of information and expertise” (Bohinski, 1997 p.1). The school was to offer motivated learners courses that they could not receive from their home schools. The plan was to utilize the advantages of picture-television interactive videoconferencing equipment to offer courses, including Japanese, philosophy, or even college-level courses (Bohinski, 1997).

Expanding and enriching the existing was very appealing to the local school boards. If a student wished to take a course from the SusQ-Cyber Charter School, the student would withdraw from his existing school and enroll in the charter school. The Average Daily Membership reimbursement then would go to the charter school, and the home school would bill the charter school for the courses the student would continue to take at the home school. The local school boards did not see this as a great cost because they currently were paying for several students to take courses at a local university. In fact, they viewed it as a cost savings when compared to college tuition.

This is where the story becomes much more interesting. Only one school district that originally looked into the SusQ-Cyber Charter School failed to vote to become one of the charter school partners. Interestingly, this was the only school that had an administrator on the board of trustees that happened to be a Penn State Doctoral Graduate. Did he see something that he found troublesome?

As the school began its first year, trying to identify students became a priority. A goal of sixty students was set. By October 1998 the SusQ-Cyber School had a grand total of one student. The people at the Intermediate Unit were getting nervous. Bloomsburg’s curriculum coordinator was searching for any possible candidates. A possible candidate emerged completely outside the box.

Jane Hill [pseudonym] was a habitual attendance problem from a dysfunctional family. She hated school, and her parents actually were able to get her classified as “school phobic,” which forced the school board to put her on homebound instruction for the majority of her eighth-grade year. Within three weeks of beginning her freshman year she again began having problems. After several public confrontations and multiple meetings with the administrators and counselors, her parents decided to home-school Jane, which would also help them avoid pending truancy charges. At this point, someone
contacted her parents and mentioned the SusQ-Cyber Charter School. Her parents jumped at the prospect of someone other than themselves being responsible for their daughter’s education. When they were then told that their daughter could be given a computer, Internet access, a complete curriculum, a membership to the local YMCA, and a testing site where she could also get one-on-one help, they could not enroll her quickly enough. Just days after being admitted as the first SusQ-Cyber student from the school district, however, tragedy struck.

The parents had been warned before Jane withdrew from school that she was hanging with a bad crowd and that she was involved in some very dangerous behavior. These warnings fell on deaf ears. Late one night, this fourteen-year-old girl was riding around with a girlfriend in the back of an older boy’s pick-up truck. While driving recklessly, the boy rolled over the pick-up truck and killed Jane Hill.

It was a tragedy for this family and a great loss to a large number of students, but it also became a turning point for the SusQ-Cyber School. When the press was looking to do a story on this young girl, they called the home school district to find out some information about her. The principal obviously could give very little information to the press, but she could tell them that Jane was not enrolled in her school. “Not your student? Well, where does she go to school?” asked the reporter. This led to several stories about the SusQ-Cyber Charter School and gave the school all the publicity it could handle.

Before the end of the school year, the charter school was flooded with inquiries from students from all types of previously unanticipated profiles: dropouts, attendance problems, discipline problems, pregnant teens, and home-schooled students. The school went from one student enrolled who fit the mold of the highly motivated learner to nearly sixty students from dramatically different backgrounds. Most of these students had no relationship with the school district and were taking all of their classes at home. Because of this difference, the regular school districts were paying the charter school for the entire tuition rate that was calculated by averaging the per pupil expenditure of the three founding school districts. Over the years the school’s transient population has ranged
from a high of one hundred and fifteen students to an average of about seventy-five students.

At first a teacher from one of the participating school districts was placed in the role of Chief Administrative Officer of the SusQ-Cyber School, and within a short period of time, his own district had over thirty students withdrawing from his home district to attend the charter school. Allegations of recruiting and conflict of interest arose when it was believed that this teacher might have been trying to create a full-time position for himself. He was quickly dismissed and replaced by a retired administrator who served for approximately three months.

As the SusQ-Cyber Charter School became more of a reality, and it became clear that the vast majority of the students who were enrolling were not using the charter school as a means to expand their horizons but as an alternative school, the administration at the Bloomsburg School District became extremely upset. Students in SusQ-Cyber were not affiliated with the Bloomsburg Area School District in any way. They were taking correspondence courses through the University of Missouri to fulfill all of their requirements. Their attendance was tracked by how much progress they were making in their courses, which they were taking from home. Bloomsburg’s superintendent called for a meeting with the people at the Intermediate Unit who had been part of the founding coalition. Line by line he went over the differences in the application filed with the state compared to the actual operation of the school. He criticized the people from the Intermediate Unit for selling the school boards’ one product then providing something completely different. He used their own document to ridicule what they were doing and then ended the meeting. That was in April of 1999, and, ironically, in July he was hired as the Chief Administrative Officer for the SusQ-Cyber Charter School, shortly after retiring from the Bloomsburg School District. His retirement was planned long before the charter school became an issue, but because of it the Intermediate Unit succeeded in turning their greatest adversary into an ally. They also succeeded in giving their program the leadership it sorely needed by hiring an administrator with the experience and knowledge needed to guide their new school.
After two years Dr. Dubil left as CAO, and the charter school was able to hire another respected retired superintendent, Jim Street. Around the time of this change it was becoming apparent that another issue was emerging. The charter school was generating a significant fund balance. The actual expenditures for each year were approximately $290,000, but the fund balance was more than that. At this point, one of the board members proposed the idea of giving the excess back to the local districts. This was met with skepticism, but as a regional charter school, the people on the board could see the public relations advantage of giving the money back. At the same time, another cyber charter school in the state was causing a disturbance. The Western Pennsylvania Cyber Charter School was accepting students from all across the Commonwealth. Districts that had never had any contact with the school were receiving bills for thousands of dollars for students that resided in, but never attended schools within, their district. An unwritten policy of the SusQ-Cyber Charter School was that it would not accept any students outside of the Intermediate Unit. This has been its practice over the existence of the school and has separated the SusQ-Cyber School from the other cyber schools in the state. SusQ-Cyber School officials know that if this practice were ever challenged the school would have no choice but to accept outside students, but no family has contested this policy.

As the controversy heated up, the Pennsylvania School Boards Association filed a lawsuit claiming that cyber charter schools were illegal, and they recommended that local districts receiving bills from such schools should refuse payment. The Pennsylvania Department of Education informed the districts that if they did not pay the cost would be withheld from their state subsidy. During this time, board members of the SusQ-Cyber School decided not to give a rebate to the districts because of a loss of revenue that resulted when several districts refused to pay their students’ tuition. A court ruling was handed down, and the Department of Education began reimbursing the Cyber Schools around the state, including the SusQ-Cyber School.

During the month of May 2001, Jim Street, the CAO of the SusQ-Cyber School, attended board meetings across IU #16 delivering reconciliation payments from the 1999 and 2000 school years. The amounts were derived using the amounts charged and the
number of courses taken. This was the first such refund given in the state and once again separated the SusQ-Cyber School from the other cyber schools.

Summary

The SusQ-Cyber School was established to meet the needs of the self-directed ‘high-end’ learner. This idea was sold to the participating school districts, and the charter school was founded. The founding coalition quickly found that the niche they were trying to fill was not marketable. Academically gifted students were not interested. A sense of urgency forced the school to look in a very different direction to meet their goals. By chance, a tragedy gave them a great deal of news coverage. This exposure led to the discovery of a different niche that was untapped. As a result, the students came in droves for a type of school that the local school boards probably would not have approved at the outset.

Observations:

- The participating school districts contacted the cyber school to have some students attend after they were expelled from the regular school for weapons offenses. This demonstrated a niche being filled by the charter school that was recognized by the regular school district.
- Approximately 75% of the students who attended the cyber school were students who would be classified as alternative education candidates by the home school districts.
- The cyber school had no more luck motivating and or graduating the difficult students that attended than their original schools.
- Several students used the cyber school to attempt to catch up with their classmates. This strategy rarely worked, because the lack of organizational skills that got them behind is exactly what must be strong for students to succeed in the cyber school.
- The CAO of the SusQ-Cyber Charter School, Jim Street, said that districts in the Intermediate Unit treated him very poorly when he went to the different schools
to meet with prospective students, parents, and school officials to see if the school would be a good fit for them. He stated that it is no wonder that these students who are disenfranchised by the current system are looking for any way possible to escape. This is particularly telling, because as a superintendent in the area, he personally knew many of the people who were being rude and uncooperative to him.

- The Bloomsburg School District instituted an after-school program and additional summer school offerings after the inception of the cyber school.

**The Midland Borough School District and the Western Pennsylvania Cyber Charter School**

The Midland School District approved the state’s second cyber charter school, the Western Pennsylvania Cyber Charter School (WPCCS), in the summer of 2000. In its first two years the school received heavy criticism for its actions. In 2001 it had over 500 students attending from over 105 different districts across the Commonwealth. Nick Trombetta, Midland’s superintendent, and the chief administrative officer (CAO) of the cyber school, was denounced many times over the life of the school. One of the most biting comments came from a local superintendent who said, “He is raping the school districts across the state.” Another not so flattering comment about Mr. Trombetta had him nicknamed ‘Nick Vendetta’ because of his actions. The whole story about Mr. Trombetta and his school district will add some perspective to the negative comments about Mr. Trombetta.

Information regarding WPCCS and Dr. Trombetta was compiled from many different sources. Many newspaper articles have been written about him and educational leaders across the state have had much to say about the school and the man.

This story in Midland began in the early 1980s. At the time Midland was considered a typical small Pennsylvania steel town. It obviously relied heavily on that industry for revenue. As the steel industry collapsed, the district fell on hard times. Unemployment grew to 80%. District property values dropped by 40% in a single year.
Property taxes were raised by 40% over two years. The population in Midland was both aging and dwindling, until at a low point the school district had to close its only high school because the costs were too great. Test scores plummeted and many curricular and extracurricular programs had to be cut. Similar developments could be seen in other similar districts in the area.

An important fact is that the people of Midland were not taken by surprise by these events. Seventeen times between 1962 and 1994, the school board had asked other nearby districts to be allowed to join or consolidate with them. These requests fell on deaf ears, leaving Midland without options. This was particularly aggravating because their county had a 50% decrease in population over that same time. Seats were vacant in other school districts, but the high school students in Midland still had no place to go. Midland did enter into a tuition agreement in 1985 with another school district, but in 1990 the agreement was terminated without explanation. Finally, in desperation, the school district was able to work out an agreement with the East Liverpool School District in Ohio, which was just across the river from Midland. This allowed Midland’s high school students to attend their school in an agreement that lasts until the year 2020. It is important to restate that despite 17 different attempts to consolidate with other nearby school districts, Midland had been forced to go across the river to Ohio to find a district that was willing to help them.

In 1997, Dr. Trombetta urged his board to apply for a charter school-planning grant in order to have another alternative in case the arrangement with East Liverpool fell through. The idea for the charter school started out as an Internet based high school that would service 25-50 students in Midland and the local area. After numerous public meetings, the idea expanded to a K-12 concept. When the Midland School Board approved the charter, and the existence of the WPCCS was publicized, the response was nothing short of amazing. The district received 150 requests for acceptance on the first day from students all across the state. The school grew quickly to 529 students from 23 counties and 105 school districts in 2001. The expected enrollment for the 2001-2002 school year was 1000 students. To place this in perspective, the total population of Midland borough is 3,300.
Some important facts about WPCCS and its curriculum should be noted. The school is considered a cyber school because the students attend via the Internet. This means that no actual building is necessary. Students do not have to be transported to the school because they participate from their homes. This allows the school to draw from all across the state without any concern for distance, or, equally importantly, transportation. The curriculum the students follow is purchased from other organizations such as the University of Missouri or the Internet curriculum provider Keystone eSchool, so the school itself does not have to invest in building its own curriculum. A Pennsylvania certified teacher is assigned to each student, and the average teacher-to-student ratio is kept close to one to 20. Teachers monitor a student’s progress in the school by the work that is submitted via the Internet, and teachers are available to answer questions by phone, email and, if need be, in person.

Obviously, Midland has tapped into a previously under-served portion of the state’s educational community. The students come from many different backgrounds and for many different reasons. Previously home-schooled students comprised a large portion of the population. Parents whose children have serious illnesses also have found this to be a worthwhile alternative. Pregnant teens have also utilized this alternative. Other students have come to the school to escape violence, bullying, or hazing they were being exposed to in their home school districts. Alternative education students who may have been asked to leave their home school have also shown up at Midland’s virtual door. None of the parents and students who have sought out this alternative has been forced to do so. They have sought out this school from all points of our state.

The development and growth of the WPCCS illustrates many of the important and controversial points about cyber charter schools. In testimony at a hearing about cyber charter schools held by the PA Senate’s Education Committee, Dr. Trombetta stated:

We are sitting on a powder keg. I believe that if left unchecked and uncontrolled that we will see a proliferation of cyber charter schools in Pennsylvania that will drain dollars away from our schools, away from children and away from our Commonwealth. I feel that profiteers as well as well-meaning educators, who are over reacting, will hurt districts and students.
Trombetta offered seven recommendations:

1. Develop state standards and guidelines for cyber schools.
2. Set a moratorium or limit on the number of cyber schools.
3. Limit enrollment.
4. Limit tuition to actual instructional cost plus a management fee not to exceed the average per-pupil cost of students in the Commonwealth.
5. Provide financial relief to the public school districts affected by cyber schools.
6. Allocate funding for the creation of a Pennsylvania Virtual School District.
7. Encourage Consortia and partnerships with cyber schools.

A last quote from Dr. Trombetta’s testimony is definitely appropriate. “Now the district that nobody wanted is the home of the Cyber program that serves children from 105 Pennsylvania school districts. There is some poetic justice here” (Trombetta, 2001).

For as much as people around the state of Pennsylvania have criticized Dr. Trombetta for his cyber charter school, the community that he serves has a far different opinion of him. An article published in the Pittsburg Post-Gazette (David, 2004) detailed both the feelings of the community and the positive financial impact on the entire county. Beaver County Commissioner Dan Donatella, a Midland native, was quoted as saying, “I credit Dr. Trombetta for thinking outside the box and really, it's a benefit not only for Midland but for all of Beaver County” (David, 2004, p.5). His school has spawned an education industry revolution that has revitalized the small community of Midland. Eighty percent of the money generated by the school has been reinvested into the community. The school has taken over several buildings in the town and is planning on major additions, including the introduction of a new charter school for the performing arts. At a recent town meeting to discuss the strengths of the community, a man stood up and said, "If you want to know the good things about Midland, I'd say Dr. Trombetta!" (David, 2004, p.1). This man echoed the sentiments of the Midland Mayor who stated, "I've never seen Dr. Trombetta do anything yet that failed" (David 2004, p.5). The sense of optimism this community now feels can directly be attributed to the development of the cyber charter. The combination of the cyber charter school and a
visionary leader has led to innovation and development, revitalizing a recently depressed portion of the state of Pennsylvania.
APPENDIX B

INFORMED CONSENT LETTER

INFORMED CONSENT FORM FOR SOCIAL SCIENCE RESEARCH
The Pennsylvania State University

Title of Project: Opportunities and Challenges from Charter Schools: How Are Pennsylvania School Districts Responding?

Principal Investigator: John Kurelja 74 Hunt Club Drive, Bloomsburg PA 17815 (570) 389-9430 email: jkurelja@centralcolumbia.k12.pa.us

Other Investigator(s): Advisor-Dr. William Lowe Boyd, 300 Rackley Building, University Park, PA 16802, (814) 863-3779 email: wlboyd@psu.edu

1. Purpose of the Study: The purpose of this exploratory study is to describe and analyze how selected Pennsylvania school districts are dealing with charter schools and how they are responding to the opportunities, challenges, or competition they perceive to be presented by charter schools.

2. Procedures to be followed: You will be asked to answer up to 7 open-ended questions in an interview which will be conducted either in person or by phone.

3. Discomforts and Risks: There are no risks in participating in this research beyond those experienced in everyday life.

4. Benefits:
   a. You might learn more about the overall relationship between the charter school and the public school that granted its charter.
   b. This research will provide a better understanding of how charter schools are affecting public schools in the state of Pennsylvania. The charter school movement in the state is almost 6 years old and it is important to gain an understanding of how these new schools are affecting traditional public schools where the vast majority of students still attend.

5. Duration: It will take approximately 45 minutes to complete the interview

6. Statement of Confidentiality: Only the principal investigator will know your identity. If this research is published, no information that would identify you will be written. The school districts included in the study will be given pseudonyms and the names and the positions of the participants will be concealed in the study. The superintendent’s name and district will also be concealed, but the reference to the superintendent will be made by position

7. Right to Ask Questions: You can ask questions about the research. The person in charge will answer your questions. Contact John Kurelja home at (570) 389-9430 or at work at (570) 784-6103 with any questions you may have. If you have questions about your rights as a research participant, contact Penn State’s Office for Research Protections at (814) 865-1775.

8. Compensation: There will be no compensation for participation in the study. Participants will receive a copy of the completed research project.
9. Voluntary Participation: You do not have to participate in this research. You can end your participation at any time by telling the person in charge. You do not have to answer any questions you do not want to answer.

You must be 18 years of age or older to consent to participate in this research study. If you consent to participate in this research study and to the terms above, please sign your name and indicate the date below.

You will be given a copy of this consent form to keep for your records.

_____________________________  _____________________
Participant Signature     Date

The informed consent procedure has been followed.

_____________________________  _____________________
Investigator Signature      Date
APPENDIX C

RESEARCH INSTRUMENTS

Questions about charter schools for Principals and Superintendents from the regular public schools:

1. What kind of issues, problems, or needs, if any, have arisen in your district as a result of charter schools? (get details)

2. Has your school district made any responses to these issues, problems or needs? (If yes, get details)

3. Some school districts try to improve or intensify their public relations programs, in regard to parents and the community, to minimize the potential loss of students to charter schools. Has your district done anything of this kind in response to charter schools? (If yes, get details)

4. Some school districts are offering new programs, curriculum offerings, or services in response to charter schools. Has your district done anything of this kind as a result of charter schools? (If yes, get details)

5. How has your leadership style changed as a result of the opportunities or challenges of charter schools?

6. Are there other things we should be aware of in regard to the impact charter schools are having your school district?
Questions for Board Presidents from the regular public schools:

1. How would you describe your district’s relationship with the charter schools operating in your area?

2. How has your district made up for the funds that have been sent to the charter schools in your area?

3. What kind of issues, problems, or needs, if any, have arisen in your district as a result of charter schools? (get details)

4. Has your school district made any responses to these issues, problems or needs? (If yes, get details)

5. Some school districts try to improve or intensify their public relations programs, in regard to parents and the community, to minimize the potential loss of students to charter schools. Has your district done anything of this kind in response to charter schools? (If yes, get details)

6. Some school districts are offering new programs, curriculum offerings, or services in response to charter schools. Has your district done anything of this kind as a result of charter schools? (If yes, get details)

7. Are there other things we should be aware of in regard to the impact charter schools are having your school district?
**Questions for Charter School Administrative Officers:**

1. Give examples to illustrate your school's relationship with the __________ school district?
2. How does the educational program you offer differ from that of the __________ school district?
3. Some regular school districts try to improve or intensify their public relations programs, in regard to parents and the community, to minimize the potential loss of students to charter schools. Have you seen evidence of this from the __________ school district? (If yes, get details)
4. Some regular school districts are offering new programs, curriculum offerings, or services in response to charter schools. Have you seen evidence of this from the __________ school district? (If yes, get details)
5. Please give examples to illustrate the level of cooperation between your charter school and the __________ school district?
6. Describe your enrollment trends since you were founded and to what you attribute them? (Get details)
7. Are there any other things we should be aware of in regard to the __________ school districts' response to charter schools?
Questions for Charter School Parents:

1. What factors prompted you to exercise your right to choose a charter school?
2. How would you describe your level of satisfaction with the charter school?
3. How does this level of satisfaction compare with your child’s previous educational program?
4. Have you seen the ________ school district take any steps through marketing campaigns or adding new programs to encourage you to choose them instead of the charter school? (If yes, get details)
5. Some school districts have made the process of enrolling a child in a charter school a difficult by withholding records, discouraging parents and students, or simply saying untrue things about the charter school. Please describe the process you went through to enroll your child in the charter school and did you see any evidence of this type of behavior?
6. Some school districts have developed a cooperative relationship with charter schools that provide programs that the local school district chooses not to or cannot afford to offer. Have you seen any evidence to suggest this type of relationship may be forming between the ________ school district and the ________ charter school?
Questions for union leaders from school districts:

1. What kind of issues, problems, or needs, if any, have arisen in your district as a result of charter schools? (get details)

2. Has your school district made any responses to these issues, problems or needs? (If yes, get details)

3. Some school districts try to improve or intensify their public relations programs, in regard to parents and the community, to minimize the potential loss of students to charter schools. Has your district done anything of this kind in response to charter schools? (If yes, get details)

4. Some school districts are offering new programs, curriculum offerings, or services in response to charter schools. Has your district done anything of this kind as a result of charter schools? (If yes, get details)

5. How has the administrative leadership style in the district changed as a result of the opportunities or challenges of charter schools?

6. Are there other things we should be aware of in regard to the impact charter schools are having your school district?
### Stone Area School District

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<td>Assistant to the Superintendent- Human Resources</td>
<td>Bonnie Troxell</td>
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<tr>
<td>Director of Public Relations</td>
<td>Harry Mathias</td>
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<tr>
<td>Business Administrator</td>
<td>Art Martins</td>
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<tr>
<td>School Board President</td>
<td>Tim Vogler</td>
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<td>Union President</td>
<td>Harry Wright</td>
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<td>Highland Dir. of Sec. Academics, Far State Cyber CS CAO</td>
<td>Kathleen Mulligan</td>
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<tr>
<td>Highland Junior High Principal, Far State Cyber CS Principal</td>
<td>Harvey Casey</td>
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<tr>
<td>Far State Cyber Charter School Parent</td>
<td>Brittany Shultz</td>
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<tr>
<td>Far State Cyber Charter School Teacher</td>
<td>Dave Dysart</td>
</tr>
<tr>
<td>Reporter</td>
<td>Kathy Sokoloski</td>
</tr>
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VITA

John M. Kurelja
74 Hunt Club Drive
Bloomsburg, PA 17815
570-389-9430
jkurelja@ccsd.cc


Master of Education, December 1995. Rutgers, the State University of New Jersey

Bachelor of Science, May 1990. Rutgers, the State University of New Jersey

Work History

He worked as a science teacher for seven years in the state of New Jersey beginning in 1990. He became an administrator in Pennsylvania in the summer of 1997. He served the Bloomsburg Area School District as an assistant principal until November of 2000. From 2000 until the present, he has served as a middle school principal for the Central Columbia School District.

Professional Accomplishments

He led a comprehensive study of the program and facilities at his middle school that involved the entire school community and has led to many improvements to the school’s program. This effort led to the board granting approval for a 20 million dollar renovation and addition of the middle school facility.

He is in the middle of leading a three-year curriculum mapping project that is focusing on what is actually being taught as opposed to what sits on the shelf in the curriculum binders. This process has led to many interdisciplinary units and has fostered cooperation between many different staff members.

He introduced and trained teachers on an online grading system that made the teachers’ efforts much more efficient and also gave parents the opportunity to follow their child’s progress on a daily basis.

He has creatively used state grants to provide students with a researched based after school program targeting students in need of remediation.