

How reform-friendly is San Jose?

| CATEGORY | HUMAN CAPITAL | FINANCIAL CAPITAL | CHARTER ENVIRONMENT | QUALITY CONTROL | DISTRICT ENVIRONMENT | MUNICIPAL ENVIRONMENT |
|----------|---------------|-------------------|---------------------|-----------------|----------------------|-----------------------|
| Rank | 17 of 26 | 25 of 25 | 5 of 24 | 15 of 25 | 20 of 26 | 14 of 25 |

Overview

Which American cities are most hospitable to education reform, especially the “entrepreneurial” kind? To answer this question for San Jose and other cities examined in this study, we used publicly available data, national and local surveys, and interviews conducted with on-the-ground insiders.¹ Respondents provided information about the city environment as a whole as well as the San Jose Unified School

Race to the Top Update: California—San Jose

California applied for round 1 of Race to the Top funding and was not chosen as a finalist. The state reapplied for round 2 and was chosen as a finalist. In advance of the competition, California passed legislation that allows parents to petition for a change in the structure and leadership of a failing school; lifts the charter cap; links student data to teacher employment and evaluation; revises the state’s strategic plan for use of data; and establishes inter-district open-enrollment for students in a failing school or district.

District.² Judgments based upon these data, however, are the responsibility of the authors. Note, too, that due to the study’s timing, any major policy changes that cities (or states) may have made in connection with the *Race to the Top* competition are not captured in these rankings (but see sidebar for partial update).

Background

Despite the abundance of business entrepreneurs in **San Jose**, a lack of education-

specific enthusiasm—coupled with a severe funding crisis—render the city a tepid environment for education reform. While the teachers’ union is the only strong anti-reform voice in the city, other entities do little to actively promote nontraditional initiatives. Still, charter schools thrive here, largely due to the pro-reform oversight and influence of the Santa Clara County Office of Education.³

Snapshot

San Jose’s **human capital** pipelines benefit from the city’s location in Silicon Valley. Innovative and entrepreneurial thinkers overflow the local talent pool—and easily attract even more talent—but not necessarily within the education sector. The San Jose Unified School District (SJUSD) is itself locked into a restrictive contract with the teachers’ union that prioritizes veteran teachers at the expense of

1. Our analysis of San Jose was limited by a low response rate on the local stakeholder survey; therefore, those responses were not calculated into the rankings or final grade (see Methodology in Appendix A). Still, we include here information from the local survey responses that we did receive as well as publicly available data, national survey responses, and interviews.

2. This profile provides a snapshot of the data collected for San Jose, California, in fall 2009. For the full data, see http://edexcellence.net/index.cfm/news_america-best-and-worst-cities-for-school-reform.

3. The city of San Jose has nearly twenty school districts of which San Jose Unified is only one—albeit one of the largest. The Santa Clara County Office of Education oversees all of the districts and apparently has significant influence. Respondents described the office as fairly reform-minded; it also authorizes a number of charter schools.

fresh ability.⁴ In addition, the city of San Jose lacks national, well-respected alternative certification programs such as Teach For America, The New Teacher Project, or New Leaders for New Schools.

Despite Santa Clara County's rank as the seventeenth richest in the United States, San Jose suffers from a severe lack of **financial capital**.⁵ California education generally faces a severe budget crisis, and San Jose is no exception; per-pupil expenditures here, normed for the cost of living, are lower than almost any other city in this analysis. Moreover, city leaders do not actively seek private funds to support innovative programs. But local and national philanthropies do support education reform in the city and help to fill in some of the funding gaps, particularly in the charter sector.

A San Jose native described the city's **charter environment** as "one of the best for opening new charters in the country." California provides equitable operational and facilities funding for charter schools, and the state maintains strong accountability provisions for charter authorizers.⁶ The Santa Clara County Office of Education—the largest local authorizer—is selective in approving charters and actively seeks to improve low-performing schools; local support organizations also maintain a strong focus on quality. But despite active support and generally equitable funding, Silicon Valley's high cost of living—and of school facilities—provides a barrier to easy charter start-up.

San Jose has strong **quality-control** metrics in place, but does not utilize data to drive education reform. To its credit, California's data system is able to match individual student performance to classroom teachers. But California does not present data in a user-friendly format, and much go unused.⁷ On the ground, locals report that data inform real-time education adjustments only within the charter sector.

The **district environment** in SJUSD, faced with strong union resistance, is generally apathetic towards school reform. While district leaders neither actively support nor oppose reform, the union (both locally and at the state level) wields significant influence and strongly opposes charter schools and performance pay. But the district landscape may soon see a dramatic change since Vince Matthews, a former charter school principal, stepped in as superintendent in July 2010.

San Jose's **municipal environment** shows modest support for education reform. Compared to other cities in this analysis, the civic, business, and philanthropic communities only tepidly endorse nontraditional reforms. Editorial and opinion pages in the *San Jose Mercury News* take a largely neutral stance as well. Still, these entities do actively support charter schools; visible successes of well-established KIPP and Rocketship Education schools result in positive perceptions of the charter sector.

4. For more information, see: *National Council on Teacher Quality, Teacher Rules, Roles and Rights (TR3)* database, <http://www.nctq.org/tr3/home.jsp>.

5. Matt Woolsey, "America's Richest Counties," *Forbes Magazine*, January 22, 2008, http://www.forbes.com/2008/01/22/counties-rich-income-forbeslife-cx_mw_0122realestate.html.

6. For more information, see: *How State Charter Laws Rank Against the New Model Public Charter School Law* (Washington, D.C.: National Alliance for Public Charter Schools, 2010).

7. For more information, see: *2009-10 Survey Results Compendium—10 Elements and 10 Actions* (Washington, D.C.: Data Quality Campaign, 2010), http://www.dataqualitycampaign.org/files/Elements_Compendium.pdf and http://www.dataqualitycampaign.org/files/Actions_Compendium.pdf.

Bottom Line

Despite San Jose's promising Silicon Valley location, the city faces severe financial shortages and a dearth of active support for education reform. Still, the city is home to a thriving charter sector, and recent changes in leadership may bring increased enthusiasm for other nontraditional initiatives.

Our Categories

Human Capital. Entrepreneurs must have access to a steady flow of talented individuals, whether to staff the organization's central office or to fill the district's classrooms. This component evaluates an entrepreneur's ability to find talent in the city and/or recruit talent to move there. We examined such factors as the alternative certification routes for aspiring teachers, district human resource policies for teachers and central office staff, and the restrictiveness of the local collective bargaining agreement as it pertains to tenure and differentiated pay, among other areas.

Financial Capital. A pipeline of readily accessible funding from private and public sources is particularly important for nonprofit organizations trying to break into a new market or scale up their operations. This component tests whether, and how much, national and local philanthropic organizations give to nontraditional providers in each city, as well as the local availability of dollars from public sources. Though education reformers often tout the importance of quality over quantity, from the perspective of an entrepreneur, free-flowing dollars are an asset.

Charter Environment. Charters are one of the main ways in which entrepreneurs can enter new education markets, both as providers of instruction and services and as consumers of other nontraditional goods and services. We evaluated both the current market share of charters in each city—under the assumption that, once a path has been blazed by others, it is easier for new providers to follow it—as well as the various legal and policy hurdles faced by current or potential charter operators. More formal barriers often occur on the state level (e.g., charter laws) so, where appropriate, we incorporated state-level metrics into city grades.

Quality Control. Lest we unduly credit innovation for its own sake, the study takes into account the quality-control metrics that guide and regulate entrepreneurial ventures in our cities. These may take the form of official regulations and practices, such as the quality of the state achievement test (again, we extrapolate state grades for our cities), or more informal guides, such as support organizations for nontraditional providers that also keep an eye on quality, such as private groups that help entrepreneurs to navigate district rules and policies.

District Environment. Since many nontraditional providers must contract or otherwise work with the district to do business in the city, finding a district that is both open to nontraditional reforms and has the organizational capacity to handle dealings with such operators in a speedy and professional manner can make or break an entrepreneur's forays into a new market. We considered formal barriers, such as the power of the local teachers' union over district decisions, as well as informal ones, such as whether district leaders were audible voices for reform.

Municipal Environment. Beyond the school district is also the question of general municipal openness to nontraditional education providers. This amorphous sphere includes such entities as the local business community, newspaper editorial boards, and the city government. Having these folks on the side of reform, even if they are not the ultimate consumer of entrepreneurs' wares, can be a powerful asset.