

THE SCHOOL TRANSFORMATION PLAN

A Strategy to Create Small, High-Performing College-Preparatory Schools in Every Neighborhood of Los Angeles

**Green Dot Public Schools
Bain & Company**

March 2006

EXECUTIVE SUMMARY

Public school reform has become the #1 issue for the City of Los Angeles. While most acknowledge the poor state of the public education system, the discussion to date has largely focused on governance issues, such as mayoral control and district break-up. This whitepaper is intended to refocus the debate on a future vision for public schools in Los Angeles about which all stakeholders will be enthusiastic. Simply put, every child in Los Angeles should have the opportunity to attend a small, safe, college-preparatory public school. This whitepaper also provides a strategy for how the City of Los Angeles can take advantage of its historic opportunity to make this vision a reality. With \$19 billion in bond funding, the Los Angeles Unified School District has unparalleled resources to execute a dramatic transformation.

TABLE OF CONTENTS

Introduction.....	3
The Perfect Storm	4
The School Transformation Plan	6
Attributes of High-Performing Schools: The Six Tenets.....	6
School Transformation: A Process for Creating High-Performing Schools.....	10
School Transformation: Jefferson High School as an Example	11
Strategies for Rolling Out School Transformations at All LAUSD High Schools...	13
District Change Required to Support School Transformations	16
Facilities Management	16
Financial Management.....	17
Staffing and Human Resources.....	19
Capacity Building	19
Bold Leadership	20
Stakeholder Support.....	20
Application of School Transformation to Middle Schools and Elementary Schools ...	21
Conclusion	21
Endnotes.....	22
Acknowledgements.....	24

INTRODUCTION

Every young Angeleno should have the opportunity to attend a great public school. A neighborhood school that is safe, personalized, rigorous and engaging. A school where every teacher knows every student's name and parents are actively involved in the education process. A school that provides children with the skills they need to reach their potential, fulfill their dreams, and thrive in today's economy. A great school system is the foundation of a great city; Los Angeles desperately needs a great public school system to harness the city's creativity, diversity and boundless opportunity.

Unfortunately, Los Angeles' public schools are in a state of crisis. Only 45% of high school students in the Los Angeles Unified School District ("LAUSD" or "District") graduate after four years.ⁱ Most public schools, particularly at the high school level, are overcrowded, academically deficient, and too often violent and unsafe. The city's economy, safety, social stability and sense of hope are at risk, prompting Mayor Antonio Villaraigosa to comment that the high school dropout problem is "the new civil rights issue of our time."ⁱⁱ

While the need for dramatic reform is clear, LAUSD has been unable to create a vision or strategy for dramatically improving its public schools. In a collaborative effort to help LAUSD Superintendent Roy Romer create such a reform plan, Green Dot Public Schools, a leading public school operator in Los Angeles, and Bain & Company, one of the world's preeminent management consulting firms, developed the "School Transformation Plan."ⁱⁱⁱ The School Transformation Plan details how LAUSD can leverage its successful \$19 billion school bond campaign to transform its 46 comprehensive high schools into 500 high-performing small schools within 10 years.^{iv} The School Transformation Plan is made up of the following core components:

- Definition of the key attributes consistently found in high-performing schools, called the "Six Tenets," which all LAUSD high schools should follow in order to have the greatest likelihood of success.
- An introduction to "School Transformation," a process that can be used to transform all comprehensive high schools in LAUSD into clusters of small successful schools that follow the Six Tenets.
- Identification of strategies LAUSD can use to roll out School Transformations at all of its high schools and the key execution implications that the District must address to effectively implement School Transformations on a broad scale.

Were LAUSD to embrace the School Transformation Plan immediately, it could start this fall by transforming Jefferson High School, the lowest-performing high school in the District. In parallel, LAUSD could further refine the School Transformation Plan, leading to a larger scale rollout that would fundamentally remake the District within 10 years.

It is an unprecedented time to change Los Angeles' public schools. The District has recently raised over \$19 billion in bond funds that can be used in School Transformations, citizens of this city are demanding dramatic public school reform and

the state and federal governments are putting pressure on LAUSD to fix its failing schools. The mayor of Los Angeles has committed to prioritizing education reform as the top issue of his administration and has expressed his desire to take responsibility for all LAUSD schools. If School Transformations are executed at all high schools throughout the District and all schools follow the Six Tenets within 10 years, then we truly will have a vibrant city where all young Angelenos can get the education they need to fulfill their dreams.

THE PERFECT STORM

“Los Angeles has an unprecedented opportunity to transform the entire school district. What other school district has \$19 billion to grow itself out of its problems?”
- Steve Barr, Founder and CEO, Green Dot Public Schools

The scale of the challenge facing LAUSD is immense. Less than 20% of 9th graders graduate with the minimum requirements to apply for college.^v In the English language arts and mathematics, only 25% and 9% of LAUSD high school students meet state proficiency standards, respectively.^{vi} Fortunately, an unprecedented convergence of conditions makes the dramatic restructuring of Los Angeles’ public schools a possibility. The myriad of barriers that effectively thwarted previous reform efforts - factors including limited financial resources, overcrowding, a lack of accountability and ineffective governance - are being replaced by the “perfect storm” of conditions that have emerged. The conditions that have created this once-in-a-lifetime opportunity for bold education reform include:

- **\$19 Billion in New Construction Bond Money:** Unlike other large urban districts, LAUSD has the financial ability to “strategically” grow itself out of its current conditions and implement needed reform. It can use its \$19 billion bond money to relieve overcrowding by incubating new schools and renovating existing campuses to eventually house small autonomous schools.^{vii} The District must avoid using its successful bond campaigns to simply build more of the same - large, impersonal schools based on an antiquated educational model. The bond funds should be used to create new small schools that operate with a fundamentally different school model and follow a new design paradigm.
- **Increasing State and Federal Accountability:** Pressure from federal No Child Left Behind legislation and the State of California to restructure its schools is mounting on LAUSD. Currently, 26 of 46 traditional LAUSD high schools are designated as Program Improvement (“PI”) status 3 or greater, meaning more than 100,000 high school students attend schools targeted for mandatory “corrective action” and “restructuring” by both the state and federal government.^{viii} Not only does the District have a legal obligation to implement reform, but the threat of a state takeover, which is forcing increased accountability at all levels, is also a key motivator.
- **New District Leadership in 2007:** With Superintendent Romer signaling his departure by fall 2006, a majority of school board seats up for election in spring 2007, and Mayor Villaraigosa’s call for mayoral control, there could be a complete turnover in the leadership of LAUSD within the next 12–18 months.

The opportunity to align the new superintendent, a new school board and/or the mayor around bold reform has never been greater.

- Mayoral Control: An additional level of pressure to change the status quo is Mayor Villaraigosa's recent vow to seek control of the LAUSD system. The mayor has highlighted the District's shortcomings and believes one person should be held accountable for its results in the future. If the mayor is successful in gaining control of LAUSD, he would likely embody the bold leadership necessary for the success of this proposed plan to transform LAUSD.
- Momentum for Small Schools and School Autonomy: Across the United States, public school systems are adopting a school operating model based on smaller-sized schools with site-based decision-making (school autonomy) to restructure low-performing schools. In Los Angeles, charter school operators such as Green Dot Public Schools, the Alliance for College Ready Public Schools, and Partnerships to Uplift Communities have been successful serving high-need student populations using this model. Many large urban school districts, most notably Boston, New York, and Oakland, are also improving student achievement based on decentralizing control away from the central office to school sites, and by implementing smaller-sized schools.^{ix}
- Increasing Public Pressure for Reform in Los Angeles: In 2005, education reform became the #1 issue for the City of Los Angeles. Beginning with the Small School Alliance's public awareness campaign promoting the Six Tenets, and culminating with Mayor Villaraigosa's call for mayoral control, education dominated the debate in Los Angeles' mayoral race. Since that time, public demand for reform has increased. The release of the Harvard Civil Rights Project's graduation rate report, ongoing student unrest at numerous LAUSD high schools, and the numerous initiatives of city council members, the city controller, and state legislators continue to keep education reform top-of-mind for residents. Increased public awareness has also translated directly into community pressure that has begun to affect LAUSD. For example, a petition drive resulting in the support of more than 10,000 South Los Angeles community members and a nearly 1,000-person "March of the Parents" forced LAUSD to acknowledge community demands and accelerate change at Jefferson High School.
- New Legislation to Increase District Operating Flexibility: The California State Legislature recently passed SB1053, a bill that establishes a pilot project that "would require school districts participating in the program to allocate instructional funding to participating schools with maximum flexibility in the development and implementation of school-site funding." In other words, under this pilot, many of the budget autonomies and flexibilities enjoyed by charter schools may now be available to non-charter public schools as well.^x

In no city are the conditions favoring bold reform more prevalent than they are here in Los Angeles. An extraordinary opportunity to effect change for millions of lives is at hand. With the right leadership and strategy, all stakeholders can come together to create a true renaissance in Los Angeles.

THE SCHOOL TRANSFORMATION PLAN

The School Transformation Plan lays out a strategy in which, within 10 years, LAUSD can transform all of its large, overcrowded, failing high schools into small, great schools. The Plan consists of three components. First, the School Transformation Plan introduces the core attributes of high-performing schools, known as the “Six Tenets.” Second, the Plan provides an innovative process, called “School Transformation,” for converting large, individual failing high schools into clusters of high-performing Six Tenets schools. Finally, it identifies strategies that the District should follow and key execution implications that must be addressed when rolling out School Transformations to all of its schools.

ATTRIBUTES OF HIGH-PERFORMING SCHOOLS: THE SIX TENETS

Even though there are many failing high schools in Los Angeles, the key ingredients of a good high school are not a mystery. The City of Los Angeles, like all other cities throughout the nation, has examples of successful high schools, both public and private, that are doing a much better job of educating students than most urban schools. In East Los Angeles, for example, compare the Oscar De La Hoya Animo Charter High School, a small, 500-student public school, to Roosevelt High School, a 5,000-student school. Both schools serve the same socio-demographic student population in the Boyle Heights neighborhood, yet Oscar De La Hoya scores 158 points higher than Roosevelt on the State of California’s Academic Performance Index.^{xi} Similarly, compare the results of Animo Leadership Charter High School, a school where 80% of all 9th graders go on to graduate college-eligible, to LAUSD high schools where less than 20% of 9th-grade students graduate college-eligible.^{xii}

A closer examination of Oscar De La Hoya Animo, Animo Leadership and other high-performing comprehensive high schools in Los Angeles and throughout the country shows that all of these schools share common fundamental attributes that enable them to be successful.^{xiii} We have defined these attributes as the “Six Tenets of High-Performing Schools” or, more simply, the “Six Tenets.” The Six Tenets are the core foundation for successful high schools and incorporate the need for greater personalization and rigor in schools, as well as the need for more school-based autonomy, parental involvement and community ownership. If all public high schools in Los Angeles followed the Six Tenets, they would have the greatest chance of being successful and every student would have the opportunity to attend a quality public high school.

The Six Tenets

1.) Small, Safe, Autonomous and Personalized Schools: Schools should be small (approximately 500-525 students when fully developed). Small schools ensure that students don't fall through the cracks and allow students to receive the personalized attention they need to learn effectively. Students are held accountable for all of their actions and the administrators and teachers can develop personal relationships with each student and his/her family. Smaller schools are safer and decrease the security risks inherent in urban schools as potential problems can be recognized earlier and mitigated. Additionally, it is easier to implement the other five tenets in smaller schools.

Classes should be kept as small as financially possible. A 21:1 student-to-teacher ratio is targeted to provide individual attention to students and help teachers instruct effectively in classes that typically have students at varying proficiency levels. The target average class size for a high school should be 27 students, which is possible to achieve based on current funding in California.

As part of a School Transformation, small schools will operate in clusters that share services and facilities. Small schools sharing facilities, such as athletic fields and gymnasiums, will allow for a great variety of extracurricular activities. More importantly, the clusters of small schools will be able to leverage specialized services, specifically special education and English language learner programs, to more effectively meet the needs of all students.

2.) High Expectations for All Students: All stakeholders must have an unwavering belief in the potential of every student and an understanding that every student will succeed with the proper support. As such, all students should take a rigorous college preparatory curriculum in high school. All students need to be enrolled in classes meeting the University of California (UC)/California State University (CSU) A-G requirements, and courses must be aligned with California State Content Standards. This ensures that all students who graduate high school will at least have the option to attend college if they choose. Extensive student intervention and support programs must be offered before school, after school and during the school day in order to help students master a rigorous curriculum.

3.) Local Control with Extensive Professional Development and Accountability: Principals and teachers should be the key decision makers at the school site and need to be empowered to make all decisions related to budgeting, hiring and curriculum. Recommendations and best practices should be provided by the central district to each school, but the ultimate decision-making power and autonomy needs to rest at the school site. Local control helps ensure that the administration, teachers and support staff at each school site stay motivated, take responsibility for their schools and continually innovate.

Extensive professional development and a well-codified set of "recommended practices" are necessary to ensure a high level of quality at each school and to empower principals and teachers with the tools to make well-informed decisions. More time and financial resources must be invested into professional development to build capacity and help

principals and teachers improve as fast as possible. Without a strong professional development program, local control won't work.

An effective system of accountability must also be developed for local control to be effective. If the decisions being made at a particular school site are not proving effective for student achievement, a school district must have a system in place that allows it to quickly identify the situation and implement accountability measures to drive improved performance.

4.) More Dollars Directed into the Classroom: The entire district organization must be intensely focused on getting more money into the classroom to enable principals and teachers to effectively serve kids. By incorporating best practices from the private and public sectors and redesigning the school district to support the Six Tenets school model, each school could receive upwards of \$0.90 per every \$1 of public funds. School sites would then be required to use that money as efficiently as possible to maximize the amount spent on students. In the District today, only approximately \$0.60 per every \$1 of public funds makes it to the classroom.^{xiv}

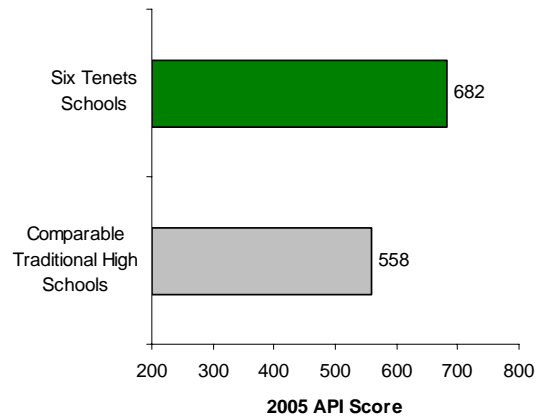
5.) Parent Participation: Family involvement in a student's education is one of the most important ingredients to student success. Families should be expected to participate in their children's education experience at all schools as part of the Six Tenets model. To encourage parent participation, all families are required to provide a set number of parent participation hours in their children's education. Schools should offer a variety of programs to get parents and family members involved in their children's school and academic lives. These programs need to be flexible and anticipate the complex demands/needs of working families. Participation can range from actually volunteering in the office on campus to reading at home with one's child. Schools need to reach out proactively to parents, educating them on how they can get more involved and on what the high school experience will be like for their children.

6.) Schools Kept Open Later: The facilities and resources at LAUSD schools need to be made available for community use. Schools should be kept open until at least 5 p.m. daily to provide students with safe, enriching after-school programs and to enable community groups offering quality services to the neighborhood to use the facilities. Allowing community groups to use school facilities helps ensure that the neighborhood takes ownership and responsibility for the school.

Schools Incorporating the “Six Tenets” Have Delivered Results in Los Angeles

Over the last six years, a number of new public high schools have opened in the Los Angeles area as charter schools that have incorporated the Six Tenets into their school models. All of these schools are substantially outperforming the traditional public schools in the nearby area and are proving that schools following the Six Tenets will be far more successful than schools that do not. Figure 1 demonstrates the differential performance of public schools following the Six Tenets as compared to the traditional high schools that students of the Six Tenets schools would have attended.^{xv}

Figure 1: Performance of Schools Following the Six Tenets vs. Comparable Traditional Public High Schools^{xvi}



Although all of the Six Tenets high schools in the figure above are charter schools, the Six Tenets certainly do not apply only to charter schools and can be used at traditional public schools as well. Charter schools have been more effective at incorporating the Six Tenets because they have been opened as new schools and it is easier to implement the Six Tenets in a new school than in a school that is already in existence and doesn't follow the tenets. If larger LAUSD high schools could be re-opened as new schools, they also could be very successful at implementing the Six Tenets.

All LAUSD High Schools Should Adopt the Six Tenets

LAUSD should make a commitment to transform all of its high schools into high-performing schools that follow the Six Tenets within 10 years. Given that schools following the Six Tenets are working well in Los Angeles and the vast majority of LAUSD's high schools are not, LAUSD should incorporate the Six Tenets at all of its high schools. Rolling the Six Tenets out at all schools will not result in a district where every high school is the same. Because local control is one of the core principles of the Six Tenets, every school will actually look different as principals, teachers, parents and students will customize their schools to meet their unique needs. What will be the same at all schools, however, is that every student will have the greatest chance to be successful because each school will have the core attributes that have proven to be most effective at educating young adults.

SCHOOL TRANSFORMATION: A PROCESS FOR CREATING HIGH-PERFORMING SCHOOLS

Green Dot and Bain & Co. have developed a process, based on national best practices, that LAUSD can use to effectively transform its 46 comprehensive high schools into 500 high-performing schools. It is called School Transformation. School Transformation is a process by which a large, comprehensive high school is restructured within four years into a cluster of 6-14 small autonomous schools that all follow the Six Tenets.^{xvii} The first year of a School Transformation consists of opening 6-14 “New Schools” that serve all of the 9th graders who would have attended the large comprehensive high school. These New Schools should be “incubated” in facilities that are separate from the comprehensive school being restructured. Opening these schools offsite with only 9th graders in the first year enables the development of a new school culture that is characterized by hope, respect for others and student safety and provides the most conducive environment for the successful implementation of the Six Tenets at the New Schools.

The New Schools will add one class of students each year and thus will serve a full 9th–12th grade student population of approximately 525 students within four years. As space frees up on the campus of the comprehensive high school due to students graduating, most of the New Schools will be moved back onto the main school campus. Within four years, the large comprehensive high school will be completely transformed into a cluster of new personalized schools with fresh cultures of high expectations and academic rigor. The New Schools will be completely autonomous and have their own principals, teachers and staff. They will control their own budgets, hiring and curriculum. Schools within a cluster will share a campus and will likely share sports teams, extracurricular activities and certain specialized services so that students can receive many of the benefits of a larger comprehensive school while attending a small, personal one. All of the New Schools will operate on a “single-track” calendar and, most importantly, all of them will have the Six Tenets as their foundation.^{xviii}

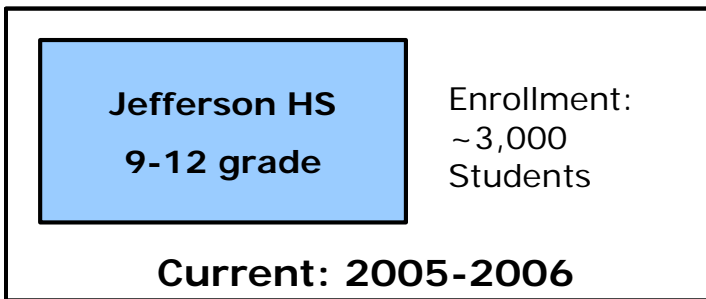
One “Transition School” will also be created in the first year of a School Transformation. The Transition School serves the 10th through 12th graders from the large comprehensive high school being restructured, and remains housed on the main school campus. This school will not enroll any new 9th graders, and thus will be in operation for a period of only three years. Each year, the Transition School will graduate a class, making physical classroom space available for the migration of the New Schools back to the original campus. Significant resources will be dedicated to the Transition School to ensure that all of the students who started in the large comprehensive school benefit from the School Transformation. Resources will be utilized to decrease class sizes, personalize instruction and provide extensive academic interventions to help ensure that students in the Transition School are able to graduate. The Six Tenets will be implemented into the Transition School as much as possible and the Transition School will also be moved to a traditional school calendar.

School Transformation: Jefferson High School as an Example

The following is an illustration of how a School Transformation can be used to transform Jefferson High School, the worst-performing LAUSD high school, into a cluster of six New Schools that all follow the Six Tenets.

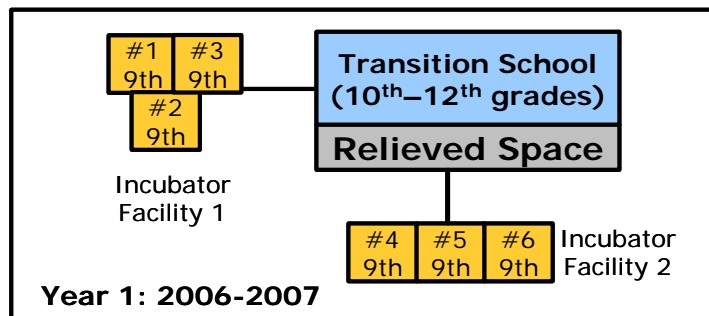
School Transformation, Year 0

Stakeholders, including school-site staff, district representatives, partners, parents and students, convene regularly to develop the plans to transform Jefferson High School. Offsite facilities must be secured to incubate the New Schools and a system for allowing students in the Jefferson attendance area to choose which New School they want to attend must be developed. New facilities being built as a part of LAUSD's new construction program should be used, if possible, as the incubator facilities.



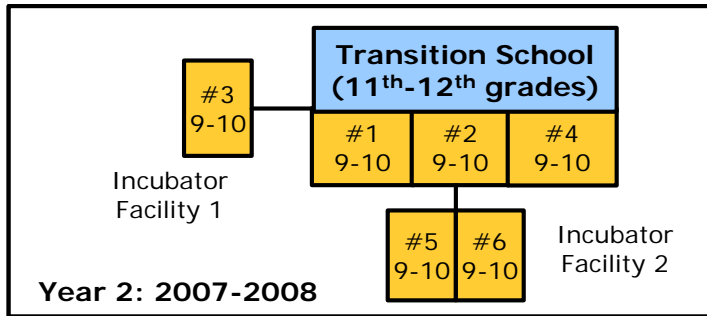
Jefferson Transformation Year 1

All Jefferson 9th graders are admitted into one of the six New Schools that are located in separate incubator facilities off the main Jefferson campus (two incubator facilities are used in this example). The six New Schools are all created with the Six Tenets as the foundation for their school models. Existing Jefferson 10th-12th graders stay on the main campus in the Transition School. The Transition School is provided with extensive resources to help 10th-12th grade students get on track to graduate. The New Schools and the Transition School operate on a traditional school calendar. The relieved space on Jefferson's campus is retrofitted to better accommodate the New Schools.



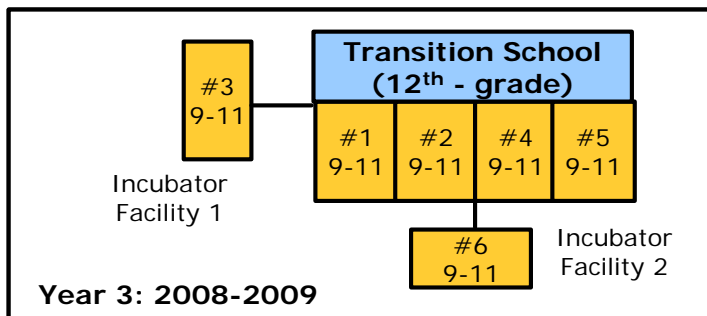
Jefferson Transformation Year 2

New 9th-grade classes are admitted into each of the six New Schools, which now serve 9th and 10th graders. Three of the New Schools are transferred back onto the main campus to the relieved space that was retrofitted during the first year of the project. The Transition School now serves only 11th and 12th graders, as it has graduated one class. Extensive interventions and supports continue to be given to the Transition School.



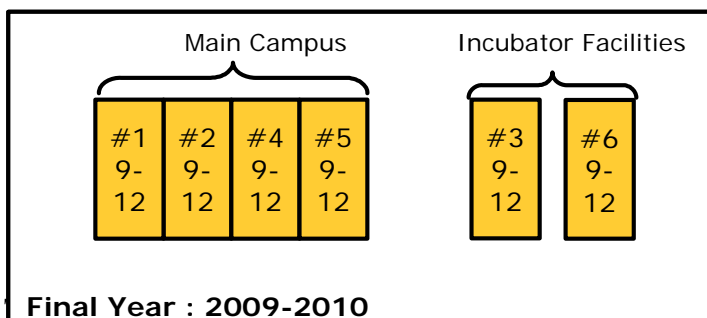
Jefferson Transformation Year 3

Another new set of 9th-grade students are admitted to the six New Schools, which now serve 9th–11th graders. One additional New School is moved back to the main Jefferson campus, and thus there are now four New Schools back on campus. The Transition School serves only 12th graders, as it has graduated two classes. Extensive interventions and supports continue to be given to the Transition School.



Jefferson Transformation Year 4

After four years, the School Transformation will be complete. Six New Schools serving approximately 525 9th–12th graders will have been created. All of the New Schools will follow the Six Tenets and have a strong likelihood of success. Four of the New Schools will be back on the main Jefferson campus and two of the New Schools will remain offsite in the incubator facilities. The need for additional facilities comes as a result of the increased student retention due to the success of the New Schools.



Strategies for Rolling Out School Transformations at All LAUSD High Schools

Given that School Transformations are the best option LAUSD has to dramatically improve the performance of its high schools, the District should implement School Transformations at all of its high schools over the next 10 years. The following are key strategies that LAUSD must use to effectively implement School Transformations at all of its 46 comprehensive high schools:

Leverage New Facilities to Serve as Incubation Sites

With the \$19 billion LAUSD has already raised in bond funds for new construction and facilities renovations, it can overcome the greatest obstacle to implementing School Transformations, the availability of incubator facilities offsite. LAUSD can use all of the new high schools it plans to build as incubator facilities for School Transformations. Rather than opening these new schools immediately to serve a full 9th–12th grade student body, these new buildings should be used more advantageously to incubate clusters of New Schools serving only the 9th grade in their first years of operation. After four years, the new facilities will serve a cluster of full 9th–12th grade schools. LAUSD should plan to roll out School Transformations across the District in line with the scheduled opening of new schools so that these schools can be used as incubators. Concurrently, the District should be designing its new facilities with School Transformations as its guide. The \$19 billion in bond funds already raised by LAUSD should be enough to finance the necessary offsite facilities and campus renovations for most School Transformations.

Prioritize Schools in Need of the Most Urgent Intervention

LAUSD currently has 26 comprehensive schools that are classified as Program Improvement 3–5 schools. The federal government identifies schools that fail to achieve state-prescribed performance levels for more than two years in a row as Program Improvement schools. At Program Improvement 5, a school is subject to being reconstituted, restructured, taken over or turned into a charter school. The District should focus its School Transformation efforts on worst-performing schools first.

Better Utilize Existing LAUSD Facilities and Partner with the City for Shared Space:

LAUSD currently owns more than 3,200 acres of usable land that it could utilize more efficiently to relieve overcrowding and also incubate small high schools.^{xix} Most LAUSD campuses are currently littered with one-story bungalows that have been placed in a scattered fashion and are not maximizing land efficiently. These bungalows could be replaced with multi-story buildings and/or re-set in order to free up more space on existing campuses to create isolated incubator facilities. An example of where this has worked is at Animo Venice Charter High School, a new small school that follows the Six Tenets. The school opened in fall 2004 serving the 9th grade only on the campus of Broadway Elementary, an existing LAUSD elementary school. A portion of Broadway's campus was redesigned to allow for the creation of the new 525-student high school. Despite the addition of Animo Venice, Broadway Elementary will not lose a material amount of space, as eight one-story classroom bungalows are being removed as part of the project.

The assets of the City of Los Angeles and other cities within LAUSD's boundaries need to be better utilized to help support new small schools so that new fields and libraries don't need to be built for every new school created. At Oscar De La Hoya Animo Charter

High School, recreational facilities at the neighborhood Boys & Girls Club and a City of Los Angeles park are used for athletic activities. The school will be able to serve 525 students on less than an acre of land because it is leveraging partnerships for recreational space.

Partner with Proven Small School Operators:

Small school operators with proven results opening and operating new schools should be engaged by the District to help develop plans for School Transformations and to operate some of the New Schools created in the transformation process. These partner organizations can provide innovative ideas, specific expertise and added capacity to School Transformation projects. Partnering with proven school operators will enable LAUSD to develop its capabilities for supporting schools following the Six Tenets much more rapidly and will greatly increase LAUSD's likelihood of success in rolling out School Transformations.

Small school operators could partner with the District by operating new schools as contract/pilot schools or as charter schools. A contract school is a school that is still governed by the district but the district signs a contract with a school operator to manage the school directly. The contract must give the school operators the autonomy they need to implement the Six Tenets successfully. A charter school is a public school that is governed by the school operator rather than the district. The school operator is assured of having full autonomy if it is operating a charter school but it is important that agreements are made to ensure that the charter schools are integrated into the larger School Transformation project and that collaboration occurs.

LAUSD should target having partner organizations operate at least 30% of the new small schools created in its earliest School Transformations. Due to the increased retention and student attendance that the District will experience in its transformed schools, it can partner with small school operators to manage 30% of the new schools without having any impact on the District's funding.^{xx} Additionally, 30% is enough of a critical mass to ensure that effective knowledge transfer occurs between the District and the partner organizations. Over time, as the District becomes more successful with School Transformations, the number of partner-operated schools will decrease.

Provide Extensive Support to Transition Schools

A critical component of success for any School Transformation is to ensure that the 10th-12th grade students in Transition Schools get an improved education experience during the four-year transformation process. Extensive resources and additional supports should be focused on integrating the Six Tenets into the Transition Schools as much as possible. Key supports recommended for Transition Schools during the critical phase-out years include the following:

- *Moving to a single-track schedule*, which is feasible since the New Schools in a School Transformation are incubated off-site.
- *Creating Small Learning Communities ("SLCs") within the Transition School* for more personalized learning environments and a sense of belonging. SLCs should have autonomy over key decisions.

- *Offering smaller class sizes* to ensure greater attention for students. Class sizes in Transition Schools should be targeted in the mid-20s for number of students.
- *Offering extensive intervention after school*, a necessary measure to bring students' literacy and numeric skills up to grade level.

Offer Better-Performing Schools More Flexibility for School Transformations

LAUSD should transform all of its large comprehensive schools into small autonomous schools following the Six Tenets, but it can provide its better-performing schools more autonomy in the restructuring strategy they choose to take. The “phase-in by grade” approach is the recommended School Transformation strategy, but there are other restructuring approaches that have been used throughout the country that the District or school sites may consider using for higher-performing schools. Exhibit 1 shows a breakout of the different restructuring strategies that have been used throughout the country with varying levels of effectiveness.

Exhibit 1: School Restructuring Strategies Employed Throughout the United States^{xxi}

	Year 0	Year 1	Year 2	Year 3	Year 4	Model fit
Phase-in by grade <i>(Sullivan High, IL)</i>	Large School 9-12 2,000 students	Large School Grades 10-12 9-A 9-B 9-C 9-D	Large School Grades 11-12 9-10 A 9-10 B 9-10 C 9-10 D	Large: Grade 12 9-11 A 9-11 B 9-11 C 9-11 D	School A School B School C School D	<ul style="list-style-type: none"> • Most effective approach • Greatest fit for Six Tenet implementation
Phase-in by school <i>(Skyview Academies, CO)</i>	Large School 9-12 2,000 students	School A Large School 1,500 students	School A School B Large School 1,000 students	School A School B School C Large	School A School B School C School D	<ul style="list-style-type: none"> • Insufficient number of well developed SLCs • 9th-12th staff can self-select into small schools
Hot-housing* <i>(Julia Richman, NY)</i>	Large School 9-12 2,000 students	Existing Location A Offsite Hothouse B Offsite Hothouse C Offsite Hothouse D Renovate Campus	School A School B School C School D			<ul style="list-style-type: none"> • Temporary hot-housing facilities are available • SLCs are partially developed
Big Bang <i>(Kevin Johnson, CA)</i>	Large School 9-12 2,000 students	School A School B School C School D				<ul style="list-style-type: none"> • High level of SLC development • High level of teacher/community buy-in

* Hot-housing differs from incubation in two ways: 1) facilities are temporary and 2) 9th-12th graders participate, rather than 9th graders only.

Even with higher-performing schools, the District should limit the use of another strategy besides the phase-in by grade approach recommended in School Transformations to instances where the phase-in approach is very difficult financially or when all of the stakeholders (parents, teachers, administrators, students, etc.) have developed an alternative plan for transformation.

New Schools Should be Schools of Choice

The New Schools created out of a School Transformation should be schools of choice and all students and parents in the surrounding attendance areas should have the opportunity to attend any of them. Changing large comprehensive schools into clusters of small schools where the control is local will result in a wide variety of schools

developing. Even though the New Schools will all have the Six Tenets as their foundation, they will likely have different emphases (math, science, journalism, etc.), different curricula and different school cultures. It is important that the District develop a system that allows students and families to choose which New Schools they want to attend rather than a system that dictates which school each student must attend. By consciously choosing a certain school, students and parents often feel a deeper sense of connection to their schools, which may lead to better attendance, behavior and performance.

DISTRICT CHANGE REQUIRED TO SUPPORT SCHOOL TRANSFORMATIONS

LAUSD will need to make substantial organizational changes to roll out School Transformations at all of its high schools and to most effectively serve the system of new small schools that will result from the effort. Today, LAUSD is a very centralized organization that was created to support large, comprehensive schools. School sites do not have control over their budgets and curricula, but rather are given mandates from the central district on most key decisions. The organization is not designed to support small, community-based schools with local control. To effectively support schools following the Six Tenets, LAUSD needs to transform itself from a hierarchical, centralized organization into a decentralized service-based organization that relentlessly prioritizes the needs of students above all others.

The following execution implications must be addressed by LAUSD as a central district if it is to be successful in implementing School Transformations on a large scale:

- 1.) Facilities Management
- 2.) Financial Management
- 3.) Staffing and Human Resources
- 4.) Capacity Building
- 5.) Bold Leadership
- 6.) Stakeholder Support

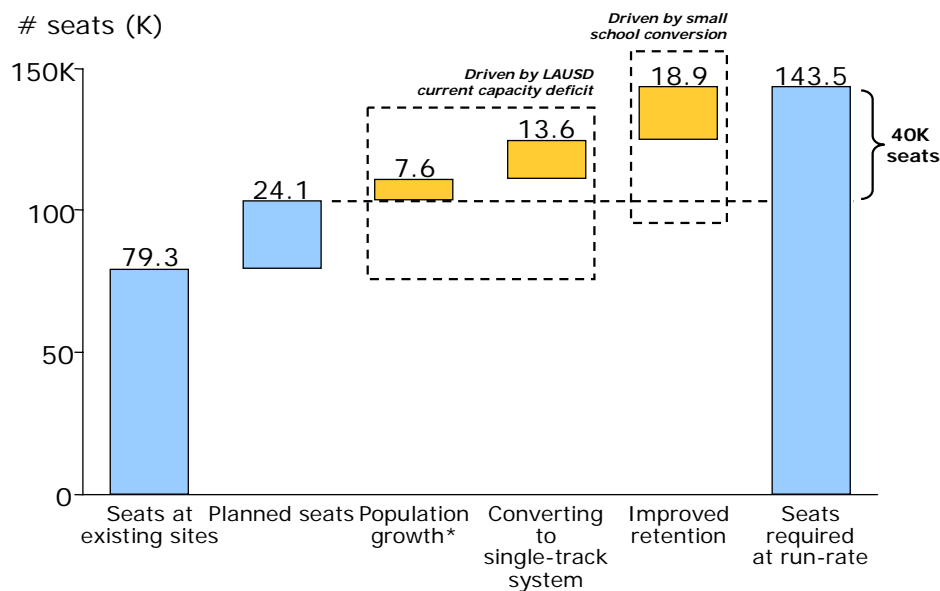
Facilities Management

Successfully transforming all LAUSD high schools into schools following the Six Tenets requires the creation of new facilities and new seats for students to learn in. As discussed above, the most effective way to transform a failing school is to reopen it as a cluster of New Schools and incubate all of those New Schools off campus. This requires that facilities built through LAUSD's new construction program be used to incubate the New Schools created from School Transformations. The District will likely need to reexamine its existing new construction plans and ensure that new buildings coming on line over the next 10 years are designed to incubate New Schools and house small schools permanently.

The success of the New Schools will also require the creation of more seats than is currently planned because there will be a much higher retention rate among students and schools will be moved to single track. Currently, LAUSD has a 46% four-year net

retention rate and essentially projects a drop-out rate of more than 50% in its new construction projections.^{xxii} This drop-out rate will decrease dramatically after School Transformations are implemented, as the New Schools created will retain a much larger percentage of students. Exhibit 2 shows the impact implementing School Transformations at LAUSD’s 25 worst-performing high schools will have on the total number of seats required for students.^{xxiii} More than 13,000 additional seats would need to be created to allow for all schools to move to a single-track, and close to 19,000 new seats would be required due to increased retention resulting from better school performance.

Exhibit 2: Additional Seats Required Due to Improved Retention^{xxiv}



*Reflects 3% annual growth rate until 2008-2009, when schools without planned relief are addressed. Existing seat and planned seat estimates based on LAUSD 2004 projections.

Fortunately for LAUSD, it has raised \$19 billion in bonds funds in recent years that can be used to build new facilities and redesign existing facilities in order to create the necessary seats. These funds should be sufficient to build most or all of the seats necessary for School Transformation. The estimated cost of delivering the 40,000 new seats that would need to be created if LAUSD’s 25 worst high schools were transformed is \$2.5 billion.^{xxv}

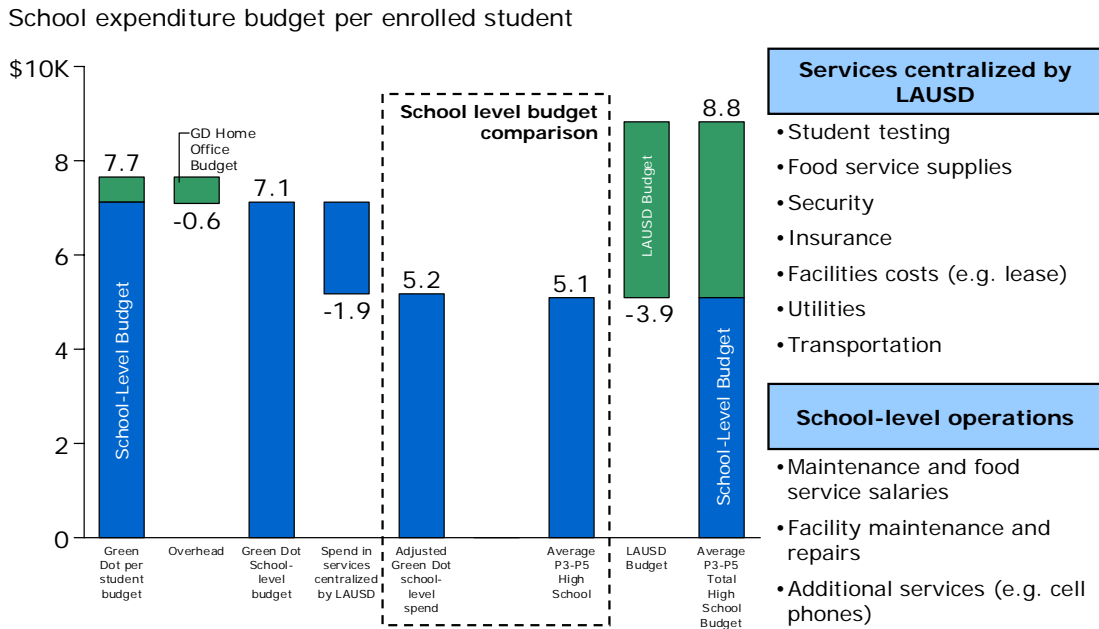
Financial Management

LAUSD must restructure its financial management practices to effectively serve a system of small schools following the Six Tenets. For local control and school-site budgeting to be effective, state and federal dollars must follow students and go directly to school sites rather than first being directed to the centralized district and then redistributed to school sites. Although the restructuring may be difficult up front, the District can be run much

more efficiently with a decentralized model, and far more dollars will get to the classroom.

A close analysis of the per-student funding and expenditures at a comprehensive LAUSD school and a Six Tenets school operated by Green Dot Public Schools shows that a decentralized system allows for more funds to flow to the school site and into activities that have a more direct impact on student success.^{xxvi} As Exhibit 3 below shows, a Green Dot school, because it is a charter school, gets \$1,100 less funding per student than an average LAUSD high school. The LAUSD school, however, spends less at the school site because only 60% of the funding per student at an LAUSD school actually makes it to the school level.

Exhibit 3: Comparison of the Budgets of a Green Dot Six Tenets School and a Traditional LAUSD High School



Note: Average of P3-P5 schools uses current modified budget as of January 2005
 Source: LAUSD 2004-05 Budget; Green Dot Single School Budget Y5

If all LAUSD schools used the Six Tenets and the District was restructured to support a system of Six Tenets schools, the cost to maintain the central bureaucracy would be far less and more funds would be able to make it to the school sites. This would free up funds to hire more teachers, pay teachers more, and dedicate more funds directly to student learning activities. At a typical school operated by Green Dot Public Schools, there are fewer students per teacher than at an LAUSD school (21-to-1 ratio compared to a 24-to-1 ratio), and teachers receive higher relative pay because the central office is more efficient and funds are allocated directly to the school sites.

There will be some start-up costs or transition costs related to transforming LAUSD's high schools, as facilities will need to be configured, new books will need to be bought, and technology will need to be purchased. These funds can be secured through

partnerships with the private sector. The business community in Los Angeles will be excited to rally around a comprehensive and credible plan to reform Los Angeles' public schools. The City of New York created the model for the partnerships between business and public schools as it has raised more than \$300 million in private donations since it launched its public school reform effort.^{xxvii}

Staffing and Human Resources

The transformation of all LAUSD high schools into Six Tenets schools will generate a number of staffing and human resource requirements for the District. From a staffing perspective, approximately 500 school principals would need to be available to lead all of the new small schools and 5,000 additional teachers would need to be hired as a result of improved student-to-teacher ratio and the increase in the number of students served by the District due to improved student retention. Many of the new principals would likely come from the large ranks of assistant principals, counselors, and lead teachers who currently work in LAUSD. A campus manager may also need to be hired for each larger campus in order to manage the use of common facilities (gym, cafeteria, etc.) on a campus and facilitate the relationships among all small schools on a campus.

To successfully implement the Six Tenets model, some human resource flexibility may be necessary in the areas of staffing, work hours, and accountability. LAUSD must work closely with its labor unions and examine the existing collective bargaining agreements to determine if changes need to be made to allow for the effective implementation of the Six Tenets at all high schools. This process must be a collaborative one, in which all parties have an equal seat at the table and are working together to develop the most effective solution for the schools. The collective bargaining agreement developed between Green Dot Public Schools and the *Association de Maestros Unidos*, an affiliate of the California Teachers Association, is an example of a collaborative agreement that enables schools to effectively implement the Six Tenets. In the agreement, teachers are guaranteed a say in all school policy decisions (curriculum, hiring, budgets, etc.), they are paid more, and they are provided with full health care coverage. The work day is defined as a professional workday, rather than being dictated by minutes; there are no guaranteed placement rights based on seniority (preference is given); and there is no tenure (teachers are protected by "Just Cause").

Nationally, Boston Public Schools ("BPS") and the Boston Teachers Union ("BTU") have successfully created 19 "pilot" schools, which operate on a revised union contract. The BTU contract for pilot schools contains waivers to many of the work rules defined in the traditional contract. With a recently bargained contract revision, BTU and BPS have collaboratively paved the way for widespread adoption of reform with an agreement to create nine new pilot schools and as many as 90 "discovery" schools during the next three years.^{xxviii} In Los Angeles and Boston, Green Dot and BPS pilot schools are actively collaborating with unions to set the stage for widespread reform.

Capacity Building

An extensive investment in professional development for all school site and district stakeholders will be critical to successfully execute school transformations throughout the

district. Principals, teachers, and other school-site staff will need to be trained on performing in a small school environment. Professional development should be delivered before the School Transformation begins and during the initial period of the transformation. In some reforming districts throughout the country, such as New York, leadership training programs have been created to specifically train principals on how to open and lead new small schools.

Individuals working in the central office will require training to help them transition from working in a hierarchical, centralized environment to a flatter, decentralized environment. Professional development should emphasize customer service, as the entire bureaucracy must be aligned around “serving” the new small schools rather than “managing” the schools.

Bold Leadership

Effective implementation of the school transformation plan requires bold leadership, as the scale and depth of the proposed changes will affect every facet of LAUSD. To address the challenge of ensuring effective leadership for the reform of school districts, numerous cities nationwide have implemented mayoral control. As 40 school systems across America have converted to some form of mayoral governance of local schools, research is beginning to validate that mayoral control is a “necessary condition for meaningful reform.”^{xxix} Since announcing his intention to pursue mayoral control at an event hosted by the Small Schools Alliance during his 2005 campaign, Mayor Villaraigosa has begun organizing the community and local political leadership of Los Angeles around this initiative. With a mayor leading LAUSD, the necessary alignment of governance, District leadership (the superintendent and direct staff), and public accountability can be achieved to make bold reform a reality.

Stakeholder Support

By including all stakeholders in the process, School Transformations will have the greatest chance of success. From well-organized stakeholders groups, such as teachers, to individual parents who are concerned about their local school, all stakeholders should be engaged in the process to transform LAUSD’s high schools into high-performing schools following the Six Tenets. At the neighborhood level, New Schools will benefit from increased feedback, interest, and participation, leading to the development of true neighborhood schools that are highly customized to meet the needs and preferences of the local community. On a city level, stakeholder support will provide the political capital needed to sustain change.

The School Transformation Plan lends itself easily to community organizing as each project focuses on a high school with deep ties to a specific community. With a high school as the organizing focus, parents, students, local community leaders, teachers, administration, and school staff can effectively be brought together in a collaborative process. The community organizing effort can be broken into two phases: first, gathering support for the transformation project itself; and second, working with stakeholders to create buy-in for each new school that will be developed. In the first case, the District may take a more active role in leading the organizing process, with additional emphasis

placed on outreach to existing teachers at the school to be transformed. In the second, each new school-site leadership team (principals, key staff, parents, and students) will lead with the goal of creating a lasting feedback mechanism through which every individual school will become more tailored to its specific neighborhood. In both cases, open houses, forums, structured meetings, petition drives, and thorough outreach efforts are the key tools for success.

APPLICATION OF SCHOOL TRANSFORMATION TO MIDDLE SCHOOLS AND ELEMENTARY SCHOOLS

Although focused on high schools, the School Transformation Plan has relevance for middle schools and elementary schools as well. The Six Tenets are applicable to all schools and could be fully implemented District-wide. School Transformations can be adapted and used for any large school restructuring, regardless of the school's grade configuration. The School Transformation Plan embodies an enhanced school and district operating model as well as a process for creating great new schools from existing ones. If implemented at the high school level and then adapted for middle and elementary schools, the Plan provides a roadmap to ensure that all schools in Los Angeles can be high-performing.

CONCLUSION

The City of Los Angeles has a once-in-a-lifetime opportunity to reshape its public education system so that all young Angelenos have a chance to fulfill their potential. Taxpayers have already agreed to pay more than \$19 billion to fund new schools for students. Mayor Antonio Villaraigosa has committed to taking responsibility for our schools and is dedicated to fixing them. Parents, students and the general public are demanding change. LAUSD itself has expressed a public commitment to reform. All of the necessary conditions for dramatic education reform are aligning within the City of Los Angeles and the time for us to dramatically improve our schools is now.

In this paper, we have introduced a plan for how all LAUSD high schools can be transformed into small, high-performing high schools in 10 years. The Plan includes a vision of what all high schools in Los Angeles should look like – small, high-performing college-preparatory schools that follow the Six Tenets - and prescribes a process for how to restructure large comprehensive high schools into clusters of small high-performing schools - School Transformation. We urge LAUSD, the mayor's office and the greater Los Angeles community to embrace this plan as the foundation for changing the District and to begin implementing it as soon as possible. If the City of Los Angeles aligns around School Transformation, then within 10 years we will have the best school district in America and all young Angelenos can get the education they need to reach their dreams.

ENDNOTES

ⁱ Swanson, Christopher B. (2005). *Who Graduates in California*. Washington DC: The Urban Institute. Mr. Swanson's study was included in the Civil Rights Project of Harvard University's March 2005 report titled "*Confronting the Graduation Rate Crisis in California*." Mr. Swanson used the Cumulative Promotion Index ("CPI") methodology and calculated LAUSD's graduation rate to be 45.3%. According to the Harvard report, the CPI method "is considered among the most accurate methods for estimating graduation rates."

ⁱⁱ Landsberg, Mitchell. "L.A. Mayor Sees Dropout Rate as Civil Rights Issue" Los Angeles Times 2 March 2006.

ⁱⁱⁱ From November 2004 through January 2005, Green Dot and Bain & Company created the initial School Transformation. Green Dot and Bain had wide-ranging access to District data and personnel to develop the plan. In addition, Bain conducted its own nationwide survey of successful small schools to garner best practices. Throughout this whitepaper, results from this initial study will be presented and cited as the "Bain Plan." The analysis and data presented from the Bain Plan represent the most current information available at the time of the project and include both District data and Bain analysis.

^{iv} LAUSD has 46 traditional, comprehensive high schools that serve the normal 9–12 grade configuration. District operated magnet high schools, junior-senior high schools, charter schools, and new district high schools that do not yet serve a full 9-12 are not included.

^v Source: California Department of Education ("CDE") DataQuest.

^{vi} Source: CDE DataQuest. Since the completion of the Bain Plan, one additional LAUSD school has reached PI 3 status.

^{vii} LAUSD successfully passed four bond measures since 1997 (Measures BB, R, K, and Y) totaling \$13.6 billion. Including matching state funds, the total surpasses \$19 billion.

^{viii} Source: California Department of Education ("CDE"). Federal NCLB legislation, in conjunction with the State of California, defines Adequate Yearly Progress ("AYP") goals for schools and districts. Individual schools that do not meet AYP goals for two consecutive years are designated as Program Improvement schools. For every year a school continues to miss its AYP goals, it progresses in PI status. There are five levels of PI status (PI 1–5), each one mandating greater accountability and corrective measures. After seven consecutive years of missing AYP, a school reaches PI 5 status. At PI 5, NCLB law mandates that the school implement an alternative governance plan, which may include reopening the school as a charter, replacing all or most of the school's staff, contracting with an outside entity to manage the school, state takeover, or any other major restructuring.

^{ix} Bain Plan. Also, Boston Public Schools' pilot schools have perhaps the longest track record of success with small schools and school autonomy. Please see "Progress and Promise: Results from Boston Pilot Schools," a January 2006 report published by the Center for Collaborative Education for more details.

^x Legislative Council's Digest for SB 1053, September 9, 2005, as found on http://www.aroundthecapitol.com/billtrack/billview.html?bill=SB_1053.

^{xi} Source: CDE DataQuest.

^{xii} Source: CDE DataQuest and Green Dot Public Schools internal data. Animo Leadership had 225 graduates from its first two graduating classes from an original enrollment of 280 students.

^{xiii} Bain Plan.

^{xiv} Bain Plan.

^{xv} In Los Angeles, the Six Tenets public high schools included Animo Leadership Charter High School, Animo Inglewood Charter High School, Oscar De La Hoya Animo Charter High School, Animo Venice Charter High School, Animo South Los Angeles Charter High School, California Academy for Liberal Studies Early College High School, and College-Ready Academy High School. The 2005 Academic Performance Index (“API”) scores for these seven high schools were compared to the API scores of the following comparable traditional high schools: Hawthorne High School, Leuzinger High School, Inglewood High School, Morningside High School, Roosevelt High School, Garfield High School, Washington Prep High School, Venice High School, Manual Arts High School and Belmont High School.

^{xvi} The CDE uses the API to measure the overall academic performance of public schools. It is a numeric index (or scale) with a low of 200 and a high of 1000. The statewide API performance target is 800.

^{xvii} The number of small autonomous schools created through a School Transformation is dependent on the size of the preexisting LAUSD high school that is being transformed.

^{xviii} A “single-track” calendar is also known as a traditional school calendar, in which students attend school from September to June, uninterrupted with a normal summer vacation. Due to extensive overcrowding, 19 of LAUSD’s high schools operate on a “multi-track” or year-round school calendar. In a multi-track calendar, students attend school all year, typically in 8-16 week cycles.

^{xix} Source: LAUSD internal data. 3,200 acres represents “classroom acreage” and does not include parking lots, athletic fields and the like.

^{xx} Bain Plan.

^{xxi} Bain Plan.

^{xxii} Bain Plan.

^{xxiii} Bain Plan. Again, since the original Bain Plan was completed one additional LAUSD school has reached PI 3 status.

^{xxiv} Bain Plan.

^{xxv} Bain Plan.

^{xxvi} Bain Plan. Bain analyzed the financials of Green Dot’s “Animo” high schools and compared them to the financials of a representative set of LAUSD traditional high schools. LAUSD high schools in PI 3–5 status were chosen as they were most comparable to Green Dot from a funding perspective and based on the student populations they serve.

^{xxvii} Herszenhorn, David M. “New York City's Big Donors Find New Cause: Public Schools.” New York Times 30 December, 2005.

^{xxviii} A “discovery” school is similar to a pilot school and includes many of the same autonomies.

^{xxix} “Does Mayoral Control of Public Schools Work.” A presentation to the U.S. Conference of Mayors by Edward W. Hill, Maxine Goodman Levin College of Urban Affairs, October 8, 2002.

ACKNOWLEDGEMENTS

This white paper would not be possible without the contributions of many talented individuals and great organizations. Green Dot is especially appreciative of the Los Angeles office of Bain & Company for donating a pro-bono case team that spent more than 3 months creating the School Transformation Plan. We would especially like to recognize Russ Hagey, Marco Petruzzi, Eric Wells, Emilia Fallas, Michal Gattnar, Mike Montgomery, and Julie Hwang

About Green Dot Public Schools – Green Dot Public Schools is the leading public school operator in Los Angeles and is dedicated to changing public education in Los Angeles so that all children receive the education they need to reach their dreams. It currently operates five public charter high schools in Los Angeles’ highest-need communities. Each Green Dot school (branded “Animo” schools) vastly outperforms comparable traditional public high schools. For more information visit: www.greendot.org

About Bain & Company, Inc. - Bain & Company, a leading global business consulting firm, serves clients on issues of strategy, operations, technology, organization and mergers and acquisitions. The firm was founded in 1973 on the principle that Bain consultants must measure their success by their clients' financial results. Bain clients have outperformed the stock market 4 to 1. With offices in all major cities, Bain has worked with over 2,700 major multinational, private equity and other corporations across every economic sector. For more information visit: www.bain.com.