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BARRIERS

WHEN CULTIVATING LAND, the first step is to clear away the rubble that can choke off growth. The same is true when it comes to preparing greenfield. It begins by knocking down obstacles—both those that are formal and visible and those that are more subtle and easier to overlook—to permit the emergence and growth of problem-solving ventures.

Formal barriers are laws or rules that make it difficult or impossible to launch and expand new ventures. These include statutes that prohibit or limit the number of charter schools, restrict alternative licensure of teachers and administrators, or require lengthy and extensive textbook-approval processes that only industry giants can navigate or afford. Informal barriers are the political, operational, and cultural routines that make it difficult for new ventures to gain a foothold or pioneer new practices. Most ventures face both kinds of obstacles. The extent and variety of barriers force entrepreneurs to compromise their models and slow their efforts to win allies and appease enemies.

Because successful entrepreneurial efforts become brand names while unsuccessful ones fade away, we can forget how difficult launching a new venture is even for providers that have come to be widely admired. Teach For America almost died on the vine in the mid-1990s due to political hostility and nervous funders. The KIPP Academies, as we noted in the last chapter, might never have gotten started. New York City-based New Leaders for New Schools (NLNS) is a principal-recruitment and -training venture that today operates in nearly a dozen cities and is awash in recognition and support. Yet,

as a young organization, NLNS struggled mightily just to convince districts to hire its graduates. As journalist Alexander Russo reported at the time,

Finding accomplished aspirants has not [been a challenge]. In 2003 the program received more than 1,000 completed applications for just 55 spots. . . . Despite their accomplishments and passion, [however], New Leaders fellows have had a hard time breaking into traditional public schools, especially those fellows who lack contacts or extensive experience in education. It's not that New Leaders can't get work; nearly all of the New Leaders have secured education-related jobs. But just 5 of the first 15 graduates and just over half of the 32 graduates in 2003 found positions running schools of any type.¹

Many of today's barriers are not the result of conscious design but the consequence of policies, rules, and practices that have accreted over time. They may have once been innocuous but now represent a drag on creative problem solving. Procurement practices insensitive to cost-effectiveness or budgeting rules that make it tough for districts to reconfigure staffing create barriers that may owe more to inertia than anything else.

Successful K–12 entrepreneurs constitute just a tiny sliver of the system, often surviving at the whim of an entrepreneur-friendly superintendent or governor. When that individual leaves, all bets can be off. Greenfield schooling begins by reducing barriers so that entrepreneurs are less dependent on a handful of friendly environs.

The Impact of Formal Barriers

Understanding the source of the formal barriers, like statutes, rules, and contracts, begins with a simple insight into the general nature of government agencies. As Stanford University political scientist Terry Moe has explained, public policies, regulations, and the bureaucratic agencies that implement them are inevitably influenced, and frequently dominated, by active interest groups.² These interest groups wield influence in legislatures and at every level of the rule-making and implementation process. Those seeking to fundamentally alter established routines in a publicly controlled sector like education must take on the unions, major textbook companies, teachers colleges, and associations of school boards and school administrators that support them.

These barriers are common to school builders, tool builders, and human capital providers, but there are also distinctive obstacles that confront each of these groups. Entrepreneur-friendly charter school laws provide equitable funding, help with facilities and financing, minimize intrusive rules on staffing or management, and do not place caps on the number of charter schools. Greenfield laws governing human capital providers streamline requirements for prospective teachers, create new entry points through nontraditional recruiting and training programs, and make it easy for districts or charter schools to partner with talent providers. Greenfield for tool builders eliminates legal requirements that make it hard for new providers to compete and minimizes tortuous procurement rules that stymie ventures that lack a personal contact or a huge sales force.

School Builders

Charter schooling is predicated on the idea of freeing entrepreneurial public schools from many or most bureaucratic rules and regulations in exchange for being held accountable for specified performance targets. Minnesota enacted the first charter school law in 1991; today, more than 4,600 charter schools enroll more than 1.4 million students in 40 states.³ More than 350,000 students are on waiting lists for charter schools.⁴

The growth of alternative public schools has been constrained by state policies that cap the number of charters that can be issued, limit funding, or impose heavy-handed regulations. Twenty-six states have some form of legislative cap on the total number of charter schools that may operate.⁵ Other states, such as Indiana and New Hampshire, limit the number of charters that can be issued each year.

State policies also constrain the number and type of charter schools by tightly restricting the organizations authorized to issue charters. In 2007, the U.S. Department of Education reported that nearly 90 percent of the nation's more than 800 charter school authorizers are the local school districts themselves.⁶ Placing the local school district in charge of authorizing charters is problematic because districts are often reluctant to expand the number of alternatives to their own traditional schools. A couple of years ago, the school board of Calvert County, Maryland, denied a charter for "many major and minor deficiencies" only to have the Maryland State Board of Education read the same application and deem it "thorough and well-developed."⁷ When the

state board asked the county board to renegotiate, it refused. Such tales are common. While local districts represent 90 percent of all authorizers, they authorize fewer than half of charter schools, and 8 out of 10 districts have authorized just one or two charters.⁸

State laws that enable charter creation are necessary, but they are insufficient for promoting greenfield for school builders. Smart quality control and operational flexibility are critical, as are sensible state policies on charter financing, regulation, and accountability. Most states provide significantly less funding to charters than to district schools. The Thomas B. Fordham Institute has reported that “the finance ground rules appear designed to produce failure, not success, on the part of charter schools.”⁹ This study of 17 states during the 2002–03 school year found that some states treated charter schools much more equitably than others, with the per-pupil funding disparity between charter and district schools ranging from a 5 percent disadvantage for charters in New Mexico to a 40 percent disadvantage in South Carolina.¹⁰ Similarly, the Center for Education Reform (CER) studied 40 states in 2005 and estimated that per-pupil charter school funding was, on average, 21 percent below that for traditional district schools.¹¹ CER reported that the reasons charter schools receive less funding include the inequitable allocation of grants from local, state, and federal governments; “hold harmless” clauses that prevent funds from following students when they transfer to charter schools; local districts simply withholding funds for charters; and the fact that many states provide facilities support to district schools but not to charters. Inadequate support both deters prospective charter entrepreneurs and handicaps existing charter schools.

Charter schools also benefit when granted autonomy over hiring, budgets, curricula, and scheduling, which frees them to explore new and potentially more effective approaches. Greenfield requires the creation of what Drew University political scientist Patrick McGuinn has termed “entrepreneurial space”¹²—freedom from onerous regulation of operations. Though predicated on increased autonomy, charters have been granted less freedom than some might imagine. According to the Education Commission of the States, all state charter laws provide some kind of waiver from state regulations, but just 6 states automatically waive state and district laws and regulations and another 16 states automatically waive some number of specified provisions. In the other half of charter states, each charter school must petition for specific waivers.¹³ A 2004 U.S. Department of Education report noted that 35 to 45 percent

of charter schools reported having limited authority over curriculum, school calendar, assessment, and discipline.¹⁴ This report also revealed that when it comes to the essential ability to staff their schools, many charters are limited by district collective bargaining agreements, and a quarter have limited authority over hiring and firing.¹⁵ The No Child Left Behind act's "highly qualified teacher" provision has subjected charters to a variety of state-determined rules governing teacher credentialing and licensure.

The language of state charter laws can have unintended consequences. Consider the significant barrier to entry represented by laws that prohibit charter schools from being "home-based." These prohibitions sprang from legislators seeking to prevent homeschoolers from claiming charter school status and receiving public funds. With the advent of Web-based and virtual learning, however, these provisions effectively deny funding to virtual public school models in which children work remotely with a teacher.

Virtual school advocates and entrepreneurs have been required to navigate thorny legislative turf. South Carolina provides a useful illustration of how this works. Encouraged by supportive state education leaders to bring its virtual school model to the state, virtual schooling and curriculum provider K12 Inc. began working in 2004 to have legislators remove the home-based prohibition. Charles Zogby, senior vice president of education and policy at K12, explains, "Lawmakers agreed in 2006 to clarify [that] charter schools could offer virtual services, but required further state law and regulation before virtual learning could be delivered. Even before the ink was dry, we were back at work with legislative leaders to draft a virtual school bill. . . . Several hearings, many meetings, and countless discussions later, a version of the virtual school bill became law in the spring of 2007." The first virtual schools opened in South Carolina in 2008.

The Obstacles to School Building

Ben Cope is development director for the TEAM Charter Schools in Newark, New Jersey. A regional KIPP network, TEAM operates three middle and high schools serving more than 1,000 urban students and aims to grow rapidly to serve 5 percent of Newark's students by 2015 without compromising quality.

Cope notes that this is a daunting goal: "From the beginning of our growth, we have held educational quality paramount, ensuring that we have three critical criteria addressed before moving forward with opening new schools." Cope

explains that the first two critical “gates” are finding excellent school leaders and exceptional teachers, and that the pool of available teachers and leaders that meet the TEAM’s criteria is limited, due in part to competition “from other charters and education reform efforts within traditional public schools.” TEAM’s response is to boost recruiting, build a fellows program for new teachers, and look to partner with schools of education and innovative preparation programs like Hunter College’s Teacher U to secure new talent.

Beyond that, notes Cope, “the third major challenge to opening new schools is identifying and paying for suitable facilities. Although hiring high-quality educators is a far higher priority than finding the perfect facility, even finding a workable facility for a new school has proved the more difficult challenge in some respects. We have been fortunate to get the city’s support in providing shared public school space during the first two years of our high school’s operations, but shared space in Newark has, so far, only provided a temporary solution and one that can come with a host of logistical challenges.”

Moreover, he explains, “In New Jersey, unlike New York City and Washington, DC, there is no funding provided to charter schools for facilities. Purchasing and renovating suitable space or building from the ground up” for a new school can “easily run into the tens of millions of dollars. This cost poses a nearly insurmountable challenge, because many major charter funders prefer to support operations” and won’t finance capital projects that cost this much. Especially in Newark, where many buildings have a history of industrial production, it is difficult for TEAM to find suitable space for renovation. Currently, TEAM is seeking to work with an investor to buy, renovate, and lease one site and to work with the local archdiocese to potentially lease another site. Cope notes, “These solutions may provide short-term answers to the facility challenge, but do not resolve the long-term challenge of finding and paying for quality facilities.”

Talent Providers

Human capital providers occupy an awkward position between tool builders and school builders. Talent providers prefer to deal with organizations that have a predictable need for large numbers of teachers or leaders. While charter schools, private schools, or other schools with heightened autonomy have increased leeway to hire, their personnel needs are also less predictable and less stable than those of larger, traditional districts. At the same time, the various procedural and contractual processes of traditional school systems—including veteran teachers’ substantial leeway to transfer to schools of their choice and balky human resources systems whose employees may resent outside partners—mean that districts are often less receptive environments for human capital providers.

State laws govern teacher and administrator licensure, and schools of education hold sway over preparation, presenting human capital providers with stark challenges. State licensure systems routinely dictate that alternative providers of teacher training must partner with the traditional programs that are empowered to license teachers. This often means that entrepreneurial programs must incorporate faculty and instructional time from these partner institutions, whether or not they deem it an optimal use of student time. These partnership requirements raise the cost of these programs and can compromise the quality of greenfield models.

States and districts restrict entry into teaching and school administration via licensure requirements, obligating prospective teachers to complete some form of state-approved teacher preparation. These regulations, along with practices governing compensation and hiring, restrict the entry of new candidates and limit entrepreneurial talent providers.

In the 1980s, several states started to develop alternative certification processes to enable prospective teachers to bypass traditional education school programs. The National Center for Education Information reports that in 2007, all 50 states and the District of Columbia had alternative teacher certification programs in place, with a total of 130 different routes provided by 485 programs. The oldest and most prolific alternative programs are those in California, New Jersey, and Texas, which together have long produced nearly half of the national total of alternatively certified teachers.¹⁶

Alternative programs for teacher and administrator licensure have given rise to some of the best-known examples of educational entrepreneurship. One such effort is Teach For America, founded in 1989 by Wendy Kopp to recruit and prepare bright college graduates for two years of teaching in high-need classrooms. Alternative credentialing enabled Teach For America to develop innovative processes to prepare teachers, including stringent criteria for candidate selection and a dramatically shortened, six-week preparation experience. TFA has yielded teachers who produce student achievement no worse than those of other teachers who have completed much more costly, yearlong traditional programs.¹⁷

There is reason to wonder, however, how fully “alternative” licensure has actually lowered the barriers for greenfield providers. A 2007 study published by the Thomas B. Fordham Institute and the National Council on Teacher

Quality (NCTQ) reported, “Most alternate route programs have become mirror images of traditional programs.”¹⁸ Based on its analysis, NCTQ has judged, “Despite the promise of new alternate routes to teacher certification for talented liberal arts graduates and mid-career professionals, only six states offer genuine alternate routes.”¹⁹ Art Wise, former president of the National Council for the Accreditation of Teacher Education, the professional accrediting organization for schools and departments of education, boasted a few years ago that more than two-thirds of “alternative” programs were being operated by traditional education schools.²⁰ The experience of Teach For America in Connecticut is a case in point. Although TFA is a state-approved alternate route program, the state has also decreed that all TFA candidates must meet all certification requirements for a teaching license before they begin teaching. In practice, this means the program is “alternative” in name only, making TFA’s efforts increasingly untenable. It’s a situation that has forced TFA to wade into legislative deliberations—and to consider withdrawing from the state of Connecticut if no fix is possible.

In recent years, states have also begun to reconsider how they license, recruit, and train principals and superintendents. Historically, more than 95 percent of principals and 80 percent of superintendents have risen through the ranks, beginning their careers as teachers and then moving on to become assistant principals, then principals, and so on. All but two states (Michigan and Iowa) require that prospective principals and superintendents be licensed in school administration.²¹

RAND Corporation has reported that “formal barriers such as certification requirements and informal barriers such as district hiring practices all but exclude those without teaching experience from consideration for administrative positions.”²² As we’ll discuss more fully later in the chapter, nearly all superintendents and principals receive their formal leadership preparation through education school programs that do not equip them to be entrepreneurial leaders.²³

Some talent providers, such as High Tech High Graduate School of Education in San Diego and Rice University’s Education Entrepreneurship Program for principal preparation at the Jones School of Management in Houston, have sidestepped the licensure hurdle by actually becoming recognized providers of preparation. State boards have approved both programs, empowering High

Tech High and the Jones School of Management to serve as official, state-recognized training programs. Such approval can be time-consuming and politically dicey, and it may require compromising some program elements, but it offers a powerful way for talent providers to overcome obstacles imposed by training and licensure systems.

Tool Builders and Service Providers

The measures that create greenfield for school builders do not necessarily do the same for tool builders or service providers. In fact, entrepreneurs devising new instructional or technological tools can find the proliferation of school choice to be a hindrance because marketing new technology tools or data systems and supporting their adoption is feasible only if providers are serving a certain number of schools or students. Trying to work with a scattered handful of small schools rather than with whole districts can lead to costs that quickly become unsustainable. The fragmented K–12 system—with its 15,000 districts and stew of varied standards, accountability and licensure systems, and procurement processes—presents an enormous hurdle to greenfield ventures trying to operate on a national scale.

Inconsistent rules and metrics make it expensive for entrepreneurs to try to compete in multiple markets and lend an edge to the status quo and established mega-firms. As Ron Packard of virtual homeschooling firm K12 Inc. has explained, “The existence of 50 separate sets of state standards creates enormous complexities for what we do.”²⁴ Customization for 50 different markets is an enormous burden, particularly for small organizations. Indeed, entrepreneurs sometimes describe the challenge of expanding across state lines as akin to opening up a brand new business in every state. As a result, many entrepreneurs have chosen to focus their efforts in one locale; those who have not struggle to maintain focus and consistency while customizing their work appropriately.

One powerful illustration of how federal, state, and district policies constrain tool builders is the experience of tutors operating under the “supplemental educational services” provision of No Child Left Behind. NCLB requires Title I schools that have failed to make “adequate yearly progress” for three or more consecutive years to offer students “supplemental education services” (SES)—typically tutoring. The law also stipulates that these services may be provided by private companies or by the districts themselves.

Although SES might seem an obvious opening for entrepreneurial firms, the administration of the SES process was left in the hands of states and districts. States control who can offer services by establishing lists of approved providers; districts are charged with determining student eligibility, informing parents, managing provider access to school sites, and establishing contracts with individual providers. This has created predictable roadblocks.

Journalist Siobhan Gorman has observed that “within this new marketplace, school districts hold enormous power as a result of their dual role as both program administrator and potential provider. Districts also have little incentive to inform parents of the money available to them for tutoring, since districts get to keep any unused funds.”²⁵ In testimony before Congress, Jeffrey Cohen of Catapult Learning noted, “Providers often contend with seemingly unnecessary obstacles, including district opposition to SES, lack of information about implementation plans, and [local education agency] regulation of state-approved programs.”²⁶

Tool builders thrive in an environment in which states, districts, or other collectives buy in bulk, establish clear and user-friendly procurement systems, and base purchasing decisions on transparent evaluations of cost and performance. Thus, the same fragmentation that is desirable for school builders is frequently an obstacle to tool builders, and the kind of standardized large-scale purchasing that helps tool builders can stifle school builders.

Informal Hurdles

Beyond federal and state laws and formal district practices, there are several kinds of informal barriers that restrict greenfield. These include public skepticism, political pressures, state and district operational routines, and the culture and mind-set of many educators and education leaders. Many of these have a symbiotic relationship with more formal barriers, with informal cultures, routines, and habits of mind deepening and extending their impact. Merely changing laws does not always have the anticipated benefit, because the legacy of entrenched practices and past laws tends to persist. Would-be reformers have too often been content to win measures that relax formal barriers, not recognizing the degree to which their victories are compromised in practice. Successful greenfield reform requires combating informal barriers in conjunction with the more cut-and-dried, visible ones.

Public Opinion

One major constraint on entrepreneurial ventures is the way Americans typically think and talk about schools. For example, the public likes smaller class sizes and is skeptical of school models that employ larger classes, even though small classes consume enormous resources and the research on their value is mixed.²⁷ Entrepreneurs who proceed from the presumption that any new school model must feature small classes quickly find themselves limited when it comes to rethinking school design or staffing. Author and education management organization veteran Steven Wilson has termed this “the ideology of class size reduction.”²⁸ Although many charter operators and district reformers privately suggest that reducing staffing costs and using teachers in new ways is essential to breakthrough improvement, only a few have accepted larger class sizes, and even fewer have openly acknowledged doing so.

In the private sector, it normally does not matter if the public approves of how companies like Burger King or Old Navy go about their business. Public opinion is more of a concern for organizations like Blue Cross/Blue Shield, which have extensive dealings with public officials or address areas of sensitive public concern. There is no question that public opinion matters enormously in schooling, where the opportunity to open a school or provide services is subject to political determinations, and where parental distaste can ensure the demise of even terrific proposals.

Parents and local leaders also show a preference for nonprofit, “mom and pop” schools independently run by familiar, local educators. This preference has stifled and slowed the expansion of new ventures, especially those seeking to operate more efficiently. John Chubb, former Stanford University professor and now managing director of the EdisonLearning Institute, has argued, “What is most important about the new entrepreneurship is that it brings to the very heart of public education—at least potentially—the twin engines that drive innovation, quality, and value in the private sector: profit and scale. Virtually all of the goods and services that Americans enjoy are produced by for-profit companies. A large percentage of those goods and services owe their various virtues to the large scale organizations that produce them. Public education is distinctively not-for-profit and small scale.”²⁹

Due to their relative novelty, greenfield ventures can also suffer due to misinformation and misconceptions that feed public skepticism. In 2006, the annual *Phi Delta Kappan*/Gallup poll on education asked respondents

whether charter schools are “public schools,” and whether they are free to teach religion, to charge tuition, or to select students based on ability. While state laws define charters as *public* schools and do indeed prohibit them from teaching religion, charging tuition, or cherry-picking students, just 39 percent of respondents thought charters were “public schools,” and 50 percent or more said charters were free to teach religion, charge tuition, or select students based on ability.³⁰ Respondents were not just confused; they were systematically mistaken in a direction sure to bias them against charter schooling, as analyses of public opinion make clear that the public strongly supports schools that it perceives as “public.”³¹ Given the public’s distaste for exclusive practices like charging tuition or selecting students, the persistence of such misinformation, even two decades after the passage of the first charter school laws, poses a significant hurdle.

To date, even would-be reformers have found it more advisable to cater to the public’s prejudices than to challenge them. Creating greenfield will require a much clearer and bolder effort to inform and influence public thinking.

Political Pressures

Tellingly, K–12 entrepreneurs have been thwarted by opposition from political constituencies within and around public education, including teachers unions, school administrators, school boards, and civil rights organizations. In 2009, when the names of various educational entrepreneurs, including Wendy Kopp (founder of Teach For America) and Jon Schnur (cofounder of New Leaders for New Schools), were being floated for senior positions in the Obama administration’s Department of Education, the president of the American Association of Colleges of Teacher Education issued a fierce denunciation in a widely circulated letter, declaring, “They are unacceptable in these roles. . . . They have evidenced a constant and intense disregard for working with the organized education community. . . . The proposed team, if appointed, would be a grave disappointment for those of us who are hoping to change the education system in the interest of students.”

Political opposition takes many forms and plays out in various venues. A few years ago, author and journalist Joe Williams interviewed more than 400 charter school operators across the United States, studied the challenges they face, and documented in detail the political opposition and “bureaucratic sand” hurled in the faces of charter schools. Williams has compared the plight

of charter school operators to the game of “Whac-A-Mole,” where political opponents wield the mallet and charters scramble to duck repeated blows, and he has noted hostile tactics through which unions and school district officials prevent charters from accessing facilities, delay the processing of funding, and besmirch reputations. This opposition seizes upon laws and regulations, using them as mallets to whack away at new ventures.³²

Securing school facilities is an enormous challenge for charter schools—and, not so coincidentally, one point where heel-dragging and opposition are especially evident. In Albany, New York, charter opponents tried to use the city’s zoning commission to halt charter school growth. When Albany Preparatory Charter School sought one possible facility, both the city and the Board of Zoning Appeals denied the request on grounds that the proposed building was in a location that was not suitable for a school. Ironically, that very building had served for more than 70 years as a school in the Albany public school system. Deeming the decision “arbitrary and capricious,” a state supreme court justice ordered the city to reverse the judgment.³³

In 2000, California citizens voted on Proposition 39 and approved the requirement that unused public school buildings be offered to charter schools before being made available for other uses. Some districts have blatantly ignored the law. Indeed, two charter schools in southeast San Diego—Fanno Academy and KIPP Adelante Academy—resorted to suing the district for “blatant noncompliance” when school officials denied classroom space to charter schools and instead gave it to private schools that could afford to pay higher rent.³⁴ Some opposition is even more bare-knuckled. In an article published in *Education Next*, Joe Williams cites a *Boston Globe* report that, in Massachusetts, “Children say their public school teachers have pressed them to sign petitions protesting new charters. School committee members have repeatedly called neighbors, imploring them to step down from charter boards. And flyers have circulated, sounding the death of public schools if a charter school opens.”³⁵ When the University of Wisconsin–Milwaukee considered authorizing charter schools for the first time, the local teachers union and top Milwaukee administrators threatened to ban the university’s student teachers (potentially preventing them from fulfilling licensure requirements) if the university approved any charters to be managed by the for-profit Edison Schools (now EdisonLearning).³⁶

Ed Kirby, a grizzled veteran of the charter sector, has explained how opposition played out when he was a member of the Massachusetts Board of Elementary and Secondary Education team responsible for implementing the state's charter school initiative. At the time, Massachusetts was regarded as a charter school leader, with strong political backing from the governor and legislature. Within a few years, however, the charter authorizer unit transferred from the governor's office to the Massachusetts Department of Education. As Kirby recounts, the move "placed us in an agency dominated by career bureaucrats generally opposed to charter schools and, in many cases, influenced heavily by the very interest groups who were determined to kill our work. It was a bit like sending the hen to live in the fox den and hoping for the best." Meanwhile, hostile interest groups, along with skeptical journalists and researchers, aggressively investigated each of the state's charter schools and the charter office. Kirby explains that responding to these queries "chewed up tens of thousands of hours of time." At one point, the charter schools and the authorizer team were subject to simultaneous, extensive reviews by four distinct public oversight entities: the Office of the State Auditor, the Office of the Inspector General, the U.S. Department of Education's Office of Civil Rights, and the Massachusetts Education Reform Review Commission. Kirby recalls that "good days felt like being under siege and bad days felt like an all-out street fight."³⁷

Such political struggles leave once-green fields barren and repel even the most dogged entrepreneurs. Kirby's wry take: "If I had been a motivated school founder anywhere in the country in 1995, I would have hustled to Massachusetts, given the clarity of the state's charter statute and the relative simplicity of its regulatory burden. In 2008, I would look elsewhere."³⁸

Marshaling resources and organizing advocacy groups to combat excessive political opposition is an essential element of greenfield. Yet, swept up in broad policy debates, advocates have paid insufficient attention to combating the varied attacks on entrepreneurs or to minimizing the effect of those disruptions.

Operational Routines

In their innocuous daily operations, state and local district officials engage in a variety of behaviors that frustrate and fluster entrepreneurs. Decentralized decision-making authority, tortuous procurement procedures, inflexibility in

staffing and budgeting, and the provision of transportation are all examples of inherited practices that can weigh heavily on entrepreneurs.

In terms of day-to-day operational routines, schooling is too often a nightmare scenario for tool builders and talent providers. Larry Berger, CEO of the Brooklyn-based tool builder Wireless Generation, relates that business students are prone to gape when they learn about the decision-making processes in school districts: “It seems that in education, no one is in charge.” Berger has a stock, wistful reply: “If only that were the problem. But the situation is much worse: In education, *everyone* is in charge.” As Berger and his colleague David Stevenson have explained, marketing products and services to districts requires companies to win over state policymakers who oversee relevant funding, academic consultants who advise districts, key school board members, the district curriculum leadership, the special education department, the office of research and assessment, the chief information officer, the principals, the individual schools’ reading coaches, and others.³⁹

Berger and Stevenson note that only a few of these individuals have the budgetary authority to say yes, but that most of them have the ability to say no. Not surprisingly, this process often means slogging through procedures, rather than enabling school leaders to focus on the quality or cost-effectiveness of the tool builder’s goods or service. In the end, Berger explains, districts often act haphazardly when deciding what to buy. He notes, “In the final days of the fiscal year, schools sometimes find themselves with money that they must ‘use or lose.’ At this time, the long, involved process goes out the window. . . . One of the most useful things we have learned from our veteran sales people is always to leave a price proposal behind, even when the district does not seem ready for one. If your proposal is in the desk drawer when use-it-or-lose-it time rolls around, you might just get the lucky call.”⁴⁰

Another operational barrier is the “pilot problem.” When a district does decide to buy a product, it is often conditional on piloting it in a small number of schools or classrooms. This approach has its virtues, but it can also produce prohibitive headaches for entrepreneurs. When districts are not ready to buy at scale, the startup venture often agrees to a pilot program at a low price. This results in expensive onsite handholding to service the customer and ensure that the high-stakes pilot is successful. An even worse scenario occurs when the pilot fails because the startup cannot afford the necessary handholding,

which in turn leads teachers to see the program as one more faddish innovation and adopt a “this too shall pass” attitude. Berger notes that “even when the pilot is successful, the same decision-maker who could not pull the trigger at the outset often rewards the successful pilot with an expansion from ten classrooms to fifteen, or with nothing but a congratulations, because that person never really had much budget authority in the first place.”⁴¹

A third crucial but often overlooked operational barrier is the tendency of district leaders to regard staff time and salaries as sunk costs. Consequently, districts typically do not eliminate teaching or staff positions, even if an innovation allows nine employees to accomplish what used to take ten. The result is that school and district leaders have a hard time seeing labor-saving technologies or services as cost-effective. Tim Daly, CEO of The New Teacher Project, a New York-based venture that helps districts recruit faculty and address human resource challenges, routinely encounters this barrier. Too often, he explains,

A district would tell us that they loved our work, but that we were too expensive. We’d ask what they meant by “too expensive.” They’d say that our teachers were \$5,000 to \$6,000 per head, and that their Human Resources department could recruit teachers for \$100 or \$150 per head. When we probed, we’d find that this calculation was based solely on two expenses: fees paid to attend job fairs and ads placed in newspapers. It didn’t include any of the costs for staff salaries or benefits, or office space used by the recruiters, or technology infrastructure, or placement costs, or mentoring, etc. They just added up the most readily-tallied costs and divided by the number of teachers hired.

A management style that ignores cost efficiencies in staff time and salaries constitutes an enormous obstacle when trying to convince school systems to purchase a product meant to radically improve efficiency or performance. Rather than ask whether a tutoring program would allow a district to reduce the number of paraprofessionals or whether a more sophisticated diagnostic tool might allow talented elementary teachers to accommodate more students, district and state officials seemingly operate from the premise that technology and service providers must “supplement but not supplant” personnel.

Greenfield requires a wholesale alteration of how state and district officials approach and evaluate procurement decisions. This entails making the

costs and benefits of staff and services more transparent, rewarding leaders for focusing on cost-effectiveness, and coaching district officials to evaluate alternatives with productivity in mind.⁴² It is no small task, to say the least.

Operational concerns can prove equally problematic for school builders. Headaches surrounding student transportation have been a frequent concern for charter school operators. “Transportation is huge,” explains Jamie Callendar, a former Ohio legislator. “In the first few years the districts would outright refuse to provide transportation. Now they make it as inconvenient as possible.” In Colorado, buses cannot carry students unless inspected by a specially licensed school bus mechanic. Most of the licensed school bus mechanics in the region were, not surprisingly, employed full-time by districts. The K–6 Ross Montessori School in Carbondale, Colorado, paid \$25,000 for a turbo-diesel bus that spent most of its first year sitting unused in the school parking lot. When Ross’s principal asked the mechanic in the local district to inspect the bus, the school got the bureaucratic cold shoulder. So Ross’s principal called a neighboring district. Shortly before the scheduled inspection, Ross was notified that the appointment was canceled: “They said they didn’t want to get involved in the politics of our district,” the principal recalled.⁴³

All of these district routines and bureaucratic mazes sap the time and energy of entrepreneurs—and the kids ultimately pay the price.

Habits of Mind

While formal hurdles impede educators, the socialization, training, and norms that prevail in schooling dramatically aggravate the challenge of introducing and building entrepreneurial ventures. One instructive example comes from California in the 1980s, where the legislature attempted to address concerns about overly intrusive state regulations by allowing districts to apply for waivers if they could demonstrate that existing laws or rules were hampering educational improvement. Columbia University professor Hank Levin recounts, “Relatively few formal requests for waivers were made . . . fewer than 100 were made in the first year [from more than 1,000 districts].” More surprising, notes Levin, was that aside from requests to waive special education provisions, “the vast majority of all requests for waivers were unnecessary.” A review by the legal counsel found that nearly all the proposed measures were permissible under existing law and did not require waivers.⁴⁴

Superintendents and boards mistakenly thought rules were more restrictive than they were or, Levin says, they were using laws and regulations “as a scapegoat . . . to justify maintaining existing practices.” Former Memphis superintendent Gerry House similarly recalled telling principals that if district regulations and policies were impeding their efforts, they should request waivers. When she started to receive their requests, she found almost all to be unnecessary and that schools could “establish the proposed, new practices under existing district policies.”⁴⁵

Similarly, even though collective bargaining agreements frequently permit more latitude than is often understood, most principals and superintendents persistently fail to take steps to sensibly assign personnel, reward expertise, or target professional development. In a 2008 analysis of work rules, teacher compensation, and personnel policies in the nation’s 50 largest districts, Coby Loup and I reported that most had substantial opportunities to act but were not taking advantage of them.⁴⁶ Vanderbilt University professor Dale Ballou similarly found in Massachusetts that “on virtually every issue of personnel policy, there are contracts that grant administrators the managerial prerogatives they are commonly thought to lack. . . . When more flexible language is negotiated, administrators do not take advantage of it.”⁴⁷ Mitch Price of the University of Washington concluded in a 2009 study of districts in California, Ohio, and Washington that “because so many administrators, union leaders, and others perceive contracts as inflexible, the perception overtakes the reality . . . lead[ing] to practices that may be more rigid than the actual language of the contracts requires.”⁴⁸

What’s going on? The vast majority of superintendents have learned to regard precedent-breaking action as risky and conflict as something to be avoided. Fully 80 percent of superintendents follow a career path that leads from teacher to principal to superintendent (with two-thirds serving in the district central office en route). Principals are almost entirely drawn from the ranks of former teachers, and almost all receive their leadership training in schools of education, where inclinations toward consensual “best practices” are frequently strengthened into dogma.

In a 2007 *Teachers College Record* study, Andrew Kelly and I examined more than 200 syllabi from a national sample of principal preparation programs and found little or no attention given to issues like eliminating ineffective

programs, removing mediocre employees, using data to overhaul operations, or devising ways to use staff and services more productively.⁴⁹ The most widely assigned texts all treated education as a unique pursuit, echoing Thomas Sergiovanni's assertion that preparation for educational leadership is unlike other leadership roles and that "we [must] accept the reality that leadership for the schoolhouse should be different, and . . . we [need to] begin to invent our own practice."⁵⁰ The most commonly assigned authors included education icons like Sergiovanni, Michael Fullan, Lee Bolman, and Linda Darling-Hammond. Utterly absent were influential management thinkers like Michael Porter, Jim Collins, Clayton Christensen, and Tom Peters, who have wrestled with these issues for decades; other notable thinkers like Daniel Goleman, Peter Drucker, and Warren Bennis appeared just a half-dozen times—*combined*—out of more than 1,800 assigned readings. Superintendents who have spent their entire careers in K–12 education have had little or no exposure to different ways of leading and naturally grow to regard familiar routines as immutable.

In the course of their professional experiences, few superintendents are exposed to more assertive models of leadership or to how managers operate outside of K–12. Career superintendents are trained and socialized to pursue consensus among all interested stakeholders. Those seeking successful careers are advised to steer clear of heated clashes over staffing, school closures, new delivery models, or nontraditional vendors and instead to move deliberately on less-controversial best practice strategies. These habits of mind tend to make districts inhospitable to greenfield and leave most district leaders disinclined to help entrepreneurs find their way into the district.

Thinking Like a Greenfielder

Ted Kolderie is a founding partner of Education | Evolving, an education policy and school design shop based in Saint Paul, Minnesota, that is a national leader in greenfield thinking about redesigning teaching and learning in the 21st century and what that will require. In a 2008 report, "The Other Half of the Strategy," Kolderie argues that traditional efforts to develop "new and better approaches to learning" have fallen short and that "efforts to improve marginally are not acceptable and efforts to transform K–12 dramatically through politics are not realistic." Instead, he points to the importance of leaders creating entrepreneurial space for fresh thinking and technology rather than trying to legislate change.

Policy cannot create change. Kolderie argues that comprehensive reform efforts are doomed to failure. First, they require everyone to buy into a single model: "If

we think we must have an ‘agreed solution,’ with everyone ‘buying in’ on a single model, we will not accomplish much change that is truly significant.” Second, these blueprints are overly optimistic about implementation. “Occasionally someone does offer a dramatic vision that, if implemented according to the blueprint provided, would transform the system,” Kolderie concedes, “but these proposals for large-scale engineered change tend not to succeed. It is beyond the capacity of our political system to impose a blueprint on dissenters or to execute it faithfully in 29 steps over the next 9 years.”

Governors as gardeners. Kolderie calls for states to create “a sector in public education in which innovators . . . can try new forms of schooling; a sector structured to be congenial to innovation and in which the new and different models are protected. Public education exists in state law and, if a new space is to be created, the governors and legislatures will be the architects and implementers of the change.” Kolderie gives credit to states that have enacted hospitable charter school legislation, but says there’s a long way to go: “Laws need to be enacted where they do not now exist, and improved almost everywhere else. . . . But the states and the national government should work with a light touch, should keep ‘the rules’ minimal. For government, innovation means providing opportunities, not producer subsidies.”

Fresh thinking. Kolderie says, “For new models of school and schooling we will probably need to look mainly to people new to education and now outside it.” While “it can be a challenge to believe in unconventional people,” Kolderie offers the example of Paul MacCready, who won the Kremer prize for human-powered flight in 1977 with a device constructed out of piano wire, bicycle parts, and Mylar. He notes that MacCready was not an aircraft structural designer, but saw that the traditional approaches of his competitors were going nowhere. MacCready relates, “Not having a background in structures permitted me to adapt some very simple-minded techniques rather than being blinded by training in structures.” Kolderie adds, “There is little in our schools and our culture that forces us to get away from established patterns and look at things in different ways. . . . The conventional model of school is absolutely imprinted in our consciousness.”

Technology. Kolderie argues, “We have a coincidence of need and opportunity. New technology is appearing just as the old technology is reaching its limits. This often happens. The automobile appeared just as cities needed an alternative to the horse. Business machines appeared as office filing systems broke down. Petroleum came along as whale oil disappeared. The telegraph appeared just as communication needed to cross the continent.”

Kolderie explains the discontents of educational technology thusly: “Most schools now have computers; most connected to the Internet. The issue today is use. Most is ‘type-one’ use, adapting the new technology to present-day school—much as, early on, cinematography was used to film stage plays.” Such use of technology supplements, but does not supplant, traditional classroom instruction. Ultimately, he says, “the opportunity to change school really opens up with the ‘type-two’ applications in which school is adapted to the characteristics and the potential of the electronics. . . . In contrast to conventional school, these offer flexibility in time

and place.” While adults may be wary of such radical change, Kolderie concludes, “Clearly the day is gone when the best or the only way to put young people in touch with knowledge is to send into their classroom an instructor with books under her arm.”⁵¹

Limited Set of Greenfield Locales

Greenfield operations tend to cluster in a few communities. This is inevitable, given the political constraints that exist in most places. But it also means that a handful of locales play an outsized role. For instance, there are only eight cities—Baltimore, Chicago, Memphis, New Orleans, New York City, San Francisco, Oakland, and Washington, DC—in which Teach For America, New Leaders, and KIPP all operate. The list of truly receptive districts probably numbers fewer than a dozen.

Reliance on these few locales lends enormous influence to those who make the rules in them. Entrepreneurs must craft their proposals in ways that will not be unpalatable in the few states and districts where they find themselves accepted. This is why Edison Schools (now EdisonLearning), for instance, twisted itself into knots a few years back, altering its school design and personnel practices in order to land 20 schools in Philadelphia and take advantage of the district’s interest in outsourcing the management of several dozen schools.

It is not unusual for a new entrant in any market to depend on a small number of clients, but those clients typically differ from one firm to the next. In education, the new entrants depend so heavily on the *same* few entrepreneur-friendly locales, and on the individuals who lead them, that a few personalities ultimately dictate the direction and shape of much greenfield schooling activity across the country. The reliance on a handful of critical locales also creates an environment in which Arne Duncan leaving Chicago to become U.S. secretary of education or Paul Vallas departing Philadelphia to head the Recovery School District of Louisiana can leave fragile entrepreneurs hanging by a thread.

Even in the most receptive districts, only parts of the schools and services are truly open to new providers. Chicago’s hotly debated “Renaissance 2010” effort, which aimed to launch 100 new schools and shutter low-performing ones in the decade preceding 2010, has been touted nationally for its ambition.

Yet even that aggressive, decade-long effort sought to involve, at most, 20 percent of the city's 500 generally low-performing schools. What looks from a distance like a wealth of opportunities soon reduces to a handful of greenfield districts and a limited number of opportunities within them.

Conclusion

As noted in Chapter 1, the tendency of organizations to get stuck is not unique to schooling. Established organizations have trouble adapting to change, due in large part to the natural desire to placate their established constituencies. Transformative change is rarely consensual because it inevitably requires some constituencies, at least in the short term, to swallow bitter medicine. If doing better requires doing things differently, it is not just a matter of eliminating laws and rules that *prohibit* change. Greenfield also requires a culture that attracts and supports people who are *inclined* to push against familiar routines and who have the skill and experience to devise workable alternatives. A key problem in schooling is not only the dearth of such individuals but also a culture that reinforces inaction.

Existing arrangements and standard operating procedures are entrenched and defended by powerful interests. The most powerful political actors in education are the teachers unions, colleges of education, and various associations that represent district and administrative officials. For reasons both principled and selfish, these groups are inclined to be hostile to new players and to oppose reforms that would foster entrepreneurial approaches. The resulting barriers are both formal and informal, and the distinction between the two is not always clear cut.

More fundamental change requires addressing the norms, culture, behaviors, and expectations that are intertwined with, but distinct from, formal policy. Risk-averse principals, central office administrators, school boards, and superintendents have been applauded for pursuing consensus and proceeding gingerly when it comes to the rules governing personnel, procurement, and operations.

With regard to such informal barriers, it is essential at the federal, state, and local levels to promote transparency regarding what bottlenecks and obstacles exist and why. Some roadblocks may be necessary to safeguard children or tax dollars, but many simply appear to be the remnants of routine, outdated

technology systems, and industrial-age collective bargaining agreements. In particular, state and district leaders must become more insistent on negotiating flexible collective bargaining agreements, striking down practices that protect mediocre teachers or vendors, developing crucial management metrics, and putting their attorneys to work figuring out what might be *done* rather than what might be *risky*. Whatever the value of formal legislative, judicial, and contractual action to expand greenfield, school systems routinely fail to test the boundaries to see how much freedom they already have.

One reason for this caution is the desire to protect students and the dictum “First, do no harm.” For that reason, policing the quality of greenfield ventures looms large, and it is essential if district officials are to feel comfortable doing business differently. It is to that issue of quality control that we now turn.