The Rising Tide: School Choice and Competition in Post-Katrina New Orleans

By

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Abstract

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During the past several decades, policymakers have introduced market mechanisms of choice and competition into the education sector. In districts with school choice, school leaders are expected to respond to market pressures that arise through either declining enrollments or the presence of nearby schools by working to improve efficiency and the effectiveness of instruction. Choice is intended to be a “tide that lifts all boats,” benefiting not only the students who chose their schools, but also all the other students in the district, through the mechanism of competition. Yet there remain significant gaps in our knowledge about how market pressures actually shape socially and politically embedded education markets. In particular, we do not understand whether and how school leaders identify competitors or how they experience competition within different regulatory environments.

This study examines how the expansion of school choice informs school-level actions. I investigate the claim that school choice is a “rising tide” that generates system-wide school improvement. I draw on theoretical tools from sociology and politics to deepen our knowledge of how neoclassical ideas of competition from economics operate in education markets. I use concepts in economic sociology and political economy, which treat economic worlds as social and political worlds, to examine how competition occurs. Unlike previous studies that have examined the overall effects of competition, which has been measured using geographic distance, density, or student transfers between schools, this study measures competition using school leaders’ perceptions: the schools they actually name as competitors rather than those with whom we would simply expect them to compete. In doing so, this study contributes to our understanding of the process and mechanisms by which competition influences school leaders’ behaviors.

By focusing on New Orleans, the school system that most resembles a true market in the U.S., I study market processes in education under nearly ideal conditions. Using multiple methods, including qualitative case study, network analysis, and statistical analysis of network data, I explore: (a) the perceptions and behaviors of school leaders in a competitive environment, and (b)
the regulatory frameworks that shape this market environment. I draw on survey data from 89 school leaders (a 91% response rate) in New Orleans, case studies of 30 of these schools, and administrative data.

The first findings chapter reveals the factors that predict the formation of competitive ties between schools using social-selection models suited to the statistical analysis of network data, which must contend with the non-independence of observations. While factors that economists believe to be important for competition, including geography and student transfers, mattered for whom school leaders identify as competitors, these factors did not fully explain how school leaders in New Orleans perceived competition. Other factors, such as charter brand, school similarity, demographics, and the characteristics of school leaders, also influenced competition. The second and third findings chapters explore how a school’s position in a district-wide social network of competitors, and its status in the market hierarchy, mediated its experiences and responses to competition. School leaders in New Orleans have experienced especially strong market pressures, yet their responses to such pressures sometimes reinforced inequities in an already tiered marketplace, with particularly harmful consequences for the most under-served students. The last findings chapter examines how schools’ political contexts, including regulations and tensions at the community level, affected school leaders’ capacities to respond to competitive pressures, both alleviating and exacerbating educational inequities. This analysis implies several directions for education policy and future research.
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Chapter 1: Introduction

I met Ms. Stone in her office at Simon Elementary, a charter school located in Central City, New Orleans, in the fall of 2013. Historically, Central City was a racially mixed commercial district, home to a large number of the city’s African-American-owned shops, especially during the Jim Crow era. But decades of neglect and disinvestment have left almost 40% of its buildings empty, and it is now one of the poorest neighborhoods in the city, and predominantly African American. Ms. Stone, a middle-aged African American and a native New Orleanian, had been an educator for 13 years when Hurricane Katrina hit, forcing her and her family to move temporarily to Baton Rouge. When I met Ms. Stone in her office, she had only been back in New Orleans for about two years, and she had only been the principal of Simon Elementary for six weeks.

For the first couple of years after she had returned to New Orleans, Ms. Stone worked as a teacher, but she was eager to get back into school administration. She had been a school leader for five years before the storm. The school system had changed dramatically, however, during the years when she was gone. The vast majority of the schools she had known were now charter schools, and they were overseen by two different agencies. She didn’t know how to navigate the new system of schools. “Before the storm, I knew lots of people in the school district,” she said. “I knew my way around. Coming back, there is no way around.” She interviewed for positions, whether she wanted them or not, “just to get a feel for the charter thing.” She described how “the culture, the whole paradigm of education has changed.” People in the schools were “no longer looking for the traditional classroom teacher or traditional administrator.” Now, as she said, “they are looking for that person that has more of a business aspect and that also has the ability to sell the school and stuff like that because you’re vying for the kids in the community now.” Ms. Stone learned how to succeed in the new reform environment more quickly than she had expected. After one of the interviews that she had intended only for practice, she was hired as the principal of Simon Elementary.

Veteran educators, like Ms. Stone, who returned to New Orleans after the destruction of Hurricane Katrina, entered a school system that had changed, virtually overnight, from a traditional district to one that reformers predict will be the first all-charter district. The new system introduced the market principles of choice and competition. As Ms. Stone described, under the new reforms school leaders are expected to “sell” their schools in order to attract and retain families and students. Advocates of these reforms argue that such market pressures will improve school quality, student achievement, and responsiveness to the needs of students and their parents. In New Orleans, and in many urban districts across the country, policymakers have implemented new market-oriented reforms that seek to introduce such business principles and market pressures in public schools.

These efforts are part of a larger, global shift in the public sector. During the past several decades, policymakers in a number of countries that have long histories of providing public and social services have contracted some of their core functions to private organizations, particularly in areas such as healthcare, construction, the prison system, and, now, education. There are many arguments in favor of such a shift, including claims that the privatization of public services will generate greater efficiency, quality, equity, and innovation (Lubienski & Weitzel, 2010). These reforms have redefined the role of government to one that is increasingly regulatory, with a focus
on shaping and supporting markets through oversight and information. The basic assumptions underlying these reforms are rooted in microeconomic theories of markets, especially the theory that more choice and its resulting competition will break up state monopolies to improve the quality of essential government services and lower the costs (Sclar, 2001). While advocates of privatization emphasize its efficiency and financial gains, policy analysts have argued that such efforts are as much political as they are economic, giving power and resources to some groups at the expense of others (Feigenbaum, Henig, & Hamnett, 1998; Henig, 2010; Scott & DiMartino, 2009).

Yet there is very little research documenting the process of market competition, and whether it leads to a more efficient use of resources, better services, or greater innovation, particularly in the education sector. Across the United States, school choice programs have been expanded, while President Barack Obama, Secretary of Education Arne Duncan, and other key politicians have justified this expansion by asserting that competition improves outcomes (Gabriel, 2012; The White House Office of the Press Secretary, 2012). A closer look at how markets function in education is needed now more than ever. Market forces, such as those generated by choice compete with the many other social and political forces that exist in schools. Economic worlds, in both public and private sectors, are also social and political worlds. School leaders, teachers, parents, and members of the broader community negotiate issues of race, social class, gender, safety, health, and accountability as they navigate a market-oriented policy terrain. Simple economic frames, which are frequently adopted by advocates of market-based policies in education, are not able to capture how school leaders make sense of their policy environments or how they elect to pursue strategies in the face of competitive pressures.

The 1990s brought increasing acceptance of market tenets in education because of scholars, such as Chubb and Moe (1990), who drew on the decades-old ideas of Friedman (1962) and others to argue that markets were more efficient and responsive to parents than democratic control. As a result of the increased prominence of market ideologies in education, policymakers and private groups piloted programs such as school vouchers, which give parents their state-allocated per-pupil funding to use at a private school of their choice. Charters emerged as a political compromise between school vouchers and traditional public schools. Charter schools are public schools that receive public funding and are held to state and federal accountability standards, but they can be managed by private operators. Charter school legislation was the bipartisan effort of “strange bedfellows;” it was supported, at least initially, by educators, local nonprofits, and the leaders of teachers’ unions, as well as by corporations, conservative foundations, and venture philanthropists (Lubienski & Weitzel, 2010; Scott, 2009). The first charter school law was passed in Minnesota in 1991, and as of 2013, 42 states and the District of Columbia have enacted similar legislation (National Association for Public Charter Schools, 2014). The number of students enrolled in charter schools has likewise expanded: between 1999 and 2011, the number of students enrolled in charter schools increased from 0.3 to 1.8 million students, and the percentage of public schools that were charters increased from two to five percent (National Center for Educational Statistics, 2014).

Charter school policy has multiple aims (Lubienski & Weitzel, 2010). Charter schools have been supported by progressives who seek racial and economic equity and empowerment and by conservatives and neoliberals who want to introduce market mechanisms into the education sector. Charter schools also emerged to serve as laboratories of innovation for public schools (Lubienski, 2003), creating spaces where equity-minded instructors could tailor curricula and
services to meet the needs of under-served students, who direct-run public schools have often failed. While a progressive vision for charters still exists, it has been overshadowed by the market-oriented vision, where equity is equated with choice and liberty (Wells, Slayton, & Scott, 2002). In policy debates, both proponents and opponents of charter schools have framed them as vehicles for introducing market mechanisms into districts (Henig, 2008). Some charter advocates argue that choice in and of itself is the point; the fact that parents have the liberty to choose is the goal of policy, regardless of the quality or performance of the schools they select. A more compelling and widespread aim of choice policy is to improve all schools through competition. This is the claim that will be examined throughout this study.

The most common expectation of charter school policies, according to state laws, is that they will generate spillover effects to traditional public schools, through the mechanism of competition (Wohlstetter, Smith, & Farrell, 2013). This theory of action is based on several important, but unexamined, assumptions about the way competition operates in education. Parents, when given the opportunity to choose schools for their children, are expected to select the best schools, leaving low-performing schools for better ones. This, in turn, puts pressure on school leaders and staff at those low-performing schools to perform. The leaders are expected to respond to market pressures, such as declining enrollments or the presence of nearby schools, by working to improve the efficiency of their own schools and the effectiveness of instruction (Goldhaber & Eide, 2003). If they do not respond to such pressures, they risk losing the funding that accompanies each student, and their school might be closed. The expansion of school choice is intended to be a “tide that lifts all boats” (Hoxby, 2002).

Competition is essential to the claims that are made about the benefits of market-based reforms in education. Yet, there remain significant gaps in our knowledge about how market pressures actually shape socially and politically embedded education markets. In all markets, economic actions are embedded in social and political relationships (Granovetter, 1985; Polanyi, 1944). But education’s “public market” is necessarily embedded in wider social and political frameworks (Bagley, 2006). As in any public sector, market mechanisms are introduced and regulated by policymakers, but there is still a lack of knowledge of how competition operates. In particular, researchers do not understand how, and even whether, school leaders identify competitors or how they experience competition within different regulatory environments. This study reveals the mechanisms of competition in education, how market pressures influence school leaders’ perceptions and strategies, and how local regulatory forces play a mediating role.

The Case of New Orleans

Reformers, advocates, and policymakers have called New Orleans a model for school reform. In 2005, the school system was disrupted by a natural disaster; Hurricane Katrina and the resulting flooding damaged much of the city and many of the schools. Virtually overnight, charter schools became the primary rebuilding strategy for education. The state-run Recovery School District (RSD) had already been established in 2003, but it would become a vehicle for the expansion of charter schools after the storm. While the purpose of the RSD was to take over failing schools, improve them, and return them to the traditional school board, reformers took advantage of the post-storm chaos to pass legislation giving the RSD a majority of the city's schools. By the year of this study, 2012–2013, 84% of public-school students in New Orleans were attending charter schools—a far greater percentage than in any other urban district in the U.S. By 2014–2015, this figure is expected to increase to 93%, making New Orleans the first
“charter-school district” in the country (Hassel, Brinson, Boast, & Kingsland, 2012). Previous studies of competition have been criticized for studying districts where charter-school enrollment is too low to create sufficient market pressure on schools. The extraordinarily high charter-school enrollment in New Orleans exceeds any reasonable threshold. The city is therefore the ideal site to study competition. As Lubienski, Gulioso, and Weitzel (2009) argue, “New Orleans offers a unique case, perhaps best epitomizing competitive models for education” (p. 615).

New Orleans is hotbed of school reform, exemplifying the dominance of market principles, such as incentives, competition, and privatization, as well as new governance forms and alternative pathways to teaching and leadership. After Katrina, all attendance zones were abolished, and parents could suddenly choose from schools across the city. Many students now travel long distances to attend the schools of their choice. Although New Orleans is unique because of the speed with which these market-based reforms were implemented, the reforms themselves are not. At least 25 other urban districts are already beginning to follow its model (Lake & Hill, 2009). Policymakers and reformers across the country—in cities such as Detroit, Philadelphia, Milwaukee, and Memphis—are thus looking to draw lessons from the city’s market of schools. Yet, nearly 10 years after the hurricane’s devastation ushered in radical changes to the education system, there has been surprisingly little empirical research on the effectiveness of the New Orleans model (see Center for Research on Educational Outcomes [CREDO], 2009, 2013, and McEachin, Welsh, & Brewer, 2013 for exceptions). The limited research that does exist suggests that students in New Orleans charter schools perform better on standardized tests than their “virtual twins” in traditional public schools (CREDO, 2013). And while some types of schools within New Orleans have shown significant gains in student achievement, there is a great deal of variation among the different types in the city (McEachin et al., 2013).

Despite the arguments made by advocates, there is limited evidence that the reforms in New Orleans have had a causal impact on improving educational quality or achievement. Advocates point to improved aggregate test scores in New Orleans as markers of success and are promoting the model at the national level, but there is a lack of evidence on the net effects of the reforms in terms of student achievement and school improvement. There is even less evidence that addresses the mechanisms by which the reforms might have had an impact. There is also much dissent from the community over the intention of the reforms and their impacts. Groups of parents and community members remain skeptical of the reform movement and have raised concerns about some charter schools being unresponsive to students, being too harsh in their disciplinary policies, or cream-skimming the more affluent or high-achieving students (Buras, 2013; Dreilinger, 2013). Furthermore, New Orleans experienced major demographic shifts after the storm. Some estimates indicate that Katrina decreased the population of New Orleans from approximately 480,000 to 255,000 (Sacerdote, 2012). Those who experienced the worst flood damage were least likely to return, whereas white families and homeowners were more likely than African Americans and renters to return (Paxson & Rouse, 2008).

Besides being a model district for reform, New Orleans has a unique district structure that allows one to analyze how regulatory environments shape school leaders’ perceptions and behaviors. Two districts, the traditional Orleans Parish School Board (OPSB) and the recently created, state-run RSD, now oversee the schools in New Orleans. The districts have overlapping jurisdictions, but take different approaches to regulating the education market. After Katrina, OPSB was given the higher performing schools, and ostensibly a higher market position, while all the failing schools were taken over by the RSD. Given these relative positions in the market,
we expect to see different regulatory environments and patterns of competition. New Orleans is thus also a case of an education market and a case of a “portfolio district,” a district in which a central office provides oversight to a diverse array of schools. For this reason, it is important to attend not only to the mechanisms of choice and competition, which are key to any market-based reform, but also to the role of the district and state. In the portfolio model, government is “front and center” and politics do not disappear (Henig, 2010).

New Orleans is thus a bold experiment in market-based reforms. Its school system is the one that most resembles a marketplace, and is also the one that policymakers across the country are hoping to emulate. Similar market-based policies are thus being implemented throughout the country at the state and federal level, often with the assistance of intermediary organizations that span the local and national levels (DeBray, Scott, Lubienski, & Jabbar, 2014). These organizations are helping to shape many of the policies to come. In addition to the city’s relevance to policy, however, New Orleans is also an ideal site for research. The market share of charter schools in New Orleans presents a unique opportunity to examine the theory of competition in an almost ideal market setting, whereas the generally low charter density in most urban areas in the U.S has limited previous studies.

**Previous Literature**

Most studies of competition in education rely only on neoclassical economic theories, leaving significant gaps in our understanding of the competitive process. While literature on the ‘demand side’ of education markets explores how parents choose schools, and includes rich qualitative and quantitative descriptions of choice processes and outcomes (e.g., Andre-Bechely, 2005; Bell, 2009; Cooper, 2005), research on the ‘supply side,’ or how schools respond to choice and competition, has been comparatively thin. A growing body of work in the economics of education, however, explores the effects of increased competition on student and school performance.

Many of these studies have only assumed that competition occurs when there are a large number of schools in a concentrated geographic area but have not explored whether proximity is all that matters. This work has relied on several methods, such as fixed effects and instrumental variables, to study the impact, for example, of distance to the nearest charter school or of the number of charter schools in a five-mile radius on the test scores of students in traditional public schools nearby. The findings from such studies have been mixed. Some have shown that districts and schools with higher levels of competition perform better than those with lower levels, while others have shown that intense competition can negatively impact student performance (e.g., Bettinger, 2005; Bifulco & Ladd, 2006; Booker, Gilpatric, Gronberg, & Jansen, 2008; Hoxby, 2002; Ni, 2009; Zimmer & Buddin, 2005).

The effects of competition on school outcomes, however, are generally found to be small whether they are positive or not. And while the evidence for competition’s effect on student test scores is weak, researchers have started to examine competition’s other effects, such as the ways in which schools select students through decisions that target the higher strata of the poor based on location (Lubienski et al., 2009) or take advantage of neighborhood politics (Henig & MacDonald, 2002).

A few studies, primarily in the field of sociology, have explored school leaders’ experiences of competition using qualitative methods (e.g., Gewirtz, Ball, & Bowe, 1995; Jennings, 2010). Research in the U.K. has suggested that school leaders’ perceptions of
competitors, even more than structural measures of competition, have real effects on schools’ responses (e.g., Levacic, 2004). And survey data in the U.S. have suggested that geographic proximity may not fully capture competition (Loeb, Valant, & Kasman, 2011). In addition, the high rates of student mobility in New Orleans, and the long distances traveled, suggest that it is even more important to consider factors beyond geography when trying to capture the mechanisms of competition.

Gaps in the literature on competition are readily apparent. Few studies in the U.S. have explored how school leaders identify competitors or how they behave in the face of market pressures. Most studies have treated all schools within a given area as equal competitors and all local education markets as the same, ignoring how specific district policies influence competition and choice. There have been claims of unfair competition and the creaming and “cropping” of students in the press, but few systematic studies, either qualitative or quantitative, of this behavior (for exceptions, see Jennings, 2010; Zimmer & Guarino, 2013). Overall, studies reinforce the need for a conceptual framework that can move beyond the simple economic assumptions cited by market advocates and that account for district politics, school leaders’ perceptions of competitors, and schools’ use of marketing and residential patterns to shape their student bodies.

Conceptual Approach

Competition, a basic tenet of markets, is a complex set of practices and behaviors (Levacic, 2004), and it has been under-conceptualized in the literature (Woods, 2000). The political and social nature of education markets requires a theory that goes beyond the purely traditional measures of market pressures, but one that remains mindful of economics. The sociological and political work on market-based reforms has tended to downplay competitive forces. And though markets may not govern schools in the ways imagined by economists, school leaders face real pressures from the market, which shape their behaviors and responses (Gewirtz et al., 1995). This study begins by assuming that, particularly for public schools, markets are better understood by examining both the economic and noneconomic motives of the actors.

Neoclassical economic theory provides an overarching framework for understanding the competitive process and how it should lead to increasing efficiency. But I also draw on conceptual tools from other traditions that have explored markets in interdisciplinary ways: economic sociology and political economy. Each contributes to our understanding of how competition functions in real-world markets, filling in the black box and providing a new perspective on education. These conceptual tools help reveal the process of competition, school leaders’ perceptions and strategies amidst a competitive environment, and how regulations constrain or enhance their strategic actions. In doing so, this study helps to uncover competitive market structures.

The Economics of Choice and Competition

In policy debates, proponents and opponents alike have framed charter schools as vehicles for introducing market mechanisms into districts (Henig, 2008). These debates have latent assumptions about the rationality of school leaders and parents. Parents ‘vote with their feet’ and choose better schools for their children, which in turn puts pressure on low-performing schools. School choice was thus intended to do more than serve families who actively chose; it would introduce market pressures into unresponsive districts and thereby improve education for all
students (Goldhaber & Eide, 2003). But the neoclassical economic ideas that underlie such choice proposals are inadequate to understand school leaders’ perceptions of competition and the role of districts and politics. The theory of competition, even as it applies to the private sector, has vague conceptions of competitive processes, and this theory becomes even more speculative when it comes to the public sector. Much of the research on competition analyzes the actual structure of the industry and how competitive it is—a state of being rather than a process. Therefore, I draw on conceptual tools from other traditions to examine how school leaders’ perceptions of competition represent market patterns, how their positions in the market influence their strategies, and how the local political and policy context shapes both perceptions and strategies.

Perceptions of Competition

Economists expect competition to occur at the level of school leaders, who must assess market pressures and respond accordingly. I draw on conceptual tools from the sociology of markets to understand how competition is understood and acted upon by school leaders. “Economic worlds are social worlds” (Fligstein, 1996, p. 657) and therefore operate according to sociological principles. The behaviors of school leaders in response to competition are embedded within their broader perceptions of the market and are influenced by their ‘perceptual set’ of rivals (Gewirtz et al., 1995; Porac, Thomas, & Baden-Fuller, 1989). These perceptions and understandings will, in turn, influence the nature of competition in the market where they interact. For example, school leaders might develop specific curricular, extracurricular, or resource-allocation strategies that depend on what actions their perceived rivals have taken or based on where they place themselves in terms of market hierarchy or niche. Schools may pursue many different strategies in response to perceived competition, including ones that buffer them from competition, such as serving a niche market, and they may base their strategies on the actions of other firms rather than consumers (e.g., White, 1981). Who school leaders count as rivals—that is, their perceived networks of competitors—constitutes the social structure of competition. Network analysis, while most often used for “positive” ties, such as friendship or collaboration, can also be a tool for studying “negative” ties, such as aggression or competition (Labianca, Brass, & Gray, 1998; Marsden, 1990). These networks, or social structures, of competition may or may not map onto the physical structures of competition, determined by the geography of schools.

District Politics in Markets

Economic worlds are also political worlds. Since Polanyi (1944) described the embeddedness of markets in the social and political spheres, scholars have argued that government institutions underpin a market society. Market institutions are not politically neutral; they are generated by the decision-making, lobbying, and power struggles of groups with both economic and political goals (Feigenbaum et al., 1998; Fligstein, 2001). The political economy tradition in political science essentially views ‘markets as politics’ and moves beyond “sterile debates” about how much states intervene in markets to “arguments about different kinds of involvement and their effects” (Evans, 1995, p. 10). This is especially important for the quasi-markets of public education because they are often the result of policy enacted by government institutions. For example, districts construct and intervene in education markets in multiple ways. They set the ground rules for choice and student assignment, and they determine the
number and types of schools. These actions affect the extent to which school leaders experience competition, and the range of strategies that they pursue in response. While neoclassical economics minimizes the role of government institutions in the marketplace, this political-economic approach highlights the different ways that districts shape education markets and has implications for school leaders.

**Investigating School Choice and Competition in Post-Katrina New Orleans**

This study addresses the questions of how markets function and how they are regulated in an increasingly privatized education system. Specifically, I ask:

1. **How do school leaders behave within a competitive environment?**
   a. What schools do they view as rivals?
   b. What school factors predict competition, and to what degree do school type, quality, and location matter? What other factors shape school leaders’ perceptions?
   c. What actions do school leaders identify as engaging in competitive behavior (e.g., marketing, improving instruction)? In what ways do these strategies vary across types of schools?

2. **In what ways do the two districts’ political environments influence school leaders’ competitive strategies?**
   a. In what ways do the districts regulate choice, incentives, and competition among schools?
   b. How do the district policy, regulatory, and political environments influence the perceptions of competition and the range and type of strategies school leaders adopt?

To understand the competitive and regulatory aspects of the education market, I used a sequential mixed-methods design (Johnson & Onwuegbuzie, 2004), where quantitative, geographic indicators of competition were used to identify the sample of 30 schools for qualitative case study. I conducted in-depth interviews with school, charter, district, and state leaders, and I collected relevant documents. In addition, I surveyed 91% of school leaders (N=89) about their perceived rivals. These data allowed me to analyze the networks of competitors and to examine how the social structure of competition maps onto physical, geographic measures, and which factors predict the formation of competitive ties between schools, while the qualitative analysis allowed me to describe school leaders’ understandings of competition and the range of strategies they reported as having adopted in response to such pressures. Interviews and data collection at the district and state levels illuminated how different policies regulated the education marketplace.

This study measures competition from school leaders’ perceptions—the schools they actually name as competitors rather than those with whom we would expect them to compete based on numerical measures—and examines which factors predict the reported competitive relationships between schools. By examining competition within a city that has high charter-school market share, this research bypasses any threshold at which competitive forces are expected to “kick in,” a limitation of previous studies.
Dissertation Overview: Findings and Organization

My analysis reveals the ways in which social and political contexts influence the capacity of school leaders to compete and their choice of competitive strategies. First, my study shows that a school’s position in a district-wide social network of competitors, and its status in the market hierarchy, mediate its experiences and responses to competition. School leaders in New Orleans have experienced especially strong market pressures, yet they adopt a wide range of strategies in order to attract and retain students, including some that are undesirable. Their responses to such pressures, as I have shown, sometimes reinforced inequities in an already tiered marketplace, with particularly harmful consequences for the most underserved students. For example, some principals, under the combined pressure to increase enrollment and raise test scores, used targeted marketing and recruitment programs to select particular types of students, usually those who were affluent or already high performing. Second, I find that schools’ political contexts, including regulations and tensions at the community level, affect school leaders’ capacities to respond to competitive pressures, both alleviating and exacerbating educational inequities.

The first five chapters help to frame the study. I begin, in Chapters 2 and 3, by examining the previous empirical and conceptual literature on competition. Chapter 4 describes the methodology and data sources for the study. Chapter 5 situates the current school-reform efforts in New Orleans within the broader social, political, and economic context of the city, with a brief history of its schools and the post-Katrina reforms. The next four chapters describe the major findings of this study. Chapter 6 reveals the factors that predict the formation of competitive ties between schools using “social-selection” models (Daly, 2010) and similar methods suited to the statistical analysis of network data, which must contend with the non-independence of observations. While factors that economists believe to be important for competition, including geography and student transfers, mattered for who school leaders identify as competitors, they did not fully explain how school leaders in New Orleans perceived competition. Other factors, such as charter brand, school similarity, demographics, and school-leader characteristics, also influenced competition. Chapters 7 and 8 draw on the 30 case studies to explore how a school’s position in a district-wide social network of competitors, and its perceptions of competition, mediated its experiences and responses to competition. In particular, I find that school leaders used a range of strategies, from improving academics to cream skimming, in order to attract and retain students in a competitive environment. Chapter 9 demonstrates how schools’ political contexts affected school leaders’ capacities to respond to competitive pressures, and, specifically, how the OPSB and RSD influenced school leaders’ perceptions and strategies in relation to competition. Chapter 10 concludes by discussing the implications of this study for policy, practice, and future research.
Chapter 2: Review of Literature

In this chapter, I review the existing literature on the effects of market pressures, such as competition, on schools. The existing literature can be divided up into economic approaches (the vast majority), sociological approaches, and political approaches to competition. Gaps in the literature include research on how school leaders identify, perceive, and develop strategies to address market pressures, and the role of districts in shaping and supporting competition in education markets.

According to advocates of market-based reforms, competition is one of the primary mechanisms through which improvement via school choice is supposed to occur. Schools are expected to respond to parental choice by improving their academic services or at least the efficiency of their operations, but researchers have paid less attention to the mechanisms by which this process of competition occurs. Literature on the ‘demand side’ of education markets, which explores how parents choose schools and what factors matter in their decisions, includes rich qualitative and quantitative descriptions of choice processes and outcomes (e.g., Andre-Bechley, 2005; Bell, 2009; Cooper, 2005), but, in comparison, research on the ‘supply side,’ or how schools respond to choice, has been thin. Parents are critical players in the mechanism of competition because it is their ability to choose that generates the market pressures that are thought to change school practices and behaviors. In this review, I focus on school leaders because even though they, too, are crucial to the policy’s theory of action, their roles have been understudied.

In this chapter, I review the empirical literature on competition between public schools to summarize the state of knowledge in this field. There is also a similar body of literature on competition from private schools. However, this literature by and large uses similar proxies for competition. I focus here on the effects of competition from charter schools and other public schools. To provide context to the study, I focus primarily on research in the United States, but draw on relevant work in the United Kingdom that uses alternative methods for exploring markets in education. After describing how empirical research has operationalized competition, I focus on the three strands of work in this area: (a) economic, focused on the effects of competition on student outcomes and efficiency; (b) sociological, examining the perceptions, values, and networks of school leaders in their response to competition; and (c) political, the smaller number of studies that examine the role of government and politics in shaping competition and school responses. In this review, I find that while a number of studies examine the empirical effects of competition on student achievement, these studies have defined and measured competition in limited ways. Furthermore, few studies examine outcomes other than student achievement. Very little attention is paid to the mechanisms by which competition influences schools, yet the research that exists suggests that school leaders’ perceptions mediate their responses to competition, schools use a range of strategies in response to market pressure, and that a school’s status or position in the market mediates competitive pressures. Finally, little research, especially in the U.S., attends to the role of local government institutions in shaping market pressures and processes.

Summary of Literature

A growing body of work in the economics of education explores the effects of increased competition on student and school performance. This work has used several methods, such as
fixed effects and instrumental variables, to study the impact, for example, of distance to the nearest charter school or of the number of charter schools in a five-mile radius on the test scores of students in traditional public schools nearby. The findings from such studies have been mixed. Some have shown that districts and schools with higher levels of competition, as defined by geography or student transfers, perform better than those with lower levels, while others have shown that intense competition can negatively impact student performance (Bettinger, 2005; Bifulco & Ladd, 2006; Bohte, 2004; Booker, Gilpatrick, Gronberg, & Jansen, 2008; Carr & Ritter, 2007; Holmes, Desimone, & Rupp, 2003; Hoxby, 2002; Imberman, 2008; Ni, 2009; Sass, 2006; Zimmer & Buddin, 2005). Reviews of research on competition in charter schools have also found mixed results for whether increased competition benefits students (Ni & Arsen, 2010). In addition, there has been a small set of studies that has explored the dimensions of competition using other conceptual approaches and methods, primarily in the field of sociology. Finally, a few studies have explored how local government policies shape competition and the locational decisions of schools. These studies are reviewed below.

Despite the varied results, the empirical literature does tend toward several key findings. First, the effects of competition on school outcomes, while mixed, are generally found to be small whether they are positive or not. Second, while the evidence for competition’s effect on student test scores is weak, researchers have started to examine the ways in which schools respond to competitive pressure in other ways, such as changing budget allocations (Arsen & Ni, 2012), selecting students by using school location to target the higher strata of the poor (e.g., Lubienski et al., 2009), screening out students (e.g., Welner, 2013), or taking advantage of neighborhood politics (Henig & MacDonald, 2002). A third finding emerges from a variety of disciplines that examine the process of competition, moving beyond purely geographic or structural measures. These studies, primarily in the field of sociology, have explored school leaders’ experiences of competition using qualitative methods (e.g., Gewirtz et al., 1995; Jennings, 2010). For example, some research in the U.K has shown that school leaders’ perceptions of competitors, even more than measures of competition based on geographic density or student transfers, have real effects on schools’ responses (e.g., Levacic, 2004). And survey data in the U.S. has suggested that geographic proximity may not fully capture competition between schools (Loeb et al., 2011). These studies begin to explore the mechanisms of competition to a greater extent, and they encourage researchers to continue this trend.

Gaps in the literature are readily apparent. First, few studies in the U.S. have explored how school leaders identify competitors. The majority of studies has assumed that competition occurs when there are a large number of schools in a concentrated geographic area, but have not explored whether proximity is all that matters. Most have treated all schools within a given area as equal competitors, and thus the existing literature tends to over-rely on objective or geographic measures of competition, what Levacic (2004) has called “structural factors.” For example, a geographic proxy for competition suggests that schools surrounded by a greater number of other schools will feel competition. But in the site for this study, New Orleans, and in many other cities with choice policies, parents can choose from schools all across the city, and many of them do so. Therefore, while geography will, of course, be a factor in families’ decisions about where to attend, it may not fully capture competition between schools. For example, schools that are located far from each other may in fact view one another as rivals because they are both drawing on populations from neighborhoods across the city. Examining which schools school leaders actually view as their competitors, rather than those we might expect them to compete with
based on structural measures, can add greatly to the conceptual literature. Before we can evaluate
the effectiveness of competition, we need to understand how it works in practice and the extent
to which existing measures accurately capture the complex dynamics of competition.

Second, few studies examine how school leaders behave in the face of market pressures.
While some of the qualitative studies begin to unpack this process, most have come from case
studies of a small number of schools, usually three to five. These are helpful for examining
competitive strategies in depth and over time in a handful of sites, but there has been little
research, aside from surveys (Loeb et al., 2012; Zimmer & Buddin, 2005), that examines schools’
responses to competitive pressure. In other words, although competition is thought to improve
school and student performance, there is limited understanding of what schools are doing to
make those improvements, and whether their strategies are efficient, ethical, or equitable.

A third gap results from the tendency for the existing work to treat all local education
markets as the same, ignoring how specific district policies influence competition and choice.
Despite the fact that the existing quantitative work has come from a range of states and districts,
this work has not examined the way in which these different state and local contexts influence
the structure and patterns of competition within them.

Overall, the studies reinforce the need for conceptual frameworks and empirical analysis
that can move beyond the traditional economic model of competition and attend to district
politics, school leaders’ perceptions, and schools’ exploitation of existing residential patterns and
marketing to shape their student bodies.

### Defining and Measuring Competition

The quantitative empirical work in the economics of education has conceptualized
competition in multiple ways, which may account for some of the variation in findings (see Table
1 below). Measuring competition poses many empirical challenges. First, there is the problem of
how to define competition, and, because it cannot be measured directly, which proxy to use.

| TABLE 1. Measures of Competition in the Economics of Education |
|-------------------------------|-----------------|-----------------|
| **Level** | **Descriptions** | **Articles** |
| District & School | Passage of charter law (before/after) | Maranto et al. (2010); Bohte (2004) |
| District | Dummy variable for at least one charter school | Carr & Ritter (2007); Buddin & Zimmer (2005) |
| District | Percentage of students enrolled in charter schools | Greater than 6% in district: Hoxby (2002) |
| District | Percentage of students transferring from traditional to charter (reduced market share) | Booker et al. (2008); Sass (2006) |
| School | Distance to nearest charter school (i.e., at least one charter within 2.5 mi, 2.5-5 mi, 5-10) | Buddin & Zimmer (2005); Imberman (2007); Bifulco & Ladd (2006); Booker et al. (2008) |
| School | Number of charter schools w/in given radius or percent of charter enrollment w/in a given radius | 2.5-mile radius: Bettinger (2005); Imberman (2007); District/County: Bohte (2004); Carr & Ritter (2007); Sass (2006) |

Some common proxies for competitive effect include measures of *proximity*, such as the distance
of a traditional public school to a charter school, while others look at market share, such as the density of charter schools in a district, or the enrollment loss of a school to other schools in the district. Because the definition of competition is being expanded and explored in this study, I describe each of these approaches below in greater detail.

One important distinction to be made regarding the measurement of competition is whether the competitive effect is measured at the state, district, or school level. Declining enrollment and its associated loss of funds is considered actual or realized entry into the market by charters—the measurable impact of competition on a school. Many studies use measures of the level of competitive effect, or loss of market share to charters, to capture the effect of charter schools on traditional public schools. But potential entry of charter schools into the education sector may be just as important as actual entry. For example, two studies (Bohte, 2004; Maranto, Milliman, & Hess, 2010) used the passage of a state charter law as the measure for competitive pressure, which they argued was appropriate because simply the passing of the law and the potential entry of charter schools may be a great enough threat to elicit a response from schools. The concept of perceived threat certainly has merit but has been relatively understudied.

About half of the studies on this topic have used a district-level variable to measure competition (Booker et al., 2008; Carr & Ritter, 2007, 2007; Hoxby, 2002; Ni, 2009; Sass, 2006; Zimmer & Buddin, 2005), such as whether the district had at least one charter school, the percentage of students in enrolled in charter schools, or the percentage of students transferring from traditional public schools to charter schools in the district as a whole. Aggregation can obscure important differences between schools, but there are at least two arguments for measuring competition at the district level. First, in many districts, important decisions regarding changes and improvements in public schools, such as per-pupil spending, textbooks, and curriculum standards, are made at the district level. Even though economic theory suggests that competition is to be felt at the school level—the unit of analysis being the “firm”—the reality of schools and districts suggests that this is often not the case. Furthermore, districts as a whole might respond to charter-school competition by, for example, including or excluding charter schools from open-enrollment fairs and information packets for parents. But district-level measures of competition ignore the differential effects of competition on schools, which depend on important factors such as location or student body. Furthermore, New Orleans is a “portfolio district,” in which central offices theoretically play a smaller role in these matters. Central offices are expected to “relinquish” control of school governance to schools, parents, and community leaders, and focus instead on overseeing, rather than managing directly, a diverse portfolio of schools (Kingsland, 2012; Lake and Hill, 2009). Therefore, in New Orleans and other portfolio districts, competitive pressure is likely to be experienced to a greater extent at the level of individual schools.

Some previous studies have used school-level measures of competition, capturing the pressures facing individual schools in the district. For example, four studies used distance to the nearest charter school (e.g., within 2.5 miles or between 2.5 and 5 miles) as a proxy for competitive pressure (Bettinger, 2005; Bifulco & Ladd, 2006; Booker et al., 2008; Imberman, 2008; Zimmer & Buddin, 2005), the idea being that traditional public schools that are close to a charter school might feel greater pressure than those that are at least 10 miles away from one. Other studies have used variations of this by looking at the number of charters within a given radius, rather than just determining whether there was at least one charter school, and another study looked at the percentage of charter-school enrollment in a given radius, rather than the
number of charter schools.

The last two measures are more nuanced ways to measure the effects of competition on schools because they consider actual loss of market share and allow for greater variation between schools. According to economic theory, as charter schools gain market share, traditional public schools will feel greater pressure to improve. These studies test for a relationship between net student losses from a traditional school to charter schools, and the subsequent achievement gains (Betts, 2009). But the threshold at which enrollment loss matters for traditional schools is debated. As mentioned earlier, some proponents of market models argue that we have failed to see significant effects of competition on public schools because the districts studied have not had high enough enrollment in choice schools; in other words, if a district has just one or two charter schools, that might not pose a serious enough threat to traditional public schools to elicit a response. Therefore, we might not see significant changes in school practices or behaviors in such settings.

**Effects of Choice and Competition on School Improvement**

Advocates’ claims regarding the relationship between competition and school improvement make strong assumptions and rest on comparatively weak empirical support. Despite differences in study design and conclusions, the overall results have been consistent: there have been insignificant or small effects in either direction. Though previous researchers had looked at the effect of private-school competition on traditional schools, Hoxby (2002) was the first to examine the competitive effects of charter schools. Using school fixed effects, she compared test scores for schools located in high-competition districts in Michigan and Arizona—those having more than 6% of students enrolled in charter schools—with schools in districts with lower charter-school enrollment. The study showed a small positive effect of competition on traditional public schools. Bettinger (2005) also studied Michigan schools using school fixed effects, but used a different measure of competition—the number of charter schools within a five-mile radius—and found a very small significant effect of charter schools on test scores. When he reanalyzed the data using an instrumental variable to account for the nonrandom placement of charter schools, which had been known to open up close to low-performing schools, he found no effects of competition on student achievement. Ni (2009) also used fixed effects to study competition in Michigan schools, improving on Hoxby’s 6% measure by looking at districts that had actually lost 6% of their enrollment to charters, not just those districts that had 6% enrollment in charters at the time of analysis. This was important given the Michigan context; it was common for charters to recruit from the surrounding suburbs. We would not expect schools to respond to charter presence in districts where the total enrollment had actually increased because enrollment loss is often what creates pressure. Ni examined the short, medium, and long run effects of competition and found no positive effect on student achievement. In areas with high levels of competition, there was a significant negative impact found, which was small or negligible in the short run, but more substantial in the long run. These three studies, all of which used data from the State of Michigan with overlapping years, show that despite conflicting findings, only very small effects were found in either direction.

Other studies have also revealed mixed findings, but overall the effects have been small, with the exception of Bohte’s (2004) study, which found moderate gains from competition. Holmes et al. (2003) found that schools facing greater competition had a 1% test-score gain. In Ohio, Carr and Ritter (2007) used pooled time-series regression to study the impact of
competition at the school level and found a small negative effect of competition on student achievement. Bohte (2004) used district-level data from over 1,000 districts in Texas, and found that charters contribute to moderate overall performance improvements in districts, especially for low-income students in traditional public schools. Also in Texas, Booker et al. (2008) used student-level data and also found a positive but small effect from competition. In North Carolina, Bifulco and Ladd (2006) analyzed data from five cohorts of third graders and found no effects of competition. Imberman (2008) conducted a longitudinal analysis and used multiple outcome measures, including test scores, disciplinary infractions for suspensions or more severe punishments, and attendance rates. He found mixed results; in one analysis, competition improved discipline, but worsened test scores, but in another analysis, competition worsened discipline and improved test scores. There was no significant effect on attendance. Sass (2006) found a small positive effect of competition on math achievement for students in Florida, but no effect on reading. Buddin and Zimmer (2005) included both survey and student-achievement data to measure the effects of competition in six districts in California. The student achievement data showed no competitive effect from charters.

Most of this work has studied choice districts as traditional markets, analyzing the effects of competition without much consideration of social or political factors. Furthermore, while geographic measures (e.g., distance to charter, number of competitors within a given radius) have been key to these analyses, such studies have often failed to differentiate among low- or high-performing charter schools within that geographic area, which might have varying effects on schools’ response. One recent study found that measures such as distance to other schools or the number of schools within a geographic radius within the metro area were not predictive of principals’ report of competition, suggesting that “measuring competitive pressures by proximity to schools may not capture the true competitive forces within a school choice system” (Loeb et al., 2011, p. 155). Furthermore, as mentioned earlier, the mechanisms of competition in a quasi-market is unclear. Even when studies indicate that school performance did improve due to competitive pressures, this body of work tells us little about what strategies school leaders engaged in to generate the improvements.

School Leaders’ Perceptions and Responses to Competition

The methods used in previous economic and quantitative studies do not accurately capture the complexity of market forces in schools since, by design, they measure competition only as a status or level, rather than a process. Therefore, we can look to other disciplines for alternative theoretical constructs, measures, and methods to explore the mechanisms of competition. A sociological approach to studying competition in education markets has been more prevalent in the U.K., where market-based education policies have had a longer history (Finkelstein & Grubb, 2000), although some recent U.S. research on school choice policies has incorporated concepts of sensemaking, social networks, and organizational isomorphism (Jennings, 2010; Lubienski, 2007; Lubienski et al., 2009). Collectively, these other approaches reveal that perceptions of competition, social networks, and market position are all important for how schools and districts behave in a competitive environment. Furthermore, in addition to the expected strategies of improved efficiency and academic programs, schools also engage in a number of other strategies, such as filling a niche or “cream-skimming” students. Therefore, more complex dynamics, both in terms of market processes and outcomes, are at play in competitive markets than are captured by the existing economic approaches.
**Perceptions Mediate Responses**

How school leaders perceive competition may influence their responses to it. In the U.K., Levacic (2004) compared measures of “structural competition,” such as the size of the market, the number of schools in a given radius, or enrollment fluctuations, which are commonly used by economists, with “behavioral competition,” which was based on school leaders’ perceptions and experiences, as reported by survey, and found that perceptions of competition were not always correlated with evidence of structural competition, but were correlated with gains on student test scores. This suggests that even perceived competition may have real effects on student outcomes; school leaders acted on their perceptions of competition, even when these did not align with the structural or actualized competition, such as the loss of students from their school to other schools in the area. Similarly, Loeb et al. (2011) surveyed principals in Milwaukee, asking them to name their top three competitors, and they found that distance was not the strongest predictor of which school made it into the top set, but that other factors correlated with their set of perceived rivals.

Many of the studies of school leaders’ perceptions have relied on close-ended questionnaires (Levacic, 2004; Loeb et al., 2011; Zimmer & Buddin, 2005). Research that examines how perceptions and values influence school responses through qualitative methods may provide rich data that can help to explain the varied and contradictory behavior of school leaders when they react to competitive pressure. Using qualitative methods, Wells et al. (1999), in their study of California’s charter schools, found that schools’ perceptions of competition were consequential for their responses. Specifically, traditional school leaders who perceived the competitive field as unequal, those who believed they could not compete fairly with charter schools, for example, were less likely to engage in competitive strategies overall, despite a loss of students to those charter schools. Jennings (2010) compared three case schools in New York City and found that what it took to be successful in the marketplace sometimes conflicted with the values and beliefs of educators, and that the social networks of school leaders mediated the types of strategies they were willing to adopt in order to compete. She found that social networks both prevented “bad behavior” on the part of schools, such as cream-skimming or an over-reliance on flashy marketing, but also facilitated these behaviors in some cases. Holme et al. (2012) conducted a comparative case study of two schools in Texas and found that schools’ perceptions and knowledge of competitors were often too vague to elicit a strategic response or schools responded to enrollment losses in ways that were unproductive. The sociological and qualitative research on competition, by looking more closely at two or three case schools, thus shows how perceptions and recognition of competitors guide schools’ strategic actions in response to enrollment loss. This study extends this research to examine whether these patterns hold across a larger sample of schools that are representative of schools in the district at large.

**Schools Use a Range of Strategies in Response to Market Pressure**

Existing literature also suggests that schools use more than just academic and operational strategies in response to competitive pressure. Scholars in the U.K. have developed useful typologies to categorize the responses of schools (e.g., Bagley, 2006). Drawing on Bagley’s (2006) typology, I group the findings from the literature regarding school responses to competitive pressure into these categories, adding the “Filling a Niche” and “Screening and Selection” strategies as separate categories:
a. **Substantive Change.** This includes activities that actually change something within the school, such as instructional changes, operations, or school organization. This might include improving efficiency, such as changing the allocation of resources in response to competitive pressure (e.g., Arsen & Ni, 2012; Ghosh, 2011). Aside from the studies above that examine students’ academic achievement, there is little evidence to date that competition actually elicits this type of response, yet it is what policymakers’ theory of action predicts (see Davis, 2013; Loeb et al., 2011).

b. **Environmental Scanning.** This includes collecting information on competitors. Some studies have found evidence of organizational isomorphism among charters, whereby charters mimic one another’s practices rather than innovating (Huerta, 2002; Lubienski, 2003).

c. **Filling a Niche.** In contrast to isomorphism, schools may scan the environment in order to develop schools or programs that fill a niche, either in terms of school focus (Bagley, 2006) or geography (Glomm, Harris, & Lo, 2005; Henig & McDonald, 2002; Lubienski et al., 2009). For example, a school in Bagley's (2006) study, which experienced the greatest sense of market awareness and competitive responsiveness, became a specialist technology school, a way of “positioning the school in the local competitive arena” (p. 356). This strategy paid off because the school was later oversubscribed.

d. **Promotional.** This includes all actions that are focused on the school’s image, such as marketing, developing a brand, website, or otherwise promoting the school, and represents a more superficial strategy, not substantive change. Studies have shown that school leaders use both formal and informal marketing strategies to attract students and, in some cases, target particular types of families by using advertising to send “signals” to parents about what kind of student is a good fit (Gewirtz et al., 1995; Jennings, 2010; Lubienski, 2005, 2007). For example, Lubienski (2007) analyzed the content of marketing materials of charter, private, and traditional public schools in the district and found that different types of schools emphasized different aspects of their schools’ offerings. Schools used these strategies to attract higher performing students to their schools instead of responding to incentives to improve schools for the most disadvantaged students.

e. **Structural.** Structural strategies include changes to governance arrangements, funding, or ownership, such as seeking out funding from private sources, switching charter operators, or selecting a charter authorizer. Woods, Bagley, and Glatter (1998) did not find much evidence of these practices in their study of schools in the U.K., but these issues are highly relevant in the U.S. context. Private foundations and federal programs such as the Investing in Innovation Fund (i3) put millions of dollars into charter networks, and seeking out and sustaining such funding is a core part of the work of charter schools (Miron, Urschel, & Saxton, 2011; Scott, 2009). Yet there has been less research on governance arrangements, such as the selection of a charter operator or authorizer.

f. **Screening and Selecting.** Screening and selection strategies may overlap with some of the above. We know that the expansion of school choice can result in the sorting of students, as affluent and white parents select particular schools, often avoiding schools with significant populations of students of color (Bell, 2009; Frankenberg, Seigel-
Hawley, & Wang, 2010; Lankford & Wyckoff, 2005; Yun & Reardon, 2005), but schools also select, recruit, and discipline students to shape their own student bodies, what Jennings (2010) calls “schools’ choice.” Selection of students can occur via locational decisions (Lubienski et al., 2009), promotional or marketing activities, such as those described above, or they can occur due to outright cream-skimming and cropping (Welner, 2013), although quantitative empirical evidence on such practices is thin to date. A recent study by Zimmer and Guarino (2013), for example, found similar rates of push-out by charters and traditional public schools in a large urban district. Henig and McDonald (2002) found that charters more likely to locate in neighborhoods where educational improvement was most needed, in areas with higher percentages of African American and Latino students, but they also seemed to locate in tracts with relatively high home ownership rates. Such sorting effects and segregation by class have also been documented in the international literature as well (e.g., Hsieh & Urquiola, 2003; Gewirtz, 2001), and pose challenges for the equity aims of education policies.

\textbf{g. Systemic.} Systemic strategies involve modifying the system that oversees the market elements, such as the funding decisions by government or school assignment policies. There has been less research on these aspects, but Henig and McDonald (2002) find that charter schools in Washington, DC tended to locate in higher-clout wards and in places with higher voter turnout, in part perhaps to politically bargain for greater resources and opportunities.

\textbf{Market Position and Organizational Conditions Mediate Competitive Pressure}

Another area of empirical and conceptual study has explored how market hierarchies and the organizational conditions of schools and districts influence the way in which competition occurs. Gewirtz et al. (1995) have found that parents select from “circuits,” or particular networks, of schools rather than all schools at once, and each circuit of schools has its own market hierarchies and patterns of competition. Maranto et al. (2010) studied 81 traditional public elementary schools, separating them by high or low collaboration levels prior to charter school competition. They found that the internal organizational culture of traditional public schools moderated schools’ response to the external threat of competition. Another study found that districts moderated the pressures of competition. Teske et al. (2000) of the libertarian Manhattan Institute conducted a qualitative study that examined how competition affected the work of principals and superintendents in five U.S. school districts. Using phone surveys, interviews, and emails, they found that districts shielded schools from competitive pressure through various policies. For example, districts cushioned schools financially against the loss of students by sending additional funding and resources to struggling schools. The authors argued that this type of buffering on the part of the school district might explain why the response to competition has been so weak. In education markets today, districts may not be the only agencies shielding schools from competition; charter-management and other organizations that work with schools may also play such a role. Finally, Davis (2013), using distance as a proxy for competition, examines the intermediate effects of competition on school organization, such as curriculum alignment, teacher–parent conferences, or teacher attendance, but finds little evidence that schools facing competition organized differently to improve student outcomes.

Schools’ different positions in the market hierarchy, based on their performance, may also
predict competition. A study of principals’ and teachers’ perceptions of competition found that schools’ positions in the market, in terms of overall school performance, were associated with how much competitive pressure was felt (Ladd & Fiske, 2003). For example, they found that schools with moderate performance experienced the greatest level of competition, while schools at the top felt less competition, perhaps believing they were ‘above the fray.’ Similarly, in Woods et al.’s (1998) study of a district in the U.K., schools’ positions determined which other schools they competed with, based on status rather than geographical location: one oversubscribed school, “due to its strong market position as an academic school…did not view itself as being in competition with either Newcrest or Leaside, both of which it saw as catering to the needs of different pupils (less academically orientated) and their parents (more working class)” (p. 56). Instead, the school competed with other schools that also promoted themselves as academic schools that were in the city, but further away.

**Governing Markets in Education**

The final relevant area of work is related to the role of states, districts, and other regulatory bodies in education markets. Even in traditional markets, government institutions set the ground rules that shape competition. Sclar’s (2001) study of the privatization of various governmental services attends to the role of political power in shaping the landscape of the marketplace, which he argues “is more realistically conceived as mountainous terrain that includes several high peaks from which well-endowed corporate and individual warriors swoop down to seize targets of opportunity” (p. 9). While his economic analysis of the privatization of various social sectors is helpful to understand politics shapes competition more generally, there has been less research on how districts and politics structure competition in the educational marketplace in particular.

Some research has considered the national government’s role in the education quasi-market in the U.K. (e.g., West & Pennell, 2002). Others have examined how the local educational environment shapes parent choices and school behavior. For example, one cross-case study in the U.K concluded that the local education agency still played a crucial role despite the expansion of market forces and the private sector in schools (Gewirtz et al., 1995). Woods et al. (1998) have argued that the micro-environmental domain, which encompasses local government, conditions and directs the operations and effects of market-like systems, and these two “act upon and interact with each other and give a particular market its character and direction” (p. 140). But in the U.S., few studies have explored how the district’s particular choice policy shapes competitive behavior. Local markets in education vary significantly in the type and extent of choice options, yet these variations have not always been sufficiently captured. As markets in education evolve, how are government agencies regulating them? If schools are responsible for staff, curricula, and student enrollment, what role does the school district play? There is a need for conceptualization and empirical examination of both the structure of competition in education markets and the particular strategies that districts adopt to shape those markets.

**Discussion**

This study builds on the existing literature, and addresses several gaps outlined above. First, I selected a site where the threshold of competitive pressure should, according to theory, be high enough to elicit a response from school leaders. New Orleans, where over 80% of students attend charter schools, is therefore an ideal site to explore competition, at the extreme end, as
well as how these various measures of competition align with the school leaders’ perceptions. If competition is to have an effect on school practices or behaviors, which may ultimately lead to achievement gains, though these are not the focus of this study, we are likely to see the process occur in a district like New Orleans. To contribute to theory on the construct of competition, I use a combination of structural measures, common in the literature, such as geographic proximity, as well as surveys of school leaders that ask them to list the schools they in fact view as competitors. This allows me to tease out the relationship between perceived and realized competition, as I am able to compare school leaders’ perceptions of competition with actual or realized competitive pressure, measured by student transfers between schools. In addition, this study will explore the full range of behaviors and strategies principals adopt amidst the competitive environment. I use qualitative methods to examine the role of market position and context in shaping school leaders’ perceptions and strategies. Furthermore, because the role of the district in education markets has been under-examined, this study attends to both district- and school-level perceptions of competition.

Overall, there has been some empirical research on how school leaders perceive and react to competition, but there is a lack of understanding and conceptualization of how school leaders identify competitors, their strategic actions in response to competitive pressure, and how local government institutions shape education markets. These dimensions are explored next, drawing on conceptual tools that can elaborate the process of market competition in schools.
Chapter 3: Conceptual Framework

In this chapter, I describe the conceptual framework used in this study, drawing on traditional market theory as well as interdisciplinary approaches to the study of markets from sociology and political economy. Previous studies have relied primarily on concepts from neoclassical economics to understand education markets. That approach has been unable to capture the social and political dynamics of competition, as well as the mechanisms and processes by which competition occurs. Because competition (in part) works through the perceptions of school leaders and is shaped by district and local politics, we need tools that can capture the complexity of competitive behaviors. Therefore, I integrate insights from the sociology of markets, including its political economy tradition, with insights from neoclassical economics to frame this study.

In a traditional marketplace, sellers of products must compete with one another to attract consumers, gain market share, and maximize profits. When a market is truly competitive, consumers benefit from low prices and many options. At the other extreme, in a monopoly, only one firm produces the goods, and consumers have no other options, resulting in higher prices and lower quality, since monopolists have no incentive to improve; they have a captive market.

Advocates of market-based reforms in the public sector argue that government institutions, while not earning profits, are the equivalent of monopolies: a public school district faces little competition, except perhaps from a much smaller private sector, which may only provide a real alternative for more affluent families. Therefore, market advocates argue that the public school district, without competitive pressure, has little incentive to improve. In recent years, federal mandates and accountability-based policies have tried to improve low-performing schools and districts with sanctions, but there remains a large racial and economic achievement gap despite these efforts. Some scholars and advocates have argued instead for market-oriented solutions. By breaking up the monopoly of the public school district, schools will have to compete to attract and retain parents and students—and their associated funding—thereby improving schools across the board and providing a greater variety of options at higher quality.

Competition, a basic tenet of markets, is actually a complex set of practices and behaviors (Levacic, 2004), and it is often treated as a black box in the literature. Competition is often measured by relatively static or numeric indices, such as the Herfindahl index, which examines the distribution of market share between firms in a given industry (Belfield & Levin, 2002). These cross-sectional measures indicate the extent to which a market is competitive at a given moment in time, but they do not explain how competition operates. Yet competitive processes are essential to the claims about the benefits of privatization of public services, and essential for informing policies that seek to take market-based reforms that highlight choice and competition to scale. The political and social nature of education markets requires a theory that goes beyond the purely traditional measures of market pressures but that is mindful of economics. This complexity warrants a multifocal (Young, 1999) social- and political-economic approach to education markets. The sociological and political work on market-based reforms has tended to downplay competitive forces. And although markets may not govern schools in the ways imagined by economists or market advocates, school leaders face real competitive pressures from reforms that are inspired by market ideals, which shape their behaviors and responses (Gewirtz et al., 1995). I argue that, particularly for public schools, markets are better understood by
examining the economic and noneconomic motives and understandings of the actors whose participation is key to how market-based reforms function in the real world.

To build theory on the nature of competition in schools, I blend insights from several theoretical traditions. Neoclassical economic theory provides an overarching framework for understanding competition and how it should lead to increasing efficiency. But I also draw on conceptual tools from other traditions that have explored markets in interdisciplinary ways, and which allow for direct examination of the social and political process of competition from the standpoint of the parents, teachers, school, and system leaders involved. I draw on concepts from the sociology of markets, including its focus on political economy. This scholarship studies economic action using the tools of sociology, with the central assumption that “economic worlds are social worlds” (Fligstein, 1996, p. 657). In particular, I focus on how perceptions of the competitive arena shape schools’ strategies for engaging in it, conceptualizing the competitive arena as a social network of competitors, or what other scholars have referred to as “cognitive communities” (Porac et al., 1989) or “circuits of competitors” (Gewirtz et al., 1995). An economic sociology perspective foregrounds the social nature of competition, which may consist of monitoring and responding to other firms’ behaviors rather than consumer demand, and social norms and networks may moderate how school leaders respond to competitive pressures. We thus move from geographic space, the focus of much of the prior economic literature on competition, to “social space.” The political economy tradition within economic sociology also highlights the political nature of economic action. Markets, especially those in education, are shaped by local government institutions, which set the rules of the game, open, close, and otherwise oversee schools. This socio-political approach also allows for an examination of how issues of race and social class within local contexts influence government policy around markets, which ultimately influence economic action, as well as how those economic behaviors create, redress, or exacerbate inequities related to race and class. Rather than conceiving of markets only as relatively neutral allocators of goods and services, such an approach acknowledges the social and political dimensions of how markets are introduced in the public sector, as well as how they function.

This conceptual approach, while grounded in more recent literature, reflects an older economic approach, the study of the economy that came out of the field’s historical roots in philosophy and explored simultaneously the social, political, and psychological aspects of economies (Heilbroner, 1999). Overall, this approach highlights political and social aspects of competitive markets, with attention to how government interacts with and supports the market, and illuminates the ways in which competition functions in real-world markets, filling in the black box and providing a new perspective on such reforms in education.

Economists have increasingly called for such conceptual approaches. In recent years, previously marginalized interdisciplinary approaches to economic theory, such as behavioral economics, which has challenged some of the psychological assumptions of neoclassical economics, have received greater recognition and have been identified as important steps forward for the discipline. Papers using behavioral economics are now published in mainstream economic journals, and these perspectives are beginning to be incorporated in college-level introductory economics textbooks (e.g., Pindyck & Rubinfeld, 2008). There has also been a call for economic work that is grounded in empirical observation not only mathematical models. According to economist Sanjay Reddy, “Good theory is theory which illuminates the world, and good theory cannot start from a priori premises which are disconnected from the world. Good theory has to
start in part from observation from the world” (cited in Robeyns, 2012). White papers published by the American Economic Association in 2011 have also called for interdisciplinary approaches that pay attention to social aspects, such as language and the use of metaphors, values, and norms in the economy (e.g., McCloskey, 2011). And scholars of privatization have criticized the field for its especially vague notions of competition in the public sector: “It is unacceptable to simply assert that in some unspecified way ‘competitive savings’ can be expected” (Sclar, 2001, p. 68). Instead, we need a conceptual and empirical understanding of the process by which such competitive savings occur and their effects. Sclar (2001) has called for a fuller theory of privatization and competition that incorporates, for example, advances in institutional economics.

Researchers studying markets in education have made similar arguments. Overall, the literature on education markets has suffered from what Adnett and Davies (1999) have called the “paucity of cross-fertilisation between economics and sociology” (p. 222). There has also been a paucity of research that simultaneously examines political and economic forces in education markets. Adnett & Davies (1999) criticize the use of “simplistic caricatures of market analysis” in education and the treatment of models from other disciplines as “straw men” (p. 222). In the case of research that draws loosely from economic theory to justify market-based education reforms, Broadbent and Laughlin (1997) have argued that economists should be concerned that “common-sense understandings of their discipline are being used as a justification for processes which do not really accord with market logic” (p. 289). The broader field of economics research has nuanced findings about when and under what conditions market mechanisms lead to desirable outcomes, but the empirical work on market-based reforms in the U.S., drawing selectively from neoclassical economic theory, has primarily studied competition among schools as distinct from their social and political contexts. At the same time, the sociological and political work in this area has tended to downplay competitive, market forces.

School choice policies have changed the economics of schooling, particularly in places like New Orleans, where the reforms have been implemented at scale. The outcome has been the marketization of schools, their functions, and, in some cases, the relationships within them. These reforms have also pressured schools to recruit and retain student enrollment, the focus of this study. According to Gewirtz et al. (1995):

The disciplines of the market are very real, the pressures on headteachers to ensure the survival of their schools are very real and the dilemmas they face are very real. But neither do we accept the view that responsiveness to patterns of choice in the education market is the working through of an inevitable and neutral mechanism or the playing out of simple coercive pressures.

While market pressures may not necessarily play out in schools in the ways imagined by economists, school leaders do face strong pressures from the market, which shape their behaviors and responses. Processes in education markets may not adhere strictly to economic theory, nor will they be explained entirely by social aspects. This work moves beyond these disciplinary divisions to provide a richer description of competition, incentives, and governance in education markets.
The Economics of Choice and Competition

School choice policies have latent assumptions about the rationality of school leaders and parents. Parents, as rational actors, ‘vote with their feet’ and choose better schools for their children, which in turn puts pressure on low-performing schools. School choice was thus intended to do more than serve families who actively chose; it would introduce market pressures into unresponsive districts and thereby improve education for all students (Goldhaber & Eide, 2003). Traditional public schools are expected to respond to competitive pressure by, for example, improving their academic services and innovating (Adnett & Davies, 2000), or they risk being shut down due to lack of enrollment as parents take their children elsewhere. These “theories of action” of competition are drawn loosely from economic theory, applying the theory of firm competition to the public sector and anticipating the effects.

The theory of competition, even as it applies to the private sector, has vague conceptions of competitive processes, and this theory becomes even more speculative when it comes to the public sector. Much of the research on competition analyzes the actual structure of the industry and how competitive it is—a state rather than a process. Barney (1986) refers to this as the industrial organization field’s conception of competition. For example, competitiveness is measured by the industry’s barriers to entry, the number and relative size of firms, and the degree of product differentiation in the industry, as well as overall sensitivity of consumers in the industry to price changes, the price elasticity of demand (Barney, 1986). However, as scholars of business strategy have argued, this focus on the industry’s structure is helpful for policymakers, who may guide the market and induce competition to a socially optimal level, but provides little understanding of firm strategy (Barney, 1986; Porter, 1981), except to suggest that firms may increase barriers to entry or differentiate their product to have a competitive edge. Yet for all of the attentiveness to the structural features of competitive markets, this research typically does not capture the more nuanced structures that exist within industries. Scholars in business and sociology have attempted to uncover competitive market structures, “the configuration of firms that compete with one another” (Desarbo, Grewal, & Wind, 2006), and they have used both demand- and supply-side approaches. In some cases, they have constructed the competitive groups using consumers’ choice sets, and in others they rely on the similarities between firms (Desarbo et al., 2006), publicly available annual reports (Braha et al., 2011), or cognitive mappings (Porac et al., 1989). In this study, I operationalize the structure of competitive markets as a social network of firms, based on who schools viewed as their competitors.

Other conceptions of competition highlight the imperfect competition that exists in markets, such as monopolistic competition (Chamberlin, 1933; Robinson, 1933), in contrast to the conditions of perfect competition. Monopolistic competition arises from the idea that firms, while existing in one industry, have some overlap but are also unique in terms of resources and capabilities; therefore such markets have many elements of a perfectly competitive market, but also those of a monopoly (Barney, 1986). As expected, such a model highlights firms’ strategies to exploit their uniqueness and differentiate their products, as some researchers have found. We might wonder whether such imperfectly competitive markets can reap the benefits of competition, incentives, and choice that market proponents purport. But Betts and Loveless (2005) argue that the efficiency benefits of competition do not disappear if a market is not perfectly competitive. Therefore, the theory suggests that the greater the competition among schools, the greater the efficiency. While economic theory suggests tradeoffs between efficiency and equity outcomes of school choice, and between individual choice and social cohesion (Levin,
2009), supporters of expanded market forces in schools have often not acknowledged this tension, and it requires further exploration. Neoclassical models of competition have also assumed rational behavior on the part of firms. Frustration with such theories led to the development of the behavioral theory of the firm, which examined actual decision-making and behavior in firms (Bowen, 2007; Cyert & March, 1992; Simon, 1957), in order “to provide a more empirically grounded theory of organizational goals, expectations, and choice” (Bowen, 2007, p. 98).

Related to this effort has been a call by a number of scholars to examine competition as a process (Burt, 1992; Ferlie, 1992; McNulty, 1968). As economists moved increasingly toward neoclassical models, with their focus on equilibria and mathematical models, there became less of an emphasis on the process of competition, whereby firms worked imperfectly toward profit maximization (Nelson & Winter, 2002). Indeed, much of the ambiguity around the construct of competition might be due to this “failure to distinguish between the idea of competition and the idea of market structure” (McNulty, 1968, p. 656). In other words, competition is not just a state, as measured by an index of competitiveness based on market structure, but a process, whereby actors in firms take action, develop strategies, and compete with one another. There is a need for broader conceptions of competition, a “reformulation and expansion of the concept” (McNulty, 1968, p. 656), in order to deepen our understanding of market dynamics. To examine markets as embedded in their contexts and to uncover the meanings that actors attach to their actions, conceptual approaches from other disciplines must be incorporated (Ferlie, 1992). The neoclassical economic ideas that underlie such choice proposals are inadequate to understand school leaders’ perceptions of competition, their cognitive communities of competitors, the role of districts and politics, and the ways in which the school differs from the “firm” in terms of purpose, finance, governance, and regulation. To examine these topics, I draw on conceptual tools from other traditions.

**Conceptualizing Competitive Processes: Filling in the Gaps of Microeconomic Theory**

Neoclassical economic ideas underlie many of the most controversial school choice proposals, such as charter schools and vouchers, but there has been a significant body of work in education, economics, and sociology that challenges or complicates these market assumptions and offers interdisciplinary approaches to the study of markets, especially the black-box mechanisms by which competitive pressures change school leaders’ behaviors. For schools to compete, a school leader must recognize and be aware of market pressures and respond accordingly. This process involves a series of steps and a certain level of school leader capacity: “To have an impact, charter competition must change the perceptions of public school personnel, particularly administrators, who then change their behavior” (Ni & Arsen, 2010, p. 100). For example, in the case of enrollment loss, the school leader must first identify the cause of declining enrollment (e.g., parent dissatisfaction, general decline in enrollment in the district, etc.) and then select an appropriate response. Furthermore, while much of the research to date suggests that maintaining or increasing enrollment and market share is the key goal of competition, other types of competition may also occur, but will not be captured in typical measures that rely only on enrollment figures. Schools may seek to maximize some kind of surplus, the equivalent of profit in a quasi-market, they may attempt to minimize inequity, maximize parent satisfaction, or they may create a market niche to fill a particular need and to buffer themselves from competition altogether (Betts & Loveless, 2005; Ni & Arsen, 2010). In
quasi-markets, the goals of organizational leaders are not clear. We know little about how school leaders actually perceive and respond to market pressures, or how their beliefs, networks, and motivations influence the local education market. Finally, how district policies limit or extend the scope of school leaders’ strategic actions is also unclear in existing frameworks. To examine these topics, I draw on conceptual tools from other traditions. I focus on two areas where alternative theories can provide a broader, contextualized understanding of market dynamics to enrich the traditional economic frame: perceptions of the competitive arena and the role of districts and politics in markets.

**Perceptions of Competition**

Terms like “competitor” are used in policy and in the literature as if their meanings are self-evident (Woods, 2000), but who schools view as competitors is often contextualized, based in part on geographic aspects but also on factors such as a school’s status in the market hierarchy (Woods et al., 1998). To examine the social dimensions of competition in education, I draw from concepts in economic sociology, which treats “economic worlds as social worlds,” (Fligstein, 1996). This means that markets in education, like those in the private sector, can be studied using sociological tools. For instance, by studying the perceptions of rival firms in business, economic sociologists have unpacked the black box of production and competition (Fligstein & Dauter, 2007), and have shown how competition occurs through both social and economic mechanisms. Early work in economic sociology proposed markets as social constructions, where networks of firms observed one another’s strategic behaviors and created relatively stable social structures, which we consider ‘markets’ (White, 1981). Rather than consumer demand driving the behavior of producers, this view proposed that sets of competitors, and their observations of one another, drove markets toward equilibrium. While other institutional scholars use terms such as frames, scripts, or logics (Fligstein & Dauter, 2007), Fligstein (1993) has used the term conception of control (p. 12) to describe how the behaviors of actors in response to competition are embedded within their broader perceptions, beliefs, and understandings of markets (Fligstein, 1993). Leaders interpret the market environment and make policies based on their interpretations. These policies are grounded in and bounded by the actors’ perceptions and understandings. School leaders develop their particular strategies within these broader conceptions, and their understandings influence the nature of competition in the market where they interact.

Competitive markets in education are based on school leaders’ networks of competitors, their ‘circuits’ of perceived rivals (Gewirtz et al., 1995). School leaders, like those in firms, create “cognitive oligopolies,” a perceptual set of rivals based on their framing of the competitive arena and their mental models of competition (Porac et al., 1989). Whom school leaders count as rivals, their networks of competitors, constitutes the social structure of competition. These networks may or may not map onto the physical structures of competition, determined by the geography of schools. Competition is “an intense, intimate, transitory, invisible relationship created between players by their visible relations with others” (Burt, 1992; p. 84); it thus requires uncovering with a socially oriented analysis. Recent work on competitive networks in the private sector suggests that such competition may be asymmetric, that is, each firm may name only a few competitors, but certain firms are considered competitors by many other firms (Desarbo, et al., 2006; Braha et al., 2011). Yet despite this finding in the business literature that competition is asymmetric, most empirical studies have treated it as symmetric, and there is a lack of conceptual
understanding as to why competition is asymmetric. Understanding the perceived networks or ‘circuits’ (Gewirtz et al., 1995) of competitors from the perspective of school leaders illuminates the structure of competition in districts. In other words, the set of perceived rivals with whom a firm competes depends on the perceptions of the actors in the market, guided by socially constructed boundaries in the market. Social network theory and empirical evidence has described the widespread presence of homophily: ties are more likely to form between similar rather than dissimilar actors, even in networks consisting of negative ties, such as competition (McPherson, Smith-Lovin, & Cook, 2001). As described in the literature review, oversubscribed or academic schools, for example, tend to compete with other high-performing academic schools that were located further away, rather than nearby schools that were perceived as less academic or comprised of more working-class students (Woods et al., 1998).

Perceptions and social aspects of competition ultimately affect the ways in which schools engage in market behavior. School leaders’ perceptions and understandings shape their competitive strategies. For example, using in-depth interviews, Woods (2000) examined the different ways in which “producers,” or school leaders, responded to competition in the public market, based on different beliefs and orientations towards their roles. For example, the extent to which schools retained a broader vision of the purpose of education in their practices, despite an increasingly competitive environment and policies that would encourage them otherwise, depended on their existing beliefs about their profession and their work. In a qualitative study of New York City schools, Jennings (2010) found that school leaders’ social networks shaped their views of appropriate competitive behaviors, such as engaging in illicit strategies to recruit and retain students. For example, veteran school leaders in New Orleans, the majority of whom were African American, may have different orientations to competition, based on their experiences in the educational system prior to the introduction of market forces, than new leaders who have always worked in educational systems with choice and competition. Other attributes of the school leaders, such as gender, may also predict competition. Some economics research suggests that women and men respond differently to competitive environments (e.g., Niederle & Vesterlund, 2005). Specifically, this research has shown that women are less likely than men to participate in competitive tournaments in controlled laboratory experiments. The social and cognitive dimensions of education markets thus have implications for how competition occurs, operating through the perceptions and backgrounds of school leaders.

A socio-economic framework for education markets also allows for competition to occur on multiple grounds; without prices, competition may be based on quality or status, for example (Ferlie, 1992; Podolny, 1993). In education, competition may be based on typical proxies for quality, such as school performance on standardized tests, but also on schools’ histories, demographics, or the prestige of the charter-management organization. I examine whether these factors matter for the formation of competitive ties, over and above school performance. Schools may also pursue many different strategies in response to perceived competition, including ones that buffer them from competition (e.g., White, 1981). Firms or schools thus find ways to contain and control competition in response to the inherent instability of the marketplace. For example, early work in economic sociology highlighted the social nature of competition, examining how markets and niches were created not through response to consumer information and demand, but by firms watching each other and finding stable ground (White, 1981). Rather than engaging in competition, then, or responding to consumer demand, schools may pursue strategies that buffer themselves from competition, such as serving a niche market based on the
decisions of other firms rather than consumers. Competition is thus social as well as economic, comprised of networks of firms, or schools, watching one another and taking each other into account in their actions. Given the relative newness of market concepts in education, it is even more important to use tools that can measure the perceptions of school leaders in this changing sector.

**District Politics in Markets**

Economic worlds are also political worlds. Since Polanyi (1944), scholars have argued that government institutions underpin market society. Market institutions are not politically neutral; they are generated by the decision-making, lobbying, and power struggles of groups toward economic and political ends (Feigenbaum et al., 1998; Fligstein, 2001; Sclar, 2001). While proponents of privatization emphasize its efficiency and financial gains, others have argued that such efforts are political as well as economic, for they shift power and resources to some groups at the expense of others (Feigenbaum et al., 1998; Sclar, 2001; Scott, 2013). In the case of New Orleans, for example, key political actors and their networks helped to implement the New Orleans reforms, perhaps for political rather than economic reasons. In the immediate aftermath of Hurricane Katrina, after several failed attempts by the Louisiana legislature to diminish the power of the Orleans Parish School Board in the years prior to Katrina (Garda, 2011), Governor Blanco signed into law a bill that allowed the state to take control of the vast majority of New Orleans schools, a political victory made possible by the post-storm chaos. In the following years, these schools were chartered to local and national groups, and education reform networks expanded other reforms aligned with market-based reforms, including the expansion of school choice policies, temporary teachers through programs like Teach For America, and pay based on teacher performance. As Polanyi (1944) described, rather than a natural evolution, “the market has been the outcome of a conscious and often violent intervention on the part of government which imposed the market organization on society for noneconomic ends” (p. 258).

This perspective essentially views markets as politics (Kuttner, 1997), and calls for a move beyond “sterile debates” about how much states intervene in markets to “arguments about different kinds of involvement and their effects” (Evans, 1995, p. 10). In districts, many actors, including philanthropists (Scott, 2009), business leaders, teachers’ unions, and parent groups, struggle to control public schools. And while neoclassical economics minimizes the role of government institutions in the marketplace—recognizing the need for a state, but with a minimal role (Evans, 1995; North, 1981)—this political-economic approach highlights the different ways that districts shape education markets and the implications for school leaders. Furthermore, while neoclassical approaches treat government institutions as an exogenous black box (Evans, 1995), this approach seeks to uncover the mechanisms by which government institutions influence markets.

A political-economic approach is especially important for the quasi-markets of public education because they are often the direct result of policy enacted by government institutions. In the absence of prices, competition cannot occur through the usual processes of price undercutting and vying for greater profits, and consumers and producers do not sort themselves based on price signals—the outcome is not the natural result of “spontaneous order,” or the aggregation of individual actions (Ferlie, 1992), as neoclassical theory would predict. In the public sector, markets do not emerge fully formed; they “undergo processes of creation and evolution” (Ferlie, 1992). Therefore, government institutions must deliberately create markets in a top-down rather
than organic, bottom-up way (Ferlie, 1002), and they must induce competition. School districts, for example, construct and intervene in education markets in multiple ways. Public officials often serve as ‘gatekeepers,’ allowing the influx of private-sector actors (Scott & DiMartino, 2009). They set the ground rules for choice and student assignment, and they determine the number and types of schools. These actions affect the extent to which school leaders experience competition, and the range of strategies that they pursue in response. The two district-like agencies in New Orleans, the RSD and the OPSB, have different positions in the market hierarchy, and different political and historical trajectories, which may shape their approach to market expansion and regulation. As Ferlie (1992) indicates, public markets, after the initial “big bang” of creation, slowly settle, with agencies setting rules, roles, and processes that slowly adapt and eventually crystallize, thus resulting in “sharp divergence” in different local contexts or different political environments. It is thus important to attend to the local factors and how they shape market dynamics in education (Ferlie, 1992; Gewirtz et al., 1995).

The expansion of market forces is often met with a counter-movement that checks the expansion, what Polanyi (1944) describes as a “double movement” (p. 136). As markets expand, and when they create adverse effects, greater inequities, or externalities, people work to resist the further spread of market-based policies. Researchers are already beginning to see this counter-movement occur in New Orleans (DeBray, et al., 2014; Buras, 2013), where a host of organizations opposing the post-Katrina reforms is beginning to work as a coalition. Furthermore, even pro-reform organizations and policymakers have instituted policies to address negative effects of competition and choice, such as a centralized enrollment system and expulsion hearing process. When the “invisible hand” of competition is unable to generate efficiencies in the public sector, the “visible hand” of public policy will be required (McNulty, 1968, p. 650). For example, if parents continue to select schools that are underperforming, the district or state will step in to close those schools.

Discussion

This study uses an interdisciplinary theoretical approach to enrich our understanding of the dynamics of markets in education. A sociological approach to market behavior highlights the social and cognitive dimensions of competition, but actors’ behaviors as well are also influenced by the “rules of the game,” which are set by the broader political and policy context. As Betts (2009) argues, “Researchers have treated the mechanisms through which charter competition might work as a black box” (p. 207). This study explores the black box of competition in schools, and expands the study of competitive effects to include the role of regulatory bodies such as districts. This conceptual framework highlights the mechanisms of competition, as well as the political environment in which market actors and their networks are embedded. At the micro-level, I draw on sociological and economic concepts to explore individual principals’ perceptions of competition, which aggregate to form meso-level networks of competitors. To explore the process of competition, I examine how individual actors are influenced by their position in these competitive networks, and the strategies they take up in order to respond to competitive pressures. Finally, I examine how the macro political factors in the city influence market structures and school leaders’ actions, both constraining and enabling certain types of strategies.

While beginning with the process of competition and then working towards its results is a “less elegant route for theory,” according to Burt (1992), it is “one that veers closer to the reality
of competition as we experience it” (p. 85). By understanding the process of competition, we can move to the next step, which is to examine its effects. And having a deeper conceptual understanding of the process and structure of competition will help to interpret why and how education markets lead to different results.
Chapter 4: Overview of Multi-Method Design

In this chapter, I review the data and methods for this study. I define “competition” as it is explored in this study, and specify the data sources, interviewees, methods of data collection and analysis, and the shortcomings of the approach.

This study sought to address the questions of how markets function and how they are regulated in an increasingly privatized education system like New Orleans. I provide the research questions and my methods for studying them in the table below. I also describe the stages referred to in the table below, as well as my analytic strategies.

TABLE 2: Research Questions and Methodological Approach

<table>
<thead>
<tr>
<th>Research Questions</th>
<th>Related Methods &amp; Analysis</th>
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<tbody>
<tr>
<td>1. How do school leaders behave within a competitive environment?</td>
<td>Stage 1-3. Network and statistical analysis of survey data, qualitative data, coding and matrix analysis</td>
</tr>
<tr>
<td>a. What are the networks of competition in New Orleans public schools?</td>
<td></td>
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<tr>
<td>b. What schools do leaders view as rivals?</td>
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<tr>
<td>What school factors predict competition, and to what degree do school type, quality, and location matter?</td>
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<tr>
<td>What actions do school leaders identify as engaging in competitive behavior (e.g., marketing, improving instruction)?</td>
<td>Stage 1-2. Qualitative data, coding and matrix analysis</td>
</tr>
<tr>
<td>h. In what ways do these strategies vary across types of schools, and how do the school's perceived rivals and position in the competitive network shape them?</td>
<td></td>
</tr>
<tr>
<td>i. What are their implications for students, families, and communities?</td>
<td></td>
</tr>
<tr>
<td>2. In what ways do the two districts’ regulatory structures influence school leaders’ strategies in a competitive environment?</td>
<td>Stage 2-3. Qualitative interview data, coding, network analysis coded by district</td>
</tr>
<tr>
<td>a. In what ways do the districts regulate choice, incentives, and competition among schools?</td>
<td>Stage 2. Qualitative interview data, coding and matrix analysis</td>
</tr>
<tr>
<td>b. How do different regulatory environments influence the perceptions of competition and the range and type of strategies school leaders adopt?</td>
<td>Stage 2-3. Qualitative interview data, coding, network analysis coded by district</td>
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To understand the competitive and regulatory aspects of the education market, I employed a sequential mixed-methods design (Johnson & Onwuegbuzie, 2004), using quantitative, geographic indicators of competition to identify the sample of schools for a qualitative case study. I measured school density in terms of how many schools with overlapping grade levels were in the surrounding geographic area, and I used those measures to sample schools that we would expect to experience low, medium, and high competition. I simultaneously contacted all school leaders in New Orleans (N=99), receiving a 90% response rate (with a resulting N of 89), and then drew from the qualitative data to guide selection of key quantitative variables from publicly available data sources. I used this information, from surveys and public databases, to analyze networks of competitors in order to examine how the social structure of competition maps onto physical, geographic measures. The schools in both the case study sample (N=30) and in the survey sample (N=89) were representative of the larger school district in terms of grade levels,
school districts/authorizer, and type (e.g., charter or direct-run).

### TABLE 3: Representativeness of Sample

<table>
<thead>
<tr>
<th>Grade level</th>
<th>New Orleans</th>
<th>Survey Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>16.16% (16)</td>
<td>16.85% (15)</td>
</tr>
<tr>
<td>Elementary/Middle</td>
<td>51.51% (50)</td>
<td>47.19% (42)</td>
</tr>
<tr>
<td>Middle/High</td>
<td>9.09% (9)</td>
<td>8.99% (8)</td>
</tr>
<tr>
<td>High</td>
<td>23.23% (23)</td>
<td>25.84% (23)</td>
</tr>
<tr>
<td>Elementary/Middle/High</td>
<td>1.01% (1)</td>
<td>1.12% (1)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District / Authorizer</th>
<th>New Orleans</th>
<th>Survey Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>BESE</td>
<td>6.06% (6)</td>
<td>6.74% (6)</td>
</tr>
<tr>
<td>OPSB</td>
<td>21.21% (21)</td>
<td>21.35% (19)</td>
</tr>
<tr>
<td>RSD</td>
<td>71.72% (71)</td>
<td>70.79% (63)</td>
</tr>
<tr>
<td>Independent</td>
<td>1.01% (1)</td>
<td>1.12% (1)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type</th>
<th>New Orleans</th>
<th>Survey Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charter</td>
<td>80.81% (80)</td>
<td>80.90% (72)</td>
</tr>
<tr>
<td>Direct Run</td>
<td>19.19% (19)</td>
<td>19.10% (17)</td>
</tr>
</tbody>
</table>

| Total                 | 99¹         | 89                 |

Note: All differences appear to be due to chance.

In addition to school leaders, I also interviewed key district leaders and school board members at both districts (RSD and OPSB) to understand their governance models and how they vary, as well as key reform and charter-support organizations in the city.

This study was done in conjunction with a larger, three-year study (Principal Investigators: Janelle Scott, Christopher Lubinski, and Elizabeth DeBray) funded by the William T. Grant Foundation, which explores how intermediary organizations broker research on “incentivist” reforms (e.g., charter schools and teacher performance pay) in New York, New Orleans, Denver, and the national level. This dissertation substantially extends the larger project to include school leaders and competition in New Orleans. I collected the additional data for this study from September 2012 to June 2013 in two trips: a three-week trip in September of 2012 and a month-long trip in March 2013. The visits were timed in part to avoid the very beginning and very end of the year, as well as holiday breaks, and I was able to time them such that the first visit occurred the two weeks before and immediately after the first “count day,” when enrollment numbers are reported to determine initial school per-pupil funding (a time of high competition, and when schools were actively recruiting students). The second visit was around the deadline for OneApp, the centralized enrollment application, thus allowing me to study how schools marketed to parents at district-wide school fairs, and to observe the rollout of the second year of

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¹ This number does not match the number reported by New Orleans's official authorities (N=86). Some schools were counted twice if they were housed in multiple locations for the purpose of accurate sampling based on spatial location and concentration of schools. Data come from the New Orleans Parents Guide, produced by the Recovery School District in partnership with the Urban League. Data were crosschecked with publicly available data, provided by the Cowen Institute at Tulane University. Schools were counted as including an “elementary school component” if they included at least one grade level in the range K–5. Schools were counted as including a “middle school component” if they included at least one grade level in the range 6–8. Schools were counted as including a “high school component” if they included at least one grade level in the range 9–12. The figure for Elementary/Middle/High is not entirely accurate, for example, because some schools were counted separately as middle schools and high schools if they had different campuses.
the OneApp system. (This is described in more detail in the next chapter.)

**Site Selection: Why New Orleans?**

New Orleans is a key reform district that is part of national debates about the role of school choice and competition in urban district reforms. As the most advanced education market in terms of charter-school density and thus potential for competition, researchers, advocates, and policymakers nationwide are paying attention to the outcomes of policies in New Orleans. New Orleans is an ideal site to see the intersection of market and political forces because of its unique history and its more recent, post-Katrina reforms. To examine the patterns of school and district leaders’ behaviors in a competitive environment amidst a changing government role, a “typical” case is not sufficient. Previous studies have tried to find competitive effects in more typical urban districts, and have shown small and mixed results. Some researchers have suggested that one reason for these weak findings could be that in most districts, there are simply not enough charter schools to create significant pressure on traditional public schools. Advocates of charter schools especially have claimed that the reason for small or insignificant findings in previous studies of competitive effects have been due to the lack of sufficient market pressure. In New Orleans, the majority of schools are charters, and if we were to see any behaviors associated with competition, we would expect to see them there. Previous studies of competitive effects have thus been limited by the low charter enrollments in the districts examined. These studies have caused scholars in this area to ask whether competitive pressures are felt in districts with low charter-school enrollment and whether there exists some threshold at which schools begin to notice enrollment loss, which would result in a response to the presence of charter schools. The extraordinarily high charter-school enrollment in New Orleans bypasses any such threshold. As Lubienski et al. (2009) explain, “New Orleans offers a unique case, perhaps best epitomizing competitive models for education, with by far the largest market share for charter schools of any place in the country” (p. 615). And while New Orleans, where over 84% of students attended charter schools in the year of the study, is a unique case, other districts, such as Detroit and Philadelphia, are heading toward a New Orleans model of school reform, with over 40% of students in those cities attending charter schools (National Alliance for Public Charter Schools, 2012). Furthermore, politicians at the federal level are promoting these reforms, in an effort to expand them nationwide (Lubienski, Scott, & Debray, 2013).

**Study Design**

This section details the stages of data collection and analysis. Because I use mixed methods in this study, I do not separate out data collection and analysis; in some cases, the analysis informed the next round of data collection. Instead, I lay out each stage of the process in detail and, roughly, in chronological order. Each chapter references the relevant methods and, in some cases, provides more detail.

**Stage 1: Market Description and Stratified Sampling**

Location is often a key variable in the analysis of competition in education markets so I used a geospatial sampling strategy in my study. Geospatial analysis uses location to determine whether physical geography matters in explaining social patterns. According to previous literature in the economics of education, schools that are surrounded by more schools that serve the same grade levels are expected to feel greater competition.
I used the software package ArcGIS to map all public schools in New Orleans. I used publicly available data, including Tiger/Line shapefiles for New Orleans from the U.S. Census Bureau, and Census Block Group/Tract data from the New Orleans Regional Planning Commission (NORPC). I obtained addresses and lists of public schools in New Orleans from the RSD and OPSB websites, crosschecking them with the individual schools by phone and online. I also mapped private schools, obtaining the list of private schools from the National Center for Education Statistics 2009-2010 Private School Survey, and I obtained a list of private schools participating in the voucher program, enacted in 2012, from the Louisiana State Department of Education. After importing this data into ArcGIS, I drew a two-mile buffer around each school. I then used the software to count the number of schools with overlapping grade levels within that radius. I created three equal strata from these counts: low, moderate, and high levels of competition. I also used the software to calculate distances between all schools.

Because more factors than just distance appear to be important for competition (Levacic, 2004; Loeb et al., 2011), I exported these data into Stata and randomly selected 10 schools within each stratum to produce a subsample (N=30). I contacted these schools to see if they would be willing to participate in a set of two interviews. I first contacted them by email in early September, and then followed up by phone or even in person, once I was in New Orleans. Compiling the list of email addresses for all principals was a challenge due to high turnover, outdated websites, and a lack of direct email addresses. Because I sampled at the school level, if a particular principal had left, I would first try to obtain consent to participate from his/her replacement before moving on to another school. As schools declined to participate, I replaced them with other schools randomly sampled from the same stratum. I asked schools that declined to participate in the interview to complete the short network survey, and most of them agreed to do so.

The resulting set of 30 case schools had representative percentages of schools from each district and reflected the distribution of school levels (e.g., elementary, middle, high), in New Orleans as a whole. However, they no longer represented equally the three strata (low, medium, and high). A few schools were found to be closed or to have different addresses than previously verified. Once those schools were updated in ArcGIS, there were some changes in strata assignments. However, the purpose of the sample was for more in-depth case study, and so I retained the initial sample despite the five changes in address. As discussed earlier, recent literature suggests that more factors than just distance are important for choice and competition (Levacic, 2004; Loeb et al., 2011). To explore factors besides geography, I used a close-in qualitative approach.

Stage 2: Comparative Case Study

Competition is a multidimensional phenomenon so no single proxy is sufficient to describe it. According to Arsen and Ni (2008), “case studies hold the promise of providing a more nuanced understanding of how traditional public schools respond to competition” (p. 14). A multisite case study (Yin, 2003) is appropriate when the model has been incompletely conceptualized (Creswell, 2003), as I have argued is true for the existing work on market behavior in schools. The qualitative portion of the study involved a multilevel comparative analysis. At the school level, I interviewed school leaders at the sample of 30 schools (see above for sampling strategy), comparing along dimensions of competition felt (based on geography), school type (direct run or charter), and charter network, as well as a host of other measures based
on publicly available data. While 30 schools were targeted for in-depth interviews, I interviewed approximately 75% of the public school leaders in the city overall (N=74), but many of these interviews were much shorter, lasting from 15–30 minutes on average. My goal was to capture a broad range of experiences in the city as a whole, rather than in-depth ethnographic case study, which would include participant observation. Future research on how schools perceive and respond to market pressures using ethnographic methods would help to capture their actual observed practices rather than self-reports of those practices. Therefore, when I refer to a school as a “case,” I mean a much more limited case study, one that relies primarily on interviews and documents, rather than sustained periods of observation or substantial document collection and analysis.

Within the broader case of New Orleans, I compared the two districts, OPSB and RSD, which had overlapping jurisdictions, to examine how the regulatory environment influenced school leaders’ competitive behaviors. I selected district-level informants based on their roles, focusing on those whose work was related to student enrollment, accountability, and charter schools (N=9). I also interviewed several leaders of charter networks and intermediary organizations in New Orleans (N=8). In addition, I also drew on interviews from the larger project, which focused on district and state policymakers, charter network leaders, and intermediary organizations serving New Orleans (N=40). To ensure that all relevant organizations were sampled, we began with a broad range of organizations thought to be for, against, or neutral on the New Orleans reforms, then used a snowball sampling technique, where we asked each respondent to name other organizations we should speak with until we reached saturation. These interviews provided helpful context on the reforms and district- and state-level policies. (See Table 4 for a breakdown of respondents.)

**TABLE 4: Respondents by Type/Sector**

<table>
<thead>
<tr>
<th>Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Leaders</td>
<td></td>
</tr>
<tr>
<td>In-depth (30–60 min.)</td>
<td>30</td>
</tr>
<tr>
<td>Short (15–30 min.)</td>
<td>44</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
</tr>
<tr>
<td>District Leaders and School Board Members (30–60 min.)*</td>
<td>9</td>
</tr>
<tr>
<td>State-Level Policymakers (30–60 min.)*</td>
<td>3</td>
</tr>
<tr>
<td>Intermediary Organizations (30–60 min.)*</td>
<td>30</td>
</tr>
<tr>
<td>Charter Network Leaders &amp; Board Members (30–60 min.)*</td>
<td>8</td>
</tr>
<tr>
<td>Local Researchers and Journalists (30–60 min.)*</td>
<td>6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>131</strong></td>
</tr>
</tbody>
</table>

* A subset of these interviews came from the W.T. Grant Study, *How Do Intermediary Organizations Define & Disseminate Research for Educational Policymaking?* and were re-analyzed for the purpose of this dissertation.

In addition to these interviews with key local and state leaders in New Orleans, I sought out additional information to provide context to the reforms. New Orleans is a city steeped in its history, and throughout my earlier interviews via the larger project, I constantly heard references to historical events, ranging from just before Katrina to a hundred years earlier. In order to understand the perspectives of my respondents, and to understand the sociopolitical environment in a way that connected current events and patterns to those in the past, I conducted a policy
history. I consulted secondary materials, such as books, news articles, and reports in this process, working to link the patterns in my data and findings to earlier debates and conflicts around public education in Louisiana. I found that this preliminary step not only allowed me greater access and rapport with participants, allowing me to ask relevant follow-up questions when they referred to broader historical or social issues—this had been my initial intention for delving into this work—but it also helped me to make sense of the current political dynamics in a way that would not have been possible without such an exploration.

**Data collection.** My methods included formal and informal interviews (Patton, 1990) and document analysis. I conducted interviews with district staff and leaders in the RSD and OPSB, school leaders, and staff members at local education-reform organizations. I also collected historical documents, school and district marketing materials, and school and district board meeting minutes. When possible, I conducted in-person observations of board and district meetings or obtained meeting minutes or video recordings.

**Interviews.** Interviews with case schools were semi-structured and lasted anywhere from 30–60 minutes each. While most interviews took place on site during field visits, I conducted some interviews by phone when necessary. I interviewed leaders at case schools (N=30) once for 30–60 minutes in the fall, and almost all of them were available for shorter follow-up interviews in the spring (N=25). I audio-recorded (with consent) and had all interviews transcribed. For the handful of participants who did not wish to be recorded, I took detailed notes during the interviews, and I filled them out by speaking them into my voice recorder immediately after the interview and then later writing up my notes as field notes. Principals were asked about their perceptions of competition in the district, the schools they view as competitors, and their competitive behaviors. At the district level, interviews focused on how the district structures any incentives and regulates schools, including enrollment, expulsion, and accountability policies. I asked about how districts managed enrollment, regulated competition, and educated parents about choice. For consistency across interviews, I created protocols based on Patton’s (1990) framework, using informal, open-ended, and more formulated questions. Pilot research, previous studies, and theory informed these protocols. (Interview protocols are included in Appendix B.)

**Observations.** During my second trip to New Orleans, I observed any charter school board meetings that occurred during the month of my visit for the sample of 30 schools. For those I was not able to attend in person, I kept up with the meeting minutes via the school websites and via the Charter School Reporting Corps at *The Lens*, an online investigative news source. In my observations of various school, district, and board meetings, I paid particular attention to issues related to charter schools, enrollment, accountability, oversight, and student assignment. I took field notes, specifically “jotted notes” (Lofland & Lofland, 1994), with low levels of inference, and reflected on the observations in the evening (Glesne, 2010). Field noting provided rich description, which was especially important due to the limited time spent in the site (approximately 10–15 hours of observation of key meetings).

**Documents.** Finally, I collected documents, including minutes from the monthly board meetings for all charter schools in my sample over the 2012–2013 school year, district policy briefs, school marketing materials, newspaper articles, and any other documents the schools and
districts were willing to share with me, to supplement interview data. Documents were primarily from the 2012–2013 academic year, but I began to examine board minutes from the summer of 2012 onwards. I collected documents during visits and from online sources, and coded them along with the rest of the data.

**Data Analysis.** I coded the data in the qualitative software program Nvivo. I used a hybrid coding method (Miles & Huberman, 1994), where I first developed deductive codes from economic sociology, political economy, and the literature on competition in schools. Then, while coding, I defined boundaries between subcategories through a constant-comparative method (Glaser & Strauss, 1967). Through dialogue between the data and literature, I modified and omitted deductive codes as necessary, replacing or expanding upon them. For example, interviews and documents were initially coded for broad categories, such as “perceptions of competition” or “competitive strategies.” Then subcodes were created both deductively and inductively, drawing from the literature and from the responses themselves, focusing on specific strategies (e.g., “marketing” or “operational changes”). See Appendix A for a list of final codes.

I combined within-case and cross-case analysis in order to keep in mind the particularities of individual cases, while also synthesizing findings across them in order to build or extend theory (Eisenhardt, 1989). Using the coded data, I created case memos or reports for each of the 30 schools in the qualitative sample. These memos gave an overall picture of the school site, demographics, location, and key themes arising from the coding. The resulting vignettes of each school site informed the matrices I created next to address the study’s central questions about principals’ understandings of competition, school strategies amidst a competitive environment, and the districts’ regulatory environments. First, I created a matrix that examined cases by key themes/codes related to perceptions of competition (e.g., “perceptions of market,” “competition-define,” etc.). After reducing the data in the cells, I added columns for data related to the extent of competition reported (e.g., percent of total possible competitors selected, tertile of competition). Next, I created a separate matrix analyzing cases by responses (e.g., academic, marketing, etc.). While the data revealed many strategies that may have had to do with competition, only instances where the principal or board made a direct link between the strategy employed and parent demand, student enrollment, or competition were included in the matrix. After reducing the data in these cells, I created a meta-matrix (Miles & Huberman, 1994) to examine patterns and relations between perceptions and responses to competition. I also developed alternative forms of the matrices, collapsing cases by key characteristics (e.g., by district and by level of competition experienced) to look for general patterns among the 30 cases by group (e.g., low competition schools, RSD schools, etc.).

To analyze at the level of district politics and policies, I coded additional interviews from nonprofit organizations, charter-management organization (CMO) leaders, and state and local policymakers. I used a new set of deductive and inductive codes to capture political struggles, regulation of markets, and the role of race in the city as a whole. Similar to the comparative case study, I looked within each governing body or type of actor (RSD, OPSB, intermediary organizations) and then across them to reveal trends within and across these entities. I coded interviews and board minutes, using codes that were informed by the literature. First, I coded for broad themes, such as “district regulation,” “state regulation” or “district political/power conflicts.” Then I went back and coded within the broad categories, again using theory, but also more inductively. Within the broader codes are the various dimensions of regulation thought to
influence market behavior: school assignment policies, closure and renewal, oversight, and supports, as well as other dimensions that arose from the data, such as power struggles or human capital. I compared the two districts along these dimensions.

I tested hypotheses about linkages between codes in the data (Goetz & LeCompte, 1993) and looked for disconfirming evidence (Miles & Huberman, 1994). I also triangulated data by source and type (Miles & Huberman, 1994), drawing on a combination of news articles, press releases, interviews, and board minutes. I wrote analytic memos about patterns and themes while coding and when examining the matrices, using these memos to draw out major findings.

When reporting results, I refer to the principal and school pseudonym to attribute most quotes, especially in cases where the participant was willing to have their real name attributed to the quotes. (I still used pseudonyms for these so as to protect the identities of the participants who opted to remain confidential.) However, in cases where the respondent asked for a specific comment not to be linked to him or her, I do not name the school, even using the pseudonym, as it is still sometimes possible to determine the source given the other demographic information.

Stage 3: Analysis of Networks of Competitors

Data Collection. Network analysis can be used to explore both cooperative and competitive relationships. To understand the structure of competition in the district, I asked school leaders to report and rank the schools they perceive as competitors from a list of all schools, and then I mapped these results using the network software UCINET (Borgatti, Everett, & Freeman, 2002). Each participant completed a short roster-style network questionnaire (Scott & Carrington, 2011), the recommended method for collecting data on educational networks (Ávila de Lima, 2010), and the most reliable in terms of test–retest reliability (Wasserman & Faust, 1994). Because it is harder to observe actors’ perceptions of their relationships with competitors, unlike patterns of interaction, such as emailing or meeting, surveys are an excellent way to obtain such information. Furthermore, surveys help to obtain a complete picture of competitive ties because the researcher can control the network boundaries (Marsden, 2011, p. 384) and can ask about all eligible ties. The survey asked respondents to rate on a scale of 0 to 3 (not a competitor, low, medium, or high competition) each other school that served at least one overlapping grade level. Rosters simplify the reporting task by supplying the respondents with the list of all eligible alters, the people to whom they might be connected, and they reduce the measurement error that can occur when researchers rely on participants’ memories alone (Marsden, 2011). The computer-based questionnaire was distributed to these principals within the context of an in-person or phone interview. The survey took approximately 15 minutes to complete. I kept it short intentionally in order to ensure a high response rate. For the case schools and shorter interviews, I asked principals to complete the survey during the first interview. For those who declined an interview, but agreed to complete the survey, usually due to time constraints, I asked them to complete the survey online, via SurveyMonkey.

Network analysis is particularly sensitive to missing data (Burt, 1987), especially when the ties are directed (different from school i to j than school j to i), since missing data cannot easily be imputed in this case (Daly, 2010). Therefore, small financial incentives were added to the study in order to encourage a high response rate. After the initial email request to complete the survey, and with an initial response rate of approximately 75%, I amended my Institutional Review Board protocol to include a small ($10) Amazon.com gift certificate in order to increase
the response rate to above 80%, which is recommended for network studies. This, combined with survey request follow-ups, boosted the response rate for the survey to 91%, a respectable response rate for network surveys.

In addition, secondary data were obtained via the Cowen Institute (publicly available data on school performance, school demographics, and years in operation) and via a request directly to the Louisiana Department of Education for student-level data showing transfers between all schools in New Orleans.

**Data Analysis.** I began with basic network analyses in UCINET to reveal general patterns in the networks. Then I moved on to dyadic data analyses, which used the school-to-school tie or dyad as the unit of analysis, in Stata and R to explore the formation of competitive ties and the factors associated with them. Incoming ties to missing nodes were retained in one analysis; in another they were deleted, essentially creating a new bounded network of 89 nodes, or schools, for which I collected complete data.

**Network Analysis.** I used UCINET to analyze these responses. This revealed the “circuits” of schools (Gewirtz et al., 1995) and patterns of competition in New Orleans. Because I sampled the entire population of public schools in the city, I created a bounded network, and I analyzed the data using network-wide measures. To examine general patterns in the networks of competitors, I used UCINET to conduct whole-network analyses (Marsden, 2011), examining the size of the network (number of nodes), the density (the number of competitive ties present out of all possible ties), reciprocity rate (the percentage of ties that are reciprocal, i.e., school i reports school j as a competitor and vice versa), and degree-based measures of centrality (e.g., in-degree, the number of other actors naming the school as a competitor, and out-degree, the number of outgoing ties from that school) (Hanneman & Riddle, 2011). Sociograms were created for ego networks, to illustrate patterns in the data, and for the whole network to show the relationship between attributes and the existence of ties. In these maps, each node represented a school and the ties were directed, with arrows to represent the directionality, and represented whether the sending school viewed the receiving school as a competitor. These maps provided descriptive information on patterns between, for example, charter status and the number of incoming or outgoing ties.

**Analysis of Tie Formation.** Next, I examined the factors associated with tie formation (i.e., what characteristics of schools and their leaders are associated with greater competition) using the statistical analysis of network data. Specifically, I use a multiway cluster approach to account for interdependencies in the data. However, I also used a cross-classified logistic model (Rabe-Hesketh & Skrondal, 2008; Snijders & Kenny, 1999) and exponential random graph modeling (Robins, Pattison, Kalish, & Lusher, 2007; Lusher et al., 2013) as checks for robustness of the results.

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2 For the cross-classified model, I used a Laplacian approximation, which saves computational time, but can yield biased parameter estimates. However, according to Stata documentation, “the bias tends to be more prominent in the estimates of the variance components rather than in estimates of the fixed effects.” Furthermore, the help guide suggests, “If your interest lies primarily with the fixed-effects estimates,” as is the case in this study, where we are interested in the determinants of competition, which are the dyadic and individual covariates, “the Laplace approximation may be a viable faster alternative to adaptive quadrature with multiple integration points” (Stata Help Manual, 2013). Computational limitations prevented me from using a model with more integration points.
To explore the spatial and other dimensions of competition, and to compare the relative importance of various factors predicting competition between two schools, I used dyadic analysis, or a partner selection model (Daly, 2010), for the full set of schools. This method examines the dyadic tie (existence of a competitive relationship between school i and school j), which is the outcome variable, regressing it on covariates related to relational characteristics between schools, such as distance, and attributes of the individual schools. Regular logistic regression might underestimate standard errors due to the interdependence between observations, so I estimated cluster-robust standard errors, using an approach that clusters on both members of a dyad (Cameron, Gelbach, & Miller, 2011). Because each school in the dyad appears in multiple other dyads, this approach accounts for the fact that unobserved attributes of a school may predict how it forms ties with all other schools in the set. The two-way clustering approach seems to be comparable to quadratic assignment procedures when applied to social networks (Lindgren, 2010), and it was implemented in STATA (Kleinbaum, Stuart, & Tushman, 2012). Because the outcome was ordinal and skewed significantly toward 0, on the scale of 0 to 3, I dichotomized the outcome variable, collapsing the ratings 1–3 as “competitor” and keeping 0 as “non-competitor,” and analyzed the data using a logit model for binary outcomes.

I ran several models, and each model became progressively more complex. In the initial models, I retained all dyadic ties for which there was an observation. This meant including some observations where school i rated school j as a competitor, but the school leader at school j did not respond to the survey. I also ran models where, instead, I created a new bounded network (removing as potential competitors all those who did not participate in my study). This matches the analysis using exponential random graph models, which required a new bounded network to be created. The models were also rerun with outliers removed (e.g., respondents who rated all other schools as competitors or rated none as competitors). These more limited models were run using crossed random effects, and they found similar effects; however, they failed to converge when using the multi-way clustering.

While the two-way clustering approach and the crossed random effects model can account for some dependencies and assumption violations due to the networked data, it cannot account for more complex or higher-order network features, such as triadic effects (a connection that is “a friend of a friend”). While theory on the importance of such features in negative-tie models, such as those examining aggression or competition, is not as robust as that for positive-tie networks, it is still important to try to control for these effects in order to yield more accurate estimates of our model parameters of interest. I used a p* or exponential random graph model to explore tie formation in the network. Exponential random graph models (ERGMs) examine how local, endogenous network processes predict the whole network. These models were run in statnet (Handcock, Hunter, Butts, Goodreau, & Morris, 2003), the R package, which uses Markov Chain Monte Carlo maximum likelihood estimation (Robins et al., 2007; Lusher et al., 2013). I was able to account for reciprocity. These models are notoriously hard to fit; therefore, while I experimented with more advanced models with various higher-order structural parameters, they often failed to converge, and therefore only the simpler model is reported here. The goodness-of-fit measures indicate that this simple model captures much of the variation in competitive tie formation; thus higher order network features may be less explanatory in this case.

While previous studies have often used geographic variables to measure competition, I combined these measures with qualitative data on school leaders’ perceptions to see when
physical measures of competition correspond to social aspects. I also examined the characteristics of schools that fell into a given principal’s set of identified rivals. I used interview data to expand upon the patterns found in the network analyses.

**Limitations of Study Design**

This study had limitations related to its qualitative and quantitative dimensions. First, this was a study of a single site. Qualitative case studies help to illuminate market processes prevalent in portfolio districts like New Orleans, and they allow for the study of the history and evolution of such policies, as well as the particular features of the local market. While the specific findings from case studies are not generalizable, they can provide insights that can be used to generalize to theory. Yet, given the difficulties of access to people and observation sites, they may not always accurately capture all views within the site itself. Because I was not immersed in the field for a long period of time, as one would be in an ethnographic study, it is possible that the moments when I observed districts or school leaders were not representative of their usual work. There were also many catastrophes and emergencies in the district, as in most urban districts, with leadership changes and with schools being taken over by higher levels of government, even in the middle of the school year, which might have affected the data sources and quality.

Second, there were limitations related to the network survey. Self-reported survey data has its limitations, but respondents are reasonably good at reporting “stable patterns of social interaction” (Marsden, 2011, p. 382; Wasserman & Faust, 1994), while less able to recall precisely “time-specific episodes” (Marsden, 2011, p. 382). For this reason, I asked all participants to report only their current perceived competitors. Response rates are especially important in network data, and while a 90.1% response rate is relatively high, about 9% of the schools did not participate. Analyses were conducted with and without those missing data; for example, the network analyses included the directed ties to schools that did not participate, while the exponential random graph modeling did not. While over 90% of the schools participated, once the missing nodes and ties to them were dropped, there were complete data for only 82% of the relationships in the network. I took steps to validate the network data, but limitations remain. I conducted interviews with many of the participants to ensure that the questions were interpreted as intended, and I followed up by email or phone to collect missing data and to double-check responses to the survey that seemed to conflict with the qualitative data (Marsden, 2011). However, measurement error could still have occurred if principals were not familiar with all of the schools on the list, did not recognize some of the schools’ new or formal names, or accidentally checked off the wrong box on the online questionnaire. Furthermore, some principals did not respond to my follow-up emails or phone calls to clarify their responses.

Third, to ensure that competitive relationships are stable over time, longitudinal surveys are required. This analysis presents a cross-sectional look at the structure of competitive ties in New Orleans, and the factors associated with their existence, and therefore it cannot speak to the causal direction of these associations nor their stability over time. Given the relative scarcity of research on this topic, however, this study provides an important first look at why school leaders view, or do not view, other schools as competitors.

Finally, this study does not make causal claims, but as Frank (2013) has argued, readers of the study might infer cause anyway. While I have tried to be careful in my language, it is almost impossible to completely avoid causal language. However, causal inferences are especially difficult in social network analysis (Manski, 1993). As I have argued, the conceptualization of
competition to date has been limited and may miss key factors. My hope is that this exploratory study will reveal patterns and variables that might be tested for generality and causality in large-scale surveys, quasi-experimental studies, and longitudinal and cross-case studies in other districts.

**Strengths of Study Design**

Despite the limitations cited above, this study design has several strengths that are important to highlight. First, its broad scope (90% of schools surveyed and 30 case schools) moves beyond single or very small-N qualitative case studies of competition, yet allows for deeper analysis and access to school leader perceptions that are unavailable in many existing large-scale datasets and studies. The multi-method approach and focus on a single site allows for deep knowledge on the part of the researcher of the particularities of the location, and how those contextual factors shape market processes. Furthermore, the multiple methods provide a form of triangulation, allowing for qualitative findings to be checked more generally across the site using quantitative methods, and for quantitative and network findings to be further explored via qualitative methods.

Also important are the study's methodological contributions to the study of competition and to network analysis in education. As mentioned earlier, studies in education have tended not to pay particular attention to perceptions of school leaders, even though their perceptions and actions are a key piece in the theory of market pressures and responses. This study explores these perceptions, contributing to the literature on competition between schools, and more generally to the research on market-based policies on the work and experiences of school leaders. Second, there are few empirical examinations of the recent reforms in New Orleans. With a few exceptions, much of the work on New Orleans reforms is descriptive, anecdotal, and produced by intermediary organizations rather than academics (Lubienski et al., 2013). And finally, as mentioned earlier, few studies have explored the nature of negative ties in schools, with most of the research on social networks in education focusing on collaboration, advice sharing, friendship, etc. We know less about how negative ties, such as competition, aggression, or bullying, affect the work of schools. This study takes an exploratory first step into this terrain. Using social network analysis methods in this case helps to build theory not only about competition in schools, but also about what features of negative-tie networks might be relevant for modeling tie formation.

**Unique Challenges of Studying Educational Reforms in a Market-Oriented and Politicized Environment**

As I learned during the course of this study, the changes in educational environments, from more traditionally run districts to portfolio or charter districts, also creates new challenges for researchers wishing to study such systems. It is worth describing the unique challenges here, and to acknowledge the ways in which my own background and efforts influenced the data collection and access issues. These are practical challenges faced by both qualitative and quantitative researchers who wish to study market-oriented or politicized schooling environments.

**Accuracy and Availability of Public Information**

The decentralized nature of the New Orleans public school system made it difficult to
collect basic information (such as school addresses, principal names, etc.) from any one source. As described earlier, much of the information I found from district sources (print and online) was incorrect, in part due to the constant fluctuation that is endemic to market-based schooling environments. New schools open, others are shut down, transferred to new charter operators, or transferred back to district control. Schools’ names and locations changed regularly. As an example, approximately 30% of the school leaders names I obtained initially from the school district and individual school websites were incorrect because the schools had been closed, transferred, or the leaders had transitioned out. I was able to follow up with individual schools by phone and in person to obtain the necessary information, but such tasks become increasingly difficult the larger the size of the district or scope of study. It would not have been feasible, for example, to conduct this type of study in multiple districts given the high rates of inaccurate information. This also raises the question of how parents, particularly poor parents with limited resources, are able to contact appropriate public managers and leaders and otherwise navigate this complex school choice arena. Several organizations in New Orleans, which I name specifically in the data sources above, do compile this information and were willing to share it with me, which made the task much easier, but many key pieces of information were still not available or accurate. The education policies in New Orleans aim to decentralize authority, increase autonomy, and create schools that are more locally responsive; however, this also has consequences for the ability of researchers to aggregate the information.

Because each individual school had to be contacted to obtain the relevant information on who was leading the school, some charter schools were less forthcoming than others in sharing this information. While I was under the impression that the identity of a given school’s leader was public information, one charter-management organization refused to share the name of its school leader with me. It was understandable from their perspective—the CMO representative wanted to shield the leader from outside requests for his or her time—but it was not transparent and such practices significantly impede research progress. (I was later able to make contact with the school leader through the CMO.) The politicized environment, high turnover, and threat of job loss might also have caused some schools to shield themselves from researchers. One of the schools that declined to participate in the study had been under investigation for financial misconduct, and the principal perhaps did not want to engage in any public or semi-public conversations that might jeopardize the school. Furthermore, one school leader would not speak to me even though I was able to obtain permission from the CMO’s leader to pursue the interview, perhaps not wanting to say anything that might affect the principal’s brand-new job. At the same time, many of the school leaders I spoke with even agreed for their names to be used publicly (though I ended up using pseudonyms for all regardless), so this fear was certainly not universal.

District and state officials were also not always forthcoming with data requests. While data requested from the state of Louisiana came through in a timely manner, and when found to be incomplete was corrected in a reasonable timeframe, data requested from the Recovery School District on the OneApp enrollment process was not provided, despite multiple requests over the course of two years. The RSD had no Institutional Review Board to handle such requests and therefore there was no authorized official to handle the processing and release of such data to researchers, which is why my request was first delayed and then my follow-up requests ignored.
Turnover

As I mentioned earlier, school and school-leader turnover created potential problems of data continuity and accuracy. The turnover of whole schools meant that for many schools there were no School Performance Scores (which require schools to operate for at least two years to generate a score), and because of name changes and closures, it was difficult to track the schools over time. This ruled out some forms of longitudinal analysis at the school level. Turnover of school leaders was also a problem. As I mentioned above, this was an issue to obtain the correct initial list of contacts, but even beyond that, several of the principals in my study left mid-year or were on their way out by the time of the second interview. For example, of my subsample of 30, 4 of the principals I initially contacted in the fall were no longer in their positions by the spring. Another four principals were still in their positions, but knew they would not be for the following year due to charter transfer, school closure, or simply layoff; this news might have influenced their responses to my questions at the spring follow-up interviews about their current, but now temporary, school sites. As school closure is a significant part of any market-based effort (schools deemed failing must be shut down for market mechanisms to operate effectively), their perspectives were critical to this study; however, the issue of turnover of schools and leaders is likely to be an issue for anyone wishing to study urban portfolio districts over time.

Varying Titles and Roles

New organizational forms have different organizational structures and charts. The roles and responsibilities of a school leader (whose titles include “Chief Academic Officer,” “Chief Executive Officer,” “School Administrator,” and “Head of Schools”) varied from school to school. In each case, I tried to find the person most responsible for the whole operation of the school, the person most likely to be able to identify, experience, and respond to competitive pressures. While this was manageable on this relatively small scale (less than 100 schools), it would be much more difficult to identify the appropriate school leader to survey in larger districts or across multiple sites.

My Role as Researcher

The politicized environment also meant that respondents often tried to assess which “side” of the debate on New Orleans reforms I was on, and given my personal background and professional affiliations, may have made judgments about my views, causing them to be more or less open in their responses. In particular, one conservative state-level politician I interviewed asked me questions about my program at Berkeley (“Is that still a really liberal place?”), while others may have been more or less willing to speak with me because of my prior affiliations with pro-reform organizations like Education Pioneers and Teach For America, whose networks I used to reach certain respondents. One school leader asked for copies of all of my previous publications before meeting with me. Their perceptions of my middle-class background and the fact that I came from California, from the Western U.S., may also have played a role. One respondent kept referring to “people like us” when describing the differences between the poor parents his school served and the kinds of decisions he believed he or I would make regarding our children’s schooling. No one referred directly to my gender or race; however, as a city that is still governed primarily by black–white race relations, my South Asian background might have placed me in some kind of racial/ethnic grey area. As Venkatesh (2006) describes in his ethnography of the informal economy in the Southside of Chicago: “I was neither white nor
black…. My South Asian identity gave me an indeterminate and unthreatening presence” (p. xvii). Respondents told me in reference to others that there was a major divide in terms of local New Orleans culture and the norms and values brought in from the primarily white reformers not from the city, or even the South; this perspective may also have affected how they interacted with me, an outsider, yet I found their willingness to explain such racial and geographical divides to be a signal of their trust. And as the interviews progressed, people came to realize that I was very familiar with the local reform environment, which may also have made me seem like less of an outsider.

All of this suggests to me that my background, affiliations, and prior work, or assumptions about any of these, might have, at least initially, influenced how comfortable and forthcoming respondents were. In some cases (“liberal Berkeley”), they might have been less forthcoming, while in others (“people like us”), they might have said more about their perceptions of the population they serve than they would have to someone from that community. But as I got to know the participants in my study, they all became more comfortable, open, and honest. On all sides of the political spectrum, people became more open once they saw that my line of questioning was not meant to make anyone uncomfortable, that I was willing to turn off the tape recorder as necessary, and that I was genuinely interested in hearing their perspectives. I believe that my openness and respect for their concerns allowed me to establish trust in this politically charged environment and, ultimately, enriched the quality of the information my respondents shared.
Chapter 5: “Drenched in the Past:” The Local Policy Context in New Orleans

A central aspect of this study's conceptual framework holds that markets and competition occur in political and social contexts. Many treatments of competition and other market-based have neglected discussion of these contextual factors, and very few studies connect contemporary contextual issues to broader historical patterns. This chapter provides the necessary local historical, political, and social context to the more recent, post-Katrina education reforms in New Orleans. I describe how the education marketplace has developed, focusing on the social and political tensions that influence schools today. I focus on key aspects of the policy context that are referred to in later chapters.

As the city with the largest charter-school market share in the country, New Orleans is an ideal site for studying how choice and competition operate in schools. But how did New Orleans end up with such a high charter-school enrollment rate and such sweeping educational reforms? Like many other urban districts, the public school system in New Orleans has a history of segregation, racism, and inequitable resources (Buras, 2011), but the politics of the South, and Louisiana in particular, has also significantly shaped the landscape of the city’s schools. In terms of governance, power has shifted from local to state and from public to private, resulting in the loss of local, public representation in a majority-black and majority-Democrat city, situated in a majority-white and majority-Republican state—a state that now oversees the vast majority of New Orleans's public schools, and has begun to expand to other parts of Louisiana as well.

While national narratives and news media tend to downplay these features, the current environment is polarized and characterized by mistrust. This has resulted in plenty of advocacy efforts, both for and against the educational reforms, but little empirical research. The mistrust arises from decades of racial and political struggles, corrupt public officials, and previous experiences with the state exerting power over locally elected school boards, which disenfranchised African Americans in New Orleans in particular. Although the new, post-Katrina educational system significantly altered political dynamics, it has not eradicated politics altogether (Henig, 2010). Instead, while the market-based reforms in New Orleans have relied on the private sector’s mechanisms of choice and competition, they have also, in some ways, put government “front and center” (Henig, 2010, p. 31). The state sets the ‘rules of the game’ for the education market, opening, closing, and generally overseeing schools, and has rapidly accelerated the implementation of a variety of market-based reforms. This ongoing role of the state in what is closest to a “free market” in education begs examination. In particular, we should consider the political actions of the various government and non-government agencies that created the system of schools that exists in New Orleans today.

For a city that is so “drenched in the past” (Solnit & Snedeker, 2013), the reform movement in New Orleans typically neglects such context, often dismissing the education system pre-Katrina as simply corrupt and dysfunctional. This is an incomplete story. Several important school district officials were indeed charged with corruption in the years leading up to Katrina, and, in many ways, the system was unresponsive to student and educator needs. Despite this, there was an upward trend in student achievement before Katrina and before the reforms launched thereafter (Harris, 2013). Research using student-level data has yet to determine whether the post-Katrina reforms had any causal impact on the continuing upward trend. Markets in all settings, but in education in particular, are contextualized, and the specifics of the
local environment—its policies, politics, distribution of power, and the way historical factors have shaped its landscape—inevitably influence the schools embedded within (Rury & Mirel, 1997), including the structure of the marketplace of schools. Echoes of this history recur in the remaking of the city’s schools after Katrina. For example, throughout the data related to the nature of competition in schools, there are references to the histories and legacies of schools and neighborhoods, tensions between the local school board and the state, and between black, veteran educators and the charter-management organizations they now work for. Here, I provide historical and political context to the new reforms, focusing on just those developments that are most important for understanding today’s educational, political, and social climate.

Schooling and Segregation in Pre-Katrina New Orleans

New Orleans schools have long been separate and unequal, but there were periods of integration and progressive policies long before Brown. Even during slavery, New Orleans had the largest population of free black people in the South, and there were early efforts to achieve civil rights (Baker, 1996). The first daily black newspaper, The Tribune, in 1864, called for equal treatment of all people before the law, regardless of race. In 1892, Homer Plessy protested Louisiana’s Separate Car Act by boarding a New Orleans train car for whites only, which led to the Supreme Court decision to uphold “separate but equal.” During Reconstruction, in 1868, Louisiana’s delegates, of whom 50% were black, approved the most progressive state constitution at the time, which said that schools should be integrated, the only place in the South to do so (Logsdon, Elie, & Faulknor, 2008). But after Reconstruction, one of the first major changes was the resegregation of Louisiana schools. In 1877, the White League ejected black children from schools. Since the end of Reconstruction, two distinct schooling systems have existed in New Orleans. Schools for African American students were overcrowded relative to those for white students, and there were large disparities in educational expenditures and attainment. In the early 1960s, for example, white elementary schools averaged 495 students, while black elementary schools averaged 892 students (Germany, 2007). And while almost 70% of white males aged 25–44 had more than an elementary education, only 30% of black males did. There were also significant disparities in salaries for black and white teachers. In the 1930s and 1940s, Louisiana lawyers, with the help of Thurgood Marshall, fought school district by school district to establish policies that would pay equal salaries to black and white teachers, only to see the scope of collective bargaining rights diminished in the 1940s and 1950s through the passage of state laws restricting public-sector union activity (Baker, 1996), a trend echoed throughout the South.

Like many southern states, Louisiana was a heated battleground for desegregation. During the 1950s and 1960s, local civil rights attorneys attempted many times to desegregate New Orleans’s institutions, including its public schools, through legal means, but with limited success (Baker, 1996). Even after Brown v. Board of Education, political leaders in Louisiana resisted desegregation of its schools using every possible tactic, even declaring a state holiday on November 14, 1960, the day the first black children entered white schools in New Orleans (Baker, 1996)—six years after Brown. The Louisiana state legislature drafted and resolved 131 measures, more than any other state, to oppose desegregation in the years after Brown. The efforts to exert state authority over the local school board as some of its leaders worked to desegregate the schools included a statute that required funds and accreditation to be withheld from any school that desegregated, all in defiance of federal rulings (Baker, 1996). The Orleans Parish School Board, facing conflicting orders from federal and state authorities, began to
implement a limited desegregation plan, which would allow a handful of black students to attend formerly white schools. Four black girls, out of the 135 who had applied, survived the school board’s aptitude, psychological, and other rigorous tests (Baker, 1996), and they attended school on November 14, accompanied by federal marshals through angry mobs. Norman Rockwell’s 1963 painting, “The Problem We All Live With,” captures this moment, depicting one of the girls, Ruby Bridges, as she became the first student to integrate William Frantz Elementary School.

Although the Louisiana of the 1940s has been described as “a one-party state based on the systematic suppression of the colored third of its population” (Fairclough, 2008, p. xi), significant gains were made over the following decades in terms of numbers of black elected officials, especially in the state legislature and in local elections. Despite initial delays, legally mandated desegregation in the South was also largely successful; Southern schools are the most integrated in the nation (Fairclough, 2008), in part because the South’s pattern of residential segregation differs from that of Northern cities, and because the large, countywide districts in the South, which contained multiple metropolitan areas, allowed for city-suburban desegregation at a time when white families were leaving city centers (Orfield & Eaton, 1996). While many parts of New Orleans are segregated by race today, the city’s legacy of slavery, with its need for slave-owners to keep their slaves and servants nearby, meant that race relations were defined by “social distance when physical distance was lacking” (Spain, 1979, p. 82). Like many other Southern cities, residents of New Orleans have been accustomed to living in relatively mixed neighborhoods while maintaining strong social boundaries between the races. Many neighborhoods are mixed in terms of race even today, and New Orleans’s unique housing patterns do not fit common conceptions of “neighborhood schools” as inherently segregated owing to the residential patterns of so many other U.S. cities.

And yet the gains of the 1960s and 1970s were certainly not as great as civil rights leaders had hoped. The entry of the four black students to New Orleans public schools coincided with, and may have accelerated, the exodus of white residents, and their associated tax revenue (Germany, 2007), from the inner city to suburban enclaves, as well as increasing numbers of white students attending the city’s private and parochial schools (Fairclough, 2008). Despite easier access to suburban areas over these years, in part due to interstate highways, only white families, by and large, were able to take advantage of the benefits of suburban living due to “redlining,” whereby mortgages and property in the suburbs were denied to prospective black homeowners by banks and realtors. Because homeownership is widely considered the most important means of accumulating wealth (Conley, 1999), this discrimination in the housing market had significant long-term implications for disparities between black and white families, both in New Orleans and throughout the U.S. In addition, a broader pattern throughout the first half of the 20th century was the simultaneous outmigration of the African American population, who moved North and West in search of greater opportunities (Falk, Hunt, & Hunt, 2006; Fligstein, 1981; Lemann, 2001).

Regardless of the changing demographics, New Orleanians were optimistic in the 1970s because of the Great Society programs (Germany, 2007). Under Mayor “Moon” Landrieu, who received strong support from black voters, the city underwent a civic renaissance (Baker, 2006; Germany, 2007). The downtown was transformed and the Superdome was built. Through what scholars have called the “soft state,” a constellation of public and private organizations at the local and federal levels, helped to distribute millions in federal funding. Some much-needed funding
reached predominantly black neighborhoods, helping to build infrastructure and provide necessary services (Germany, 2007, p. 15). But by the early 1980s, the “expansive vision” of the Great Society became “a historical relic” (Germany, 2007, p. 299). Although desegregation continued in the 1980s, the Reagan Administration dismantled many of the federally mandated desegregation efforts in the South through drastic funding cuts to programs devoted to desegregation and through court appointments, the effects of which were felt through the 1990s (Orfield & Eaton, 1998). The decline in federal investment in urban poverty, urban schools, and desegregation, in the South and across the U.S., created the extreme inequalities that Hurricane Katrina exposed in 2005.

By the 1990s, schools in Louisiana, along with the rest of the South, had re-segregated: in 1990, 60% of black Southern children attended schools that were majority-black, and 26% were in schools that were 90–100% black. Over the next two decades, those numbers only grew. By 2008, 75% of Louisiana's black children attended majority-black schools, and 40% were in schools that were 90–100% black. In New Orleans today, 88% of the children in public schools are black. Approximately 93% of the black students attend schools that are majority-black, and 84% attend schools that are 90–100% black. It is within this re-segregated school context that the new choice and charter school reforms were implemented.

“Is this America?” Crime, Poverty, and Inequality in New Orleans

New Orleans is one of the most unequal cities in the United States (Pickett & Wilkinson, 2010), and Hurricane Katrina exposed many Americans to the racialized poverty and dysfunction of the city for the first time. Over 1,800 people died because of the flooding, most of them in New Orleans. The coverage of the hurricane, the failed levees, the poor evacuation plan, and the slow federal response “forced a new generation of Americans to ask a generation-defining question: Is this America?” (Germany, 2007). Louisiana is the 47th poorest state in the country for whites and 48th for black poverty. The average educational attainment of the black population in Louisiana is the lowest in the country, aside from Mississippi (Fairclough, 2008). As evidence of how poor the schools in New Orleans were pre-Katrina, some economists have shown that, after initial drops in student achievement due to displacement, students who left New Orleans performed better in terms of academics and college attainment than evacuees from suburban areas (Sacerdote, 2013). Louisiana imprisons a greater percentage of its population than any other state in the U.S. or any other country in the world, more than half of whom are in private prisons (Chang, 2012). A recent Times-Picayune series on the prison system led with an article titled “Louisiana is the world’s prison capital” (Chang, 2012). High incarceration rates affect New Orleans’s black communities in particular. In New Orleans, one out of every fourteen black men is incarcerated, while one out of seven is in prison, on parole, or on probation (Chang, 2012). As in many other urban areas in the U.S., high rates of poverty and incarceration create special challenges for schools. New and veteran school leaders working to improve schools in the most depressed areas must work alongside the challenges of crime, poverty, and inequality.

Competition for students is shaped by these factors. Some families and students may be viewed as more desirable than others and recruitment and marketing toward these populations varies accordingly. The mechanism of school choice, too, is affected; parents have the option of choosing from many schools, but until the year of the study, they had to submit applications to each individual school, a prohibitive process, particularly for poor and working families. Many families in New Orleans’s public schools suffer from severe poverty, inequity, and incarceration,
resulting from a lack of state investment in low-income and working-class neighborhoods, ongoing demolition of public housing alongside “redevelopment” efforts which invest public and private funds into other, gentrifying parts of the city. As Lipman (2004) describes Chicago, disinvestment in some areas is often coupled with politically conscious investments in others. Indeed, redevelopment efforts underway in New Orleans post-Katrina have decreased available public housing, and, in some cases, there have been explicit efforts to reshape the population and demographics of the city (Brown-Dianis & Sinha, 2007). While the particular manifestations of these problems in New Orleans may be unique, they are in fact problems facing urban areas throughout the country. As Lipman (2006) argues, quoting a victim of the storm, “This is America.” Across the U.S., there have been increasing inequalities and a shrinking public sector. New Orleans, in that regard, is “an icon for what is happening across the country” (Lipman, 2006, p. 98).

**Post-Katrina Education Reforms**

In public discussions, the story of education reform in New Orleans has been typically broken up into eras pre- and post-Katrina. While the post-Katrina reforms dramatically transformed the educational landscape in New Orleans, many of the features we identify as key to the 2005 reforms were actually initiated before the hurricane. The creation of the Recovery School District, in 2003, allowed the state to take over failing schools and enabled the entry of national charter-school networks such as the Knowledge Is Power Program (KIPP). The hurricane accelerated reforms that were already being implemented. By 2003, the Orleans Parish school system was notorious for corruption and financial mismanagement, which was so serious that the FBI set up offices within the district’s headquarters (Garda, 2011). In addition, the district had more than $265 million in debt (Cowen Institute, 2010). In 2003, Legislative Act 9 was passed by the state legislature, creating the Recovery School District (RSD), which would take over “academically unacceptable schools” below a cutoff on their School Performance Scores (SPS), which were determined primarily by student performance on state tests (Dixson, 2011). The cutoff for “academically unacceptable” was changed in November of 2005, after Katrina, with the signing of Act 35, which allowed a much larger number of schools to become eligible for entry into the RSD. The unions and other stakeholders believed the act was designed by the state to target New Orleans, and school boards opposed the policy because it decreased their power over local schools (Garda, 2011). A Fordham Institute report (2012) suggested that the creation of the RSD was a way to avoid the likely Voting Rights Act (VRA) lawsuit that would have accompanied a full state takeover of the OPSB, which was an elected body and thus protected by the act, while still allowing the state to gain control of the vast majority of New Orleans’s schools. A direct takeover of OPSB might have been actionable under the Voting Rights Act because such changes in a majority-minority district, such as New Orleans, especially in a state with a history of discrimination, would disenfranchise local black voters. The state may also have pursued this indirect policy because takeover efforts a decade earlier had failed (Garda, 2011).

After Hurricane Katrina destroyed approximately 80% of New Orleans’s public school buildings, key policymakers pursued reforms that would make charter schools the primary vehicle for rebuilding and reopening schools in New Orleans under the RSD. They would then implement other reforms in line with a market-oriented approach to education, such as a heavy reliance on temporary teachers from outside the local area, who were recruited through programs
like Teach For America and The New Teacher Project (Buras, 2011). After the hurricane, the OPSB fired all but 61 of its 7,000 teachers, a majority of whom were black, veteran, and unionized (Buras, 2009). Courts recently ruled in favor of the teachers in a civil suit for wrongful termination (New Orleans Public Schools Employees Justice, 2012). There are now concerns about sustaining a teaching force that is made up of national recruits through programs like Teach NOLA, The New Teacher Project, and Teach For America, despite the lower initial public costs. Louisiana also has a statewide teacher value-added program, whereby teachers are evaluated based on their students’ test score gains, and several charter networks in New Orleans have received Teacher Incentive Fund grants to implement pay-for-performance. This new market for teachers parallels the competition for students; as school leaders view teachers as key to making gains in student achievement, they also compete with one another for high-quality teachers. The hurricane’s destruction of schools thus created a policy window for the expansion of such reforms, which were in line with national education reform efforts of the time.

The reforms overhauled the school system. Today, the city of New Orleans essentially has two “districts” with overlapping jurisdiction: the Orleans Parish School Board (OPSB) and the Recovery School District (RSD). OPSB is the original district with a locally elected school board. Because failing schools were handed over to the RSD after Katrina, OPSB was left in a higher market position with better performing and more desirable schools (Lubienski et al., 2009). But it lost control over the vast majority of schools. Meanwhile, the scope of the Recovery School District (RSD) rapidly expanded: in 2004–2005, there was one school (out of 127) under the authority of the RSD; as of 2011–2012, it had 65 schools, while the Orleans Parish School Board (OPSB), the original district, had only 18. The growth of charter schools accelerated during this time. While in 2004–2005, only 5 out of the 127 schools in New Orleans were charter schools, today 65 out of the 87 schools are charters (Hassel et al., 2012).

All schools were open to students across the city after Katrina, and attendance zones were abolished. While this served to expand choices for families, it was also necessary because of the patterns of flood damage in the city and the rebuilding plans, which determined where schools reopened (Garda, 2011). Some neighborhoods had no schools in their catchment areas. Open-enrollment in New Orleans since Hurricane Katrina, as well as the storm’s effects on particular neighborhoods, has indeed changed the distribution of students geographically. In 2004–2005, about 51% of schools’ student bodies came from within a surrounding distance of 1 mile, on average. In 2010–2011, this figure dropped to approximately 22%. Similarly, while in 2004–2005, only 12% of schools’ student populations came from over five miles away from the site, in 2010–2011, 31% did.

| TABLE 5: Student distance traveled to school comparison, 2004–2005 and 2010–2011 |
|---------------------------------|----------------|----------------|----------------|
| Year                           | Within 1 Mile | Within 1 and 5 Miles | Over 5 Miles |
| 2004–2005                      | 51.49%        | 36.63%          | 11.88%        |
| 2010–2011                      | 21.96%        | 47.25%          | 30.79%        |

Note: Data from the Cowen Institute at Tulane University. Aggregate percentages calculated from individual school data on percentages of students within each half-mile up to 5.5 miles

3 Because of the complexity of governance structures in New Orleans, and the many different public and private agencies that play a role in the city’s schools, the appendix includes a brief guide to the various acronyms used in this study.
Whether because of water damage to school buildings or greater parental engagement in choice, distance to schools is becoming less important to where parents send their children in New Orleans. This often means long bus rides for students who are traveling across the city to attend school.

**Current Educational Landscape**

The New Orleans school governance structure was complex in the year of the study, and is represented in the diagram below. Ninety schools are overseen by three entities. The state-run Recovery School District directly ran 12 schools, but also oversaw, via the BESE board, the vast majority of charter schools in New Orleans. BESE also directly oversaw 4 charter schools. OPSB had only a handful of direct-run schools and 10 charters.

**FIGURE 1: School Governance in New Orleans, 2012–2013**

![Diagram showing school governance structure in New Orleans, 2012-2013](image)


There are several large CMOs in New Orleans. Most of them, with the exception of KIPP, are “homegrown,” which means they were local, rather than national, charter operators. The largest charter networks include the Algiers Charter Schools Association, Firstline Schools, ReNEW, KIPP, and Capital One-UNO. There are several other smaller but growing networks as well. The city’s religious history has meant that there is a large network of private Catholic schools, and access to these schools has expanded under a recent statewide voucher program, which is expected to create additional competitive pressures on schools. However, the Catholic school population is in decline, and the Archdiocese is in the process of closing some schools and downsizing others.
A New Role for the “District”

Given the high enrollment in charter schools, school districts in New Orleans have adopted a unique role as managers of “portfolios” of schools. The portfolio-management model has emerged as a new type of market-based reform, defined by Lake and Hill (2009) as “the provision of public education by multiple means” (p. 7), including traditionally run district schools and others run by independent non-profit and for-profit organizations. Advocates of portfolio-management models argue such reforms challenge the dichotomy between government and markets, and claim that the solution involves both government and markets (Moe & Hill, 2011). The characteristics of these markets include school-based decision making; the free movement of students, money, and educators within the district; and a general openness to new ideas, people, and organizations (Lake and Hill, 2009). Districts that have adopted this particular market model include Chicago, Los Angeles, New York City, Philadelphia, and, of course, New Orleans.

In many urban districts, superintendents and their staff are taking on radically new roles: managing a portfolio of diverse school providers, providing minimal oversight, and fostering competition among schools. Rather than challenging the privatization of education, these districts are actively pursuing it. According to New Schools for New Orleans (NSNO), a reform group, the education system is undergoing a “radical shift,” which is “changing the role of government from an operator of schools to a regulator” (Ryan, Kingsland, Harris, Fan, & Hassel, 2011). NSNO has received federal funds to “incubate” charter schools and, because of its key role in New Orleans, might be viewed as a de facto school district or charter network. At the same time, other organizations have been formed, with the support of prominent philanthropists, to recruit and train a new set of leaders to manage districts and influence policy, and many of the same funders are financing the charter-school networks that are growing under the oversight of these new leaders (Reckhow, 2010; Scott, 2009). The large amounts of federal and philanthropic support in New Orleans schools raises questions about the sustainability of the model. A federal Investing in Innovation Fund (i3) award provided $33.6 million in funding for New Orleans reforms, and private dollars have funded not only local charter schools, but also local- and state-elected officials. Overall, private contributions provide approximately $272 to $407 per pupil, or about 3% of total revenues, for some charter networks, but these figures can be as high as 29% (Cowen Institute, 2009). Furthermore, there are difficulties in comparing such philanthropic funding across charters due to differences in reporting and notations on school budgets. It may be that these numbers are underreported. Many of these new leaders hold entrepreneurial values and, rather than view the traditional school district as being in conflict with these new, alternative schools, they see them as complementary. In addition, these district-level “gatekeepers,” particularly those with private-sector backgrounds, are necessary to open up opportunities for the entrance of private organizations into the education market (Scott & DiMartino, 2009), such as the rapid chartering of the RSD district-run schools. District officials have stated that their goal is to have an all-charter district within the next few years, which has implications for the range of options that parents have. As charter networks grow to take over a greater percentage of the market share, there are also concerns about how to maintain competition within the education marketplace.

Overall, New Orleans has embraced market ideas, with a focus on choice and competition, paired with accountability and a “portfolio” model of managing schools and charter operators. Paul Vallas, the former superintendent of the RSD, said of the reforms: “This will be
the greatest opportunity for educational entrepreneurs, charter schools, competition and parent choice in America” (cited in Garda, 2011, p. 17). In 2013, the Recovery School District in New Orleans was rated number one in the Brookings’s Education Choice and Competition Index.

A Growing Opposition Movement

While proponents of the reforms, including intermediary organizations such as NSNO, as well as policymakers such as U.S. Senator Mary Landrieu, have touted their success nationwide, parents’ groups have raised concerns with the barriers faced by students with disabilities in the charter-school market (Abramson, 2011). A related suit has been filed against the local district (Samuels, 2010). More recently, there have been accusations against charter schools for their failure to provide adequate services to the small but growing population of English Language Learners in the city. In addition, concerns over excessive disciplinary practices and expulsions, as well as explicit and implicit selective admissions for charter schools has led to the creation of a centralized expulsion and enrollment system. In 2013–2014, there were a number of walkouts and student protests over discipline issues and staff dismissals (Simons, 2014).

In the year of the study, several new policies were developed to address such civil rights issues, which have been viewed as market failures by policymakers. Until the year of the study, parents had to go to each individual school to apply. Last year, the RSD implemented a citywide centralized enrollment system, but not all schools participated in it. Only RSD schools were required to do so; OPSB schools, the most desirable schools in terms of school performance and reputation, could opt in. OPSB charters will join the system upon renewal of their charter or sooner if they wish. However, there has been political pressure on the OPSB schools to join the common application. The OPSB direct-runs did ultimately join for the 2013–2014 school year, the year after my data collection, though there were some implementation problems. Furthermore, even schools that participated have found ways to work around the system to retain control of who comes to their schools, as recent news reports and my interviews have revealed. I studied the district during the first year of implementation of the OneApp, RSD’s common application, which influenced the nature of competition as schools in the RSD could no longer directly enroll students. In addition, a new centralized expulsion hearing process was implemented during the year of the study, though it was too early to see its effects. It was too early to tell also whether these policies would help to create a fairer marketplace and decrease what some district officials have called “bad behavior” on the part of charter schools.

Ongoing Political Struggles: The Return to Local Control

One of the most contentious pieces of Act 35 was its creation of a system for the state takeover of failing schools but the lack of a mechanism for their return to the OPSB or locally elected school boards. Despite this gap, policymakers and school board members insist that the intention was to allow schools to return, not to leave the schools under the RSD indefinitely. This has created a bifurcated system in New Orleans, with little cooperation between the two entities: “They act more like free market competitors than governmental entities engaged in the common goal of educating students” (Garda, 2011, p. 22). The OPSB was concerned not only with the return of its schools, once they were no longer “academically unacceptable,” but also with the funding differences between the RSD and OPSB schools (Garda, 2011). The RSD schools had more flexibility over funding because they were exempt from some costs, and they were able to spend more on students or on attracting capable teachers from OPSB schools.
Garda, 2011). Later, the RSD was required to incur some of the same costs, making the funding more equal.

There are tensions between charter school boards, under the RSD, and their staff and parents regarding the return of schools to OPSB. Without any formal mechanism, Paul Pastorek, former State Superintendent, recommended that the schools be returned based on performance and the schools’ wishes to return (Garda, 2011). In the 2012–2013 year, the Algiers Charter Schools Association, which oversees two schools eligible for return, voted not to, citing concerns over the governance structures. Under the RSD, charter schools are their own local education agencies (LEAs); they would remain charter schools if they returned to the OPSB, but cited uncertainty regarding the financial and governance implications of a change in status as the primary reason for not returning, against parents’ and staff’s wishes (Dreilinger, 2013b). While proponents of market-based reforms might argue that greater choice for charters in choosing their charter authorizer could be viewed as a positive shift in the policy landscape, opponents are concerned about the future of democratic control over the city’s public schools.

There is some opposition to the reforms particularly because of this issue of local control and transparency. Some local leaders and parents want to return to local control, whereby the local voting population, which remains majority black, would elect board members to oversee the city’s schools, both traditional and charter. At the same time, surveys show that New Orleanians still distrust the OPSB. One poll showed that only 34% favored return of the schools to OPSB control (Garda, 2011, pp. 27-28). The other element contributing to the mistrust is the perception that Act 35 was a white takeover of a district run by black leaders, and that it signaled a lack of faith in the ability for black leaders to improve schools:

The unspoken underlying concern was that the white leaders in Baton Rouge were divesting the primarily black leadership in the OPSB of power. It was perceived that white outsiders (in Baton Rouge and national education interest groups) were using the hurricane to fix what the mostly black leadership of New Orleans could not. (Garda, 2011, p. 13)

Parents and other community members are also concerned about their ability to participate in decision making about schools. Charter-school boards have been criticized for violating open-meetings laws (e.g., Jewson, 2013), and the Recovery School District until 2011 only met in Baton Rouge, 80 miles away from the families in New Orleans whose children attend RSD schools. (They now hold one of their quarterly meetings in the city of New Orleans, where most of their schools are located.) Yet the OPSB school board elections were no more reassuring. National groups made relatively large contributions to campaigns, and the first few meetings of 2013 have left many people concerned about the future direction of the board and the hiring of a new superintendent. It is within this politicized context that school and district leaders operate, and the particular policies of these governing entities, by setting the ground rules, holding schools accountable, revamping the enrollment system, and closing schools, continue to shape the landscape of competition. Although I turn next to the microprocesses of competition in New Orleans, I will return to this issue of governance in Chapter 9. These debates and tensions provide necessary backdrop for the analyses of school leaders’ experiences that follow.

Around the country and even globally, market-based reforms, such as school choice and teacher pay-for-performance, are spreading on an unprecedented scale. New Orleans is certainly
unique in many ways. But all cities are. As journalist Sarah Carr (2013) argues, despite a fleeting moment of awareness post-Katrina (“Is this America?”), the country has “lost sight of New Orleans not as an exceptional American city, but as one whose decayed infrastructure, overwhelmed social services, long-simmering racial tensions, and gross inequities make it perversely American” (p. 5–6). The case of New Orleans, theoretically rich because of its experiment in market-based reform, is also a case of what happens when government relinquishes its central role in the provision of public services in a city already suffering from great inequality and government neglect.

The proponents of these reforms, however, have not lost sight of the potential for New Orleans to reveal broader lessons. New Schools for New Orleans has produced a Guide for Cities, which includes recommendations for other districts wishing to implement the New Orleans model, and Recovery School District officials are traveling to other cities to promote their approach to reform. Indeed, policymakers are hoping to learn from the New Orleans reforms as they implement similar programs in cities such as Memphis, Philadelphia, Detroit, and Milwaukee. These policies create change, uncertainty, school closings and openings, yet too few studies have examined them empirically. New Orleans is thus a site for experimentation, the testing of a new vision for public schools in the U.S., one based on choice, competition, and accountability. This study explores one strand of these reforms: the competition created between schools as a result of school choice policies. I examine how the mechanism of competition operates in New Orleans, how a tiered market is formed, how school leaders behave in the face of such extreme competitive pressures, and how government agencies regulate these new markets and the new challenges they create.
Chapter 6: Competitive Networks: The Formation of a Tiered Education Market

This chapter uses the survey data to create network maps where the nodes (N=89) are school principals and the ties represent their perceived competitors. I conduct an analysis of the whole network of schools based on hypotheses about factors that predict ties, which I selected based on the literature and the qualitative fieldwork. I compared these factors with geographic attributes to explore the spatial dimensions of these networks. Patterns in the characteristics of schools selected by the principals as competitors are reported, the strength of the tie is represented, and other network characteristics are analyzed. I will also examine the factors associated with the existence of a competitive tie using dyadic data analysis. This chapter explores the perceived rivals for the city as a whole (N=89) using network and statistical analysis.

According to economic theory, competition occurs in part at the level of school leaders, whose task is to assess market pressures and respond accordingly. When school leaders face market pressures, such as the loss of students to other schools, their strategic responses to competition are mediated, in part, by their perceptions of their rivals. Thus, in order to understand how and whether market-based reforms actually create change in schools, it is important to understand the features of the marketplace from the perspective of the school leader. In other words, knowing which schools school leaders view as their competitors, and where they place themselves in the market hierarchy, is an important first step in understanding how market pressures affect schools. Previous studies have examined overall effects of competition, which has been measured using geographic distance, density, or other structural measures (e.g., Bettinger, 2005; Bifulco & Ladd, 2006; Hoxby, 2002; Sass, 2006; Zimmer & Buddin, 2005). This chapter takes a different approach by measuring competition using school leaders’ perceptions—the schools they actually name as competitors rather than those we would expect them to compete with. Furthermore, it examines which factors besides geographic locations of schools predict competitive relationships between schools. What are the sets of schools that principals view as rivals? Which schools are and are not included, and to what degree does school type, performance, and location matter for predicting the existence of a competitive tie between two schools? Analyzing competitive networks gives insight into the workings of education markets, providing context for the decisions and behaviors of school leaders amidst this environment.

This chapter draws on conceptual tools from the sociology of markets to understand economic processes in education (Adnett & Davies, 1999). The behaviors of school leaders in response to competition are embedded within their broader views of markets and their perceptual set of rivals (Gewirtz et al., 1995; Porac et al., 1989), which influence how they interact in the competitive market. For example, school leaders might develop specific curricular, extracurricular, or resource-allocation strategies based on the actions of their perceived rivals or where they place themselves in terms of market hierarchy or niche. Whom school leaders count as rivals—that is, their perceived networks of competitors—constitutes the social structure of competition, and predicts whom they compete with for students, their marketing schemes,

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4 Throughout the findings section, I use the term “school leader” to indicate a school principal, head of schools, or other person primarily in charge of school operations, admissions, and decision-making. In some cases, I use the more specific title, “principal,” when that was the official role of the person interviewed. As noted in the methods chapter, these titles varied from site to site.
“creaming” strategies, and the overall distribution of educational opportunities within a school district. These networks of competition may or may not map onto the physical structures of competition, often determined by the geographic locations of schools, or the “structural” aspects (Levacic, 2004), such as the actual movement of students between schools. The nature of competition in schools has important implications for school strategies within a market environment, and for students and families. This chapter draws from the full set of participating schools (N=89) in New Orleans, using network and dyadic analysis to reveal the general patterns of competition. Specifically, I ask:

What are the networks of competition in New Orleans public schools?

a. What schools do school leaders view as rivals?

b. What school factors predict perceptions of competition, and to what degree do school type, quality, and location matter?

Examining Competitive Ties with Network Analysis

While previous research has examined perceived competition through in-depth case studies, a network analysis of all or most schools in the local market provides a more general picture of competition, as well as a basis for further analysis of the formation of competitive ties between schools. Network maps reveal the “circuits” (Gewirtz et al., 1995) of schools and patterns of competition in New Orleans. Early network theory tended not to examine economic behaviors, but there has been an upsurge in research on the role of networks in the economy over the past two decades (Smith-Doerr & Powell, 2005). Networks have now been used to examine how competition affects certain types of social relations, or how those relations affect competition (e.g., Burt, 1995; Hite, Hite, Mugimu, & Nsubuga, 2010; Uzzi, 1997), but it has rarely been used to study competitive relationships directly. Competition is a social phenomenon and, more specifically, a type of social relation that can be mapped using the tools of network analysis.

Network analysis is appropriate when the key questions involve relationships between, rather than attributes of, actors (Daly, 2010), as is the case with this study. Networks can be used to explore both cooperative and competitive relationships. Although network analysis is most often used for the study of “positive” ties, such as friendship or collaboration, it can also be a tool for exploring “negative” ties, such as aggression or competition (Borgatti, Everett, & Johnson, 2013; Labianca et al., 1998), though the latter has been relatively understudied in education. Furthermore, “we know more about the effects of networks than about the factors that generate, sustain, and reproduce them” (Smith-Doerr & Powell, 2005, p. 379). These findings thus also help to build theory about the nature of such negative ties, what network features are salient for such networks, and what factors generate ties in these types of networks.

To understand the structure of competition in the district, I asked school leaders to report and rate the schools they perceived as competitors from a list of all schools, and combined these responses with publicly available data on the schools. To examine general patterns in the networks of competitors, I used UCINET (Borgatti et al., 2002) to conduct whole-network analyses (Marsden, 2011), examining the size of the network (number of nodes), the density (the number of competitive ties present out of all possible ties), reciprocity rate (the percentage of ties that are reciprocal, i.e., school i reports school j as a competitor and vice versa), and degree-based measures of centrality (e.g., indegree, the number of other actors naming the school as a
competing schools, and the number of outgoing ties from that school) (Hanneman & Riddle, 2011). Next, I examined the factors associated with tie formation (i.e., what characteristics of schools and their leaders are associated with greater competition) using the statistical analysis of network data.

The Determinants of Competition

Terms like “competitor” are used in policy and in the literature as if their meanings are self-evident (Woods, 2000), but who school leaders view as competitors is often contextualized, based in part on geographic aspects but also on factors such as a school’s status in the market hierarchy (Woods et al., 1998). Woods et al. (1998) found that oversubscribed and high-performing academic schools, for example, tended to compete with other high-performing academic schools that were located further away, rather than nearby schools that were perceived as less academic or more working-class. Misra, Grimes and Rogers (2012) measured the effects of private school competition on traditional public schools using GIS, which yields better measures of competition based on distance between schools. They argue that the traditional measure of number of competitors is not sufficient to understand the strength of competition; attention must be paid to the distance between them as well. A recent study that explored sources of competition in Milwaukee using survey data found that schools tended to view schools that had similar demographics and similar, but slightly higher, student performance as their competitors (Kasman & Loeb, 2013). Furthermore, the study found that competitive pressure was felt to a greater extent by schools that were high or low performing, rather than in the middle. Distance between schools, the similarity and difference in school achievement scores, and school demographics have all been found to predict the existence of competitive ties between schools.

Despite the growing body of work that examines school leaders’ perceived rivals, we know little about which other factors are associated with the existence of competitive ties between schools. While the previous literature has highlighted schools’ academics, positions in the market hierarchy, student demographics, and distance, factors such as charter network or “brand” and principals’ own demographics may also play a role. Competition may be more intense at the high school level, where both parents and students often select schools, and where there are many other factors, such as college preparation, extracurricular activities, sports, and friendships, in those decisions. Another question of interest is whether competition occurs primarily between charter and non-charter schools, or whether, as the number and percentage of charter schools increases in a district, charter schools compete with one another as well. New Orleans is an extreme case of a district where the charter market is large—the vast majority of schools are charter schools—and therefore the traditional idea of charters introducing competitive pressure on traditional schools may no longer hold. And finally, individual attributes of the principals surveyed (years of experience, gender, and race) may also predict competition. Some economics research has found women to be less competitive than men (e.g., Niederle & Vesterlund, 2005). I include variables to account for all of these hypotheses, derived from the literature and from the qualitative interviews I conducted. These variables are used descriptively to explore patterns in the network maps, and later used more formally in the dyadic analysis models.

The Social Structure of Competition in New Orleans

As neoclassical economic theory would suggest, geographic and other structural measures,
such as student transfers between schools, predicted competition between school leaders in New Orleans. Yet the social structure of competition, which consists of whom school leaders view as rivals, based on their cognitive maps of the marketplace, also helped to explain competitive dynamics in New Orleans. In this section, I begin by sharing descriptive data on the network of competitors in New Orleans. Next, I explore four ego networks to demonstrate the range of experiences and positions in the network. Finally, I explore the factors that relate to the existence of a competitive tie between schools, the results of a logistic regression model.

As described above, the social structure of competition in New Orleans consists of who school leaders view as rivals. While geographic and other structural measures may predict competition, it is important to map the competitive relations between schools in order to understand the market dynamics in New Orleans and how they influence the leaders’ strategies in response to competition. Figure 2 below displays the map of all ties between schools, including all grade levels. Schools serving at least one high school grade (9–12) are represented by blue circles, and schools not serving one of those grades are represented by the red circles. The black arrowheads indicate the direction of the tie (i.e., outgoing or incoming). There appear to be some schools that receive more incoming ties, meaning that they are more likely to be named as competitors, while other schools send more ties, naming many other schools as their competitors. Some schools did not serve overlapping grade levels (e.g., a K–5 school and a 9–12 school), and these would not be expected to compete with one another.5

FIGURE 2. Whole Network of Competitors

![Network of Competitors](image)

Note: Red circles indicate no high-school grade; blue indicate high-school grade.

**Degree.** The overall size of this network is 89 nodes, or schools. The average degree (the average number of incoming and outgoing ties) in the network was 18.16. The density of this

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5 In the dyadic analysis, “structural zeros” are used to indicate that some ties in the network are simply not possible (e.g., between a K–5 school and a 9–12 school.)
network, which is the proportion of all possible ties that are actually present in the network, with weighting for the strength of the tie (valued 0–3) is 20.6%, but this includes in the set of possible ties, all ties between all schools, when several ties are not possible—the structural zeroes. Therefore, I break this down by grade level for a more accurate picture. (See Table 6 for a summary of network measures.) The elementary school network has 58 nodes, with an average degree of 18.03. The middle school network has 51 nodes, with an average degree of 14 nodes. The high school network has 32 nodes, with an average degree of 14.25. Given the small size of the high-school network, the average degree is high, relative to the other networks. In terms of degree, then, high schools perceive a greater level of competition than in other grades.

**TABLE 6: Network measures for valued & binary ties**

<table>
<thead>
<tr>
<th></th>
<th>Elem. (PreK-5)</th>
<th>Mid. (6-8)</th>
<th>High (9-12)</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Size</strong></td>
<td>58</td>
<td>51</td>
<td>32</td>
<td>89</td>
</tr>
<tr>
<td><strong>Average Degree</strong></td>
<td>18.034</td>
<td>24.039</td>
<td>26.375</td>
<td>31.764</td>
</tr>
<tr>
<td><strong>Density (SD)</strong></td>
<td>0.544 (0.914)</td>
<td>0.481 (0.876)</td>
<td>1.851 (0.800)</td>
<td>0.460 (0.794)</td>
</tr>
<tr>
<td><strong>Reciprocity (Dyad-based)</strong></td>
<td>0.235</td>
<td>0.221</td>
<td>0.326</td>
<td>0.255</td>
</tr>
<tr>
<td><strong>Clustering Coefficient</strong></td>
<td>0.825</td>
<td>0.782</td>
<td>1.088</td>
<td>0.856</td>
</tr>
</tbody>
</table>

**Density.** One measure of how much competition is actually occurring, or how salient it is for school leaders, is the density of ties in the network. Density measures the percentage of all possible ties that are actually present (i.e., how many possible competitive relationships, based on the number of other schools serving the same grade level, are actually reported by school leaders.) High schools had the densest networks, with the highest ratio of actual to possible ties (46%). In other words, almost half of all possible competitive ties existed in the network, suggesting a more competitive environment among high schools than the middle or elementary schools. Among elementary schools, the density was 31.6%, and among middle schools, it was 28.2%.

**Reciprocity.** The extent to which competitive ties between schools are reciprocated also helps us to understand the nature of competition in New Orleans. Whether competition is reciprocal is important for contextualizing school responses to competition because schools’ strategies are expected to align with their perceptions of the competitive landscape. For example, school leaders may pay attention to what their rivals are doing in terms of academics, extracurricular activities, or marketing, and either emulate them or carve out a niche for themselves. These ties may not be symmetric or mutual. For example, Braha et al. (2011), using network analysis of inter-firm competition, found asymmetry between those companies that are considered competitors and those that consider others as their competitors (p. 1). Similarly, I found asymmetry in the competitive networks among schools in New Orleans. The majority of ties were non-mutual, across all networks. See Table 6 for a breakdown. For the whole network, 27% of ties were reciprocated. The network of high schools had more reciprocated ties (32.6%). Figure 3, for example, compares mutual ties (reciprocated ties), shown in green, with asymmetric ties (ties where school i names school j as a competitor, but not vice versa) for all schools serving an elementary grade level. The asymmetric nature of so many ties in the network suggests that...
the circuits of competitors are not well defined across the school system; instead, participants in the network construct them. The fact that they vary by respondents suggests that some structural measures of competition, such as density of schools, for example, may be an incomplete proxy for how principals behave in an educational environment infused with market pressures.

FIGURE 3. Elementary Schools and Mutual Ties

Clustering. Networks in the social world tend to cluster in dense local groups, and overall network density measures, such as those described above, might average out these effects (Borgatti et al., 2013). To explore the extent of clustering in the network of competitors, we can measure the extent of clustering by examining how many ties there are in each school’s local network if we remove the school itself (Hanneman & Riddle, 2011). In other words, we can examine how many of a school’s competitors are also competing with one another, creating clusters of density in the network, with sparser parts in between clusters. Table 6 displays the clustering coefficient. A high level of clustering is apparent in a network when this measure is higher than the density of the network, as is the case for the elementary, middle, and high school networks in New Orleans. This suggests that competition between schools in New Orleans occurs within clusters or segments rather than across the board. Later, I examine what accounts for this clustering, whether it is simply geographic, and if other factors explain the patterns of competitive ties.

These network measures provide an overall picture of the nature of competition, but it is helpful to examine the ego networks of a few schools to obtain a closer look at the network structure.

Ego Networks

To illustrate what it means to be central or not central in the network in terms of indegree and outdegree, I examined four ego networks: one with high outdegree, which named
many other schools as competitors and thus felt a great amount of competition; one school with low outdegree, which felt less competition from other schools; one that had high indegree, or high status, and was more likely to be viewed as a rival; and, finally, one with low indegree, which would be considered low-status in that other schools did not view it as a competitor. I draw on some of the qualitative data from my study in order to provide context for these schools and to illustrate their different experiences in the market hierarchy. These are not meant to be representative (the analyses toward the end of this chapter take a representative look at the complete network); instead, they illustrate the different types of positions in the network and reveal more about the contexts of those schools in relation to their network position.

Lucas Elementary: “Hustling” for Students (High Competition). Lucas Elementary was a school with high outdegree, which meant that it felt competition from a large number of other schools. The principal of Lucas listed 40 other schools as schools it competed with for students. Lucas’s indegree was only half of that; only 20 schools named Lucas as a competitor. Lucas was a charter school that had been open for several years at the time of the study, serving grades K–6. While the school did not belong to a charter network, it received support from a prominent nonprofit organization based in New Orleans. The organization had provided support to a number of other charter schools in the area, and it closed down two of its four start-up schools during the year of the study. Lucas was not underenrolled, but the school’s leader described the recruitment for students as a “hustle” and talked about the challenges of attracting and retaining students at the school, especially since it has been given an “F” grade by the state for its test scores. In Figure 2, we see the market from the perspective of this school. The image on the left shows the outdegree only, and we see that the school felt competition with many other schools. On the right of the figure is the full ego network, consisting of incoming and outgoing ties.

FIGURE 4. Lucas: High out-degree (L) with both in- and out-degree also represented (R).

Spence High: Filling a Niche (Low Competition). Spence is a charter high school with low outdegree, which means that it did not view many other schools as competitors. In this case, it was because the school served a special population: students who were over-age or otherwise need alternative schooling arrangements. The principal of the school named only one other school as a competitor—another alternative high school—even though 12 other high schools
viewed Spence as a rival. The principal explained why she had so few rivals, from her perspective:

There’s only one other choice because my population is a specific population. They are two years behind, and at least two years behind in grade level. So a lot of my students, other people won’t take, because they’re 19, 20, 21, they’ve been incarcerated, they’ve had babies, they have all these issues, and we try to work with them.

Figure 5 shows the school’s outdegree on the left (only one tie, which was mutual, shown in green), and both its incoming and outgoing ties on the right. The school was oversubscribed despite its “F” grade from the state for student achievement, and the principal planned to expand its enrollment in the coming years. The school’s principal, also the founder of the school, selected this target population after looking at the data on students in the district: “When I wrote the charter, I was working for RSD…and I was able to access the database because I was working there. There were 1,728 students that qualified for the school. So yeah. Definitely the need was there.” This niche her school occupied might have buffered her from experiencing the high level of competition common to the other high schools in New Orleans.

FIGURE 5. Spence School. Low Outdegree with Indegree Also Represented.

Smith School: In High Demand (High Status). Smith was a charter school that served several grades that cut across school levels (elementary, middle, and high school). The fact that it served so many grade levels may in part explain why it received so many incoming ties. Smith was rated as a competitor by 44 other schools, and it perceived 17 other schools to be rivals. The school has existed since before the hurricane, and the school and its leader have been recognized in national press. The school was non-failing, and it was given a “C” letter grade by the state. While the school was slightly under-enrolled during the year of the study, in previous years, they “always had over 500 on the waiting list.” The principal attributed the recent decline to the new centralized enrollment system, which no longer permitted schools to hold their own waitlists. Figure 6 shows the high number of incoming ties on the left, and both incoming and outgoing ties on the right. While a few of its ties were reciprocated, most were not.

Roth Elementary: A School of Last Resort (Low Status). Roth was a low indegree school, which means that few people viewed it as a competitor. Indeed, only nine schools named it as a competitor, even though Roth’s principal named 41 schools as competitors. The school was slated for closure halfway through the year of the study, and suspicions about that impending decision may have explained why so few schools viewed Roth as competition. Previously a
charter school, it also had a series of charter operators, some with financial mismanagement issues, which may also have hurt its reputation. At the start of the year of study, the school was returned to direct control of the RSD. Several principals cited RSD direct-run schools as at the bottom of any hierarchy in the district. One principal of a direct-run school, Newman Elementary, said of schools like his: “we’re probably one of the last resorts.” Principals at other schools echoed this sentiment. As a principal at Sanford Elementary said, “What you will see with most of our direct-run schools, we have been the schools of last resort to really deal with students with higher disabilities and special education needs.” This perception of direct-run schools as being at the bottom of the hierarchy may explain the low indegree for Roth and the other direct-run schools. Figure 7 shows the incoming and outgoing ties for the school. Compared to the other schools, it had relatively low indegree, as we can see from the image. Yet most of those ties were reciprocated because of the school’s high level of outgoing ties. The school experienced significant competitive pressure, but few other schools view it as a rival. These findings support literature that has documented how RSD direct-run schools have become places of last resort for families in New Orleans (Dixson, 2011).

Attribute-Based Analyses of Networks

Now that we have some insight into the experiences of schools at various points in the hierarchy, how can we tell which of these factors are most predictive of competitive ties forming? To what degree does being a member of a charter school network influence the likelihood of competition? What about the school performance score or letter grade? The above network measures and ego networks give us some insight into the nature of competition in New Orleans, but it is helpful to examine other dimensions of these networks by incorporating attributes of the schools and principals. To explore the attributes of schools and principals that are associated with
ties, I highlight particular characteristics, such as membership in a charter network, school performance, and principal gender.

Charter Management Organizations as Competitors. Visual inspection of the graphs indicates that schools belonging to a charter network or charter management organization (CMO) were more likely to be viewed as competitors. For example, Figure 8 depicts green nodes as those belonging to a CMO and grey nodes as those not formally affiliated with a CMO. The size of the nodes indicates the number of incoming ties, or how many other schools named the node as a competitor. The larger nodes, the ones most likely to be viewed as rivals, tend to be those that belong to a CMO.

FIGURE 8. Elementary Schools – CMO

Note: Elementary schools only: Grey indicates schools not in a charter network. Green indicates schools that are in a charter network. Size indicates indegree.

Failing Schools Feel Greater Competition. The network analyses also suggest that schools deemed “failing” according to the Louisiana state tests and associated grade system, where they rate schools from A–F, were more likely to perceive a large number of competitors. In Figure 9, the green nodes indicate the non-failing schools (receiving a letter grade from the state of A, B, or C), and the red nodes indicate failing schools (receiving a letter grade of D or F). The grey nodes are those that have not been rated because they have been open for just one or two years. The size of the node indicates the outdegree, or the number of outgoing ties from that node.

In this case we see a clear pattern where the schools feeling the greatest competition—naming the largest number of perceived rivals—tend to be the failing schools. However, since the majority of schools in New Orleans are deemed “failing,” this effect might be conflated with homophily, or the tendency for low-performing schools to compete with one another. It may be the case, for instance, that the non-failing schools all view each other as competitors, but they simply have fewer of them.

But when we look at the same map with indegree, the number of incoming ties, we see that the non-failing schools were far more likely to be named as competitors. (See Figure 10).
FIGURE 9. School Performance with Outdegree

Note: Green nodes represent nonfailing schools, and red nodes represent failing schools. Grey schools had no performance data. Size indicates outdegree.

FIGURE 10. School Performance with Indegree

Note: Same as above, but size equals indegree.

This pattern is even starker with the middle schools (see Figures 11 and 12), where failing schools are far more likely to feel competition from a larger number of other schools, and non-failing schools are more likely to be viewed as competitors.

FIGURE 11. Middle School Performance with Indegree

FIGURE 12. Middle School Performance with Outdegree

Note: Green nodes represent non-failing schools, red nodes represent failing middle schools. “Middle” schools are schools serving at least one grade in 6–8. Size of node represents indegree in Figure 11, and outdegree in Figure 12.
Charter and Direct-Run Schools. Because the vast majority of schools in New Orleans are charter schools, it is hard to observe differences between charter schools and direct-run schools. Furthermore, while previous studies have focused on the competitive effects of charter schools on traditional schools, in New Orleans, we might see significant competition between charter schools as well. However, as Figure 13 depicts, charter schools tend to be more likely to be viewed as competitors, a possible greater threat.

FIGURE 13. Charter Indegree

![Charter Indegree Diagram](image)

Note: Charter schools are represented by pink nodes, and traditional schools are represented by blue nodes. Size indicates indegree.

In the figure, pink nodes are charter schools, blue nodes are direct-run schools, and node size indicates indegree. There are many more “medium-sized” pink nodes, or charter schools, but there are a few larger blue nodes as well, suggesting that some direct-run schools are more likely to be viewed as competitors. Figure 14 shows the same picture, but for outdegree. Here we see that charter schools are more likely to name a large number of competitors, but there are a few larger-sized nodes for direct-run schools as well. Interestingly, the largest nodes in the first diagram (indegree) are not the same ones in the second diagram (outdegree), which suggests that the schools that felt the greatest competitive pressure, at least in terms of number of schools, were not necessarily the ones viewed as rivals by other schools.

FIGURE 14. Charter Outdegree

![Charter Outdegree Diagram](image)

Note: Charter schools are pink; traditional schools are blue. Size indicates outdegree.

Finally in Figure 15, I examine the difference between OPSB and RSD schools. This diagram shows the relationship between indegree, school district/authorizer, and school type.
(e.g., charter or direct-run). In this diagram, RSD or BESE schools are represented by square nodes, and circles represent OPSB schools. As before, blue nodes indicate direct-run schools and pink nodes indicate charter schools. Size indicates indegree. The diagram shows that the blue squares (RSD direct-run schools) were not likely to be named as competitors, though several RSD charters have low indegree as well. This seems to confirm the qualitative findings regarding the tiering phenomenon in New Orleans, with RSD direct-run schools being viewed as being at the bottom of the hierarchy.

FIGURE 15. District and Charter Status

Note: Comparing charter and noncharter schools (squares are RSD schools, circles are OPSB schools, pink nodes are charter schools, blue nodes are direct-run schools). Size indicates indegree.

Gender and Competition. Given the emphasis on school leaders as brokers of competition, the actors who are in charge of school improvement and often held responsible for school performance, it is important to consider whether principals with certain characteristics are more or less likely to perceive competition. Previous literature from the private sector has suggested that women are generally less likely to enter into competitive relationships (e.g., Niederle & Vesterlund, 2005), and the network maps confirm this hypothesis. In Figure 16, the grey nodes indicate male principals, while the green indicate female principals. In this case, the size of the node represents outdegree, or how many schools the principal viewed as competitors. We see a strong pattern of males tending to rate many other schools as competitors, with female respondents being less likely to, with a few exceptions.

FIGURE 16. Gender and Competition

Note: Grey nodes are male, green are female. Size indicates outdegree.
These examples provide insight into the experiences of schools at various points in the hierarchy. I consider how to discern which of these factors are most predictive of the formation of competitive ties. This raises a number of related questions: To what degree does being a member of a charter school network, for example, influence the likelihood of competition? What about the school performance score or state-assigned letter grade? The above network measures and ego networks give some insight into the nature of competition in New Orleans, but it is helpful to examine other dimensions of these networks by incorporating attributes of the schools and principals. When we analyze just one dimension of a network at a time, it is possible to “overestimate its worth,” (Lusher, Koskinen, & Robins, 2013, p. 41), but by examining multiple attributes of the network simultaneously, as well as other network configurations, we can compare the relative effects of each of these attributes, and their relative importance in predicting tie formation. Furthermore, it is possible to quantify the roles that these school- and principal-level attributes, as well as dyadic covariates, such as the distance between schools, play in predicting the likelihood of a school naming another school as a competitor. Therefore, I examine these and other attributes next using dyadic analysis of the above network data.

Statistical Analysis of Network Data

Measures
The dependent variable was the existence of a directed competitive tie between two schools $i$ and $j$, as reported by principals on the questionnaire. This was measured using an ordinal scale (0=not a competitor, 1=low, 2=medium, and 3=high competition), and it was dichotomized (0=not a competitor, 1=low, medium, or high competition) for the analyses below. Review of the literature and analysis of the qualitative data revealed several factors that might predict the existence of a competitive tie between two schools, including individual school characteristics, as well as relational or dyadic-level characteristics, such as the distance between the two schools or whether they both belonged to the same charter network.

The existence of a competitive tie may be associated with attributes of the individual schools in the dyad, and these may measure the attributes of the sender (the survey respondent naming competitors) or the receiver (the school named as a competitor by survey respondents). Competitive ties may also be associated with dyadic attributes, variables that measure a characteristic of the tie or dyad, rather than the individual school. A list of all included measures is in Table 7. Variables representing endogenous network processes, drawn from network theory, were also included, and these are described below. Furthermore, Table 8 provides descriptive statistics for the variables of interest.

6 Some variables require additional explanation. For the percentage of grade overlap, I looked at how many of the ego grade levels were represented in the alter’s school. For example, if the ego school served K–5 and the alter served PreK–6, there was a 100% overlap. This is because we expect schools that serve the exact same population to be in competition. This was directed, meaning that the value for ego–alter in the case above was different for alter–ego. Second, for “years” of school existence, I used the number of years in its most recent school form (e.g., charter school, etc.). This is not a perfect measure, but schools that became charters were not necessarily the same schools as before Katrina. For example, for once school, which had been open for decades, I used the year it had been converted to a charter as the years in operation. However, I also controlled for whether the school’s name had been there pre–Katrina as a way of capturing the legacy of the school. I examined data from the Cowen Institute back to 1998, giving schools a 0 or a 1 if the name did not exist or did exist in the 2004–2005 school year or before. For principals, I looked at how many years they served in their current position, not counting years they may have served as a teacher or assistant principal at the same school. Finally, for extracurricular activities, I used the New Orleans Parents Guide 2012 to code for the types of activities used. This left out some new schools, and did not have detailed information for the alternative schools.
Table 7: Measures

**School-level measures**

- **School leader characteristics**: `female`, a binary measure of whether the respondent was female; `africanamerican`, a binary measure of whether the respondent was African American, and `years`, the number of years the leader had been at the school in a leadership position.

- **Districts and authorizers**: `opsh`, a binary measure of whether the school was in the Orleans Parish School Board, the traditional school district; and binary measures for each of the five major charter networks in the city, including `networkA`, `networkB`, `networkC`, and `networkD`. `NetworkE` was the reference group.

- **School performance**: `sp`, the school's performance score as given by the state of Louisiana; and `failing`, a binary measure for whether the school was failing, based on the state’s A–F letter-grade system, and `selective`, for whether it uses selective enrollment.

- **Demographics**: measures for the percentage of students who qualified for free or reduced lunch, `farl`; `diversity`, made up of the percentage of students who were “African American,” “Caucasian,” or “Other”.

- **Geographic school-level measures**: a measure for the number of schools serving overlapping grade levels within a 2-mile radius, `geonumberschools`, and a measure for miles to the nearest school serving overlapping grade levels, `geonearestschool`.

- **School history** `yearsopen`, the number of years the school had been open at the time of the study.

**Dyad-level Measures**

- **Distance**: the distance, in miles, between school $i$ and school $j$.

- **Grade Overlap**: the percentage of grade levels offered at school $i$ that were also offered by school $j$.

- **Various Differences in School-Level Attributes** (e.g., `diffsp`, the absolute value of the difference in the school performance scores of school $i$ and school $j$; `diffdiversity`, the absolute value of the difference in the schools’ diversity indexes, `difffarl`, the difference in the percentage of students qualifying for free and reduced lunch.)

- **Transfers**: the number of transfers from school $i$ to school $j$.

**Data Analysis**

When predicting the formation of ties in a network, there are three elements that are of interest: individual attributes (e.g., school performance, gender), exogenous contextual factors (e.g., dyadic attributes such as geographic distance between the two actors), and endogenous network effects (e.g., reciprocity), which arise “because the presence of some ties encourages others to come into existence” (Lusher et al., 2013, p. 23). While the individual attributes and exogenous contextual factors (specifically, grade overlap and distance between schools) are the key covariates of interest, it is important to control for endogenous network effects to yield accurate measures. Furthermore, the inclusion of such endogenous effects help to extend theories of negative-tie networks, which may have different configurations and patterns than traditional social networks for positive relations.

I began by conducting dyad-level analyses, where the goal is to measure the existence of a tie and examine the factors associated with “partner selection” (Daly, 2010), or what variables appear to explain the relationships that occur between schools. Using the principal questionnaires, I analyzed the full set of dyadic ties, when school $i$ rates school $j$. After identifying covariates associated with the existence of a competitive tie between two schools, I used a logistic regression with two-way clustered standard errors (Cameron et al., 2011) to test hypotheses regarding these covariates and to account for the interdependence in the data. While previous studies have often used geographic variables to measure competition, I combined those measures with school leaders’ perceived competitors to see when physical measures of competition correspond to social aspects. I also examined the characteristics of schools that fell into a given principal’s set of identified rivals. The model is able to control for dependencies related to the repetition of nodes or actors.
Predicting Tie Formation

Table 9 summarizes the results of the logistic regressions with cluster-robust standard errors, which sought to predict the factors associated with the existence of a competitive tie between two schools. The models progressively added more explanatory variables, beginning with a simple model that examined just grade overlap and geographic variables, adding principal characteristics, school district, charter network, historical information, student demographics, and student transfer data. The pseudo R-squared steadily increased with the addition of these structural and non-structural variables (from 0.02, with just the geographic and student transfer variables, to 0.22, when other school and principal characteristics were included), suggesting that what determines competition between schools is more complex than in previous studies, and that
other factors, beyond just the structural variables reported in previous studies, help to explain perceived competition between schools.

**TABLE 9: Logistic regression predicting existence of competitive tie between two schools with cluster-robust standard errors**

<table>
<thead>
<tr>
<th>Variables</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Structural Variables</strong></td>
<td>Est.</td>
<td>SE</td>
<td>Est.</td>
<td>SE</td>
</tr>
<tr>
<td>Grade Overlap</td>
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<td>0.298</td>
<td>0.118</td>
<td>0.377</td>
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<td>Student Transfers</td>
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<td>0.063</td>
<td>0.126**</td>
<td>0.058</td>
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<td>0.028</td>
<td>-0.087***</td>
<td>0.029</td>
</tr>
<tr>
<td>Nearest School (Sender)</td>
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<td>0.440</td>
<td>-0.165</td>
<td>0.510</td>
</tr>
<tr>
<td>No. Schools in 2 mi (Sender)</td>
<td>-0.039</td>
<td>0.024</td>
<td>-0.025</td>
<td>0.032</td>
</tr>
<tr>
<td><strong>Academic</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Performance Score (SPS) (Sender)</td>
<td>0.001</td>
<td>0.012</td>
<td>0.001*</td>
<td>0.012</td>
</tr>
<tr>
<td>SPS (Receiver)</td>
<td>0.025***</td>
<td>0.005</td>
<td>0.022***</td>
<td>0.005</td>
</tr>
<tr>
<td>SPS (Diff.)</td>
<td>-0.020***</td>
<td>0.005</td>
<td>-0.020***</td>
<td>0.006</td>
</tr>
<tr>
<td><strong>Principal Characteristics</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Years (Sender)</td>
<td>0.098</td>
<td>0.312</td>
<td>0.131</td>
<td>0.323</td>
</tr>
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<td>African American (Sender)</td>
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<td>0.440</td>
<td>0.012</td>
<td>0.510</td>
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<td>Female (Sender)</td>
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<td>0.024</td>
<td>-0.025</td>
<td>0.032</td>
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<tr>
<td><strong>School Characteristics</strong></td>
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</tr>
<tr>
<td>Years Open (Sender)</td>
<td>-0.024*</td>
<td>0.013</td>
<td>-0.011*</td>
<td>0.013</td>
</tr>
<tr>
<td>Years Open (Receiver)</td>
<td>-0.012***</td>
<td>0.004</td>
<td>-0.011***</td>
<td>0.004</td>
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<td>OPSB (Sender)</td>
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<td>0.234</td>
<td>0.412*</td>
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<td>Both High Schools</td>
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<td>0.432</td>
<td>1.116**</td>
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<td>Selective Enrollment (Sender)</td>
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<td>0.642</td>
<td>0.131</td>
<td>0.642</td>
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<tr>
<td>Selective Enrollment (Receiver)</td>
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<td>0.642</td>
<td>0.131</td>
<td>0.642</td>
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<td>Diversity Index (Diff.)</td>
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<td>0.007</td>
<td>-2.814***</td>
<td>0.007</td>
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<td>FARL (Diff.)</td>
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<td>0.007</td>
<td>-0.009</td>
<td>0.008</td>
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<td><strong>Charter Networks</strong></td>
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<tr>
<td>Network A (Receiver)</td>
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<td>0.232</td>
<td>0.586***</td>
<td>0.256</td>
</tr>
<tr>
<td>Network B (Receiver)</td>
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<td>0.136</td>
<td>0.362**</td>
<td>0.180</td>
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<td>Network C (Receiver)</td>
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<td>-0.063</td>
<td>0.241</td>
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<td>Network D (Receiver)</td>
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<td>-0.199</td>
<td>0.171</td>
</tr>
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<td><strong>Constant</strong></td>
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<td>0.481</td>
<td>-1.062</td>
<td>1.156</td>
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<td>N</td>
<td>5317</td>
<td>3183</td>
<td>3183</td>
<td>2934</td>
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<tr>
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<td>0.023</td>
<td>0.146</td>
<td>0.151</td>
<td>0.223</td>
</tr>
</tbody>
</table>

*p<.10  **p<.05  ***p<.01

Note: Coefficients are log-odds, but odds ratios are also reported. Only schools that have been in operation for two years receive an SPS score.

I ran other versions of these models, including a bounded network with only those schools that were represented as both senders and receivers, and without outliers or “extreme cases,” cases in which all other schools or no other schools were named as competitors. Finally, I report results from a relatively simple exponential random graph model (ERGM) in Table 10.
The ERGM is able to account for some additional network dependencies, such as reciprocity. These are reported in Table 10, compared with the logistic regression results. The goodness-of-fit results for the ERGM are reported in Figure 17. Including reciprocity did, in fact, change the

---

8 *p<.10 **p<.05 ***p<.01. Note: Coefficients are log-odds, but odds ratios are also reported.
results for some variables. Results are reported based on findings from the first model, focusing on those that are robust across different models; in some cases, differences between models are discussed.

FIGURE 17. Goodness of Fit for ERGM

Note: ERGMs require a very stringent goodness of fit test. Networks are simulated from the model, in this case, 100 times, to see how well the model predicts network features not included in the model, such as the ones above. The figures show that the model (the thick black line) predicts these factors quite well. Considering that this is a very simple model with only the number of edges and reciprocity as network features, this suggests that competitive tie networks may not have as many other network dependencies, or that a small set of network features predicts the network well.

Structural Competition: The Role of Geography and School Transfers. Measures of “structural competition” (Levacic, 2004), the objective measures of competitive pressure, were student transfers and various measures of geographic distance or density. As described in the literature review, previous studies have used measures such as geographic density as a proxy for competition, yet in New Orleans, student transfers and distance between schools were better predictors of competition. As expected based on the previous literature, results show that school leaders were more likely to identify schools that were nearby as competitors. For every mile difference between schools, the odds that the two schools would compete decreased by 5%. However while distance to nearest school was not significant in predicting competitive ties with schools in general, the number of schools in the sending school's (the survey respondent’s) two-mile radius was negatively associated with a competitive tie forming, the opposite of the hypothesized direction, which suggests that schools located in denser areas had lower odds of
naming competitors. Thus, schools tend to perceive competition with schools that are closer, but a greater density of schools serving overlapping grade levels in a local area did not correlate with increased competitive pressure.

School leaders’ perceptions of competition seem also to be shaped by the number of outgoing transfers from their school. We expect a lag in principals’ response to outgoing transfers. For example, if a number of students switch from School A to School B over the course of one year, it may take one or two years for the principal at School A to note this pattern and identify the school as a potential rival. Therefore, I included a variable for within-year outgoing transfers between all schools in 2010–2011 and 2011–2012. The results indicated that student transfers were indeed predictive of competition: for every outgoing student transfer to a given school in years 2010–2012, conditional on other factors, the odds of rating the receiving school as a competitor increased by approximately 16%. Holding all else constant, a school losing no students had a 0.37 probability of competing, while a school losing 20 students had a 0.83 probability of competing. Therefore, in line with neoclassical economic theory, student (or customer) exit was noticed by school leaders and influenced whom they perceived as competitors.

Homophily: Schools Compete with Like Schools. While less is known about the role of homophily, the idea that “birds of a feather flock together,” in “aggression” networks, such as competition, the literature suggests that homophily is a tendency in all networks, including those consisting of negative ties (McPherson et al., 2001). The results here also suggest that schools tended to compete with schools that were similar to them. For example, schools tended to compete with other schools that were within the same range of school achievement. For every one-unit increase in the difference between two schools’ school performance scores (SPS), the odds that the sending school named the receiving school as a competitor decreases slightly, by about three percent. Holding all else constant, two schools that have the same SPS scores have a 0.50 probability of competing. Two schools that differ by 30 points in SPS have a 0.35 probability of competing. Therefore, it appears that competition is occurring between schools that are similar in terms of student achievement.

Schools with similar diversity indexes were also more likely to compete, and schools with large differences in their student demographics were less likely to compete. The diversity index measures the percentage share of each race in the school. (An index of zero would suggest that all three racial categories—in this case, African American, Caucasian, and Other—had equal representation, while a score of one means that there was no racial diversity at the school, based on the three categories.) Controlling for other factors, schools that differed in their diversity indexes were far less likely to compete; for every unit difference in the diversity index between two schools, the odds of competing decreased by over 95%, suggesting that schools compete with schools that have similar student diversity levels. Two schools that had the same diversity index, holding all else constant, were had a 0.48 probability of competing, while those that differed by 0.20 had a 0.36 probability of competing. Very large differences in diversity (e.g., 0.6, which was the maximum) predicted a lower probability of competing, at 0.17. However, it is important to note that there is not much variation in the student populations in the schools. The median

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9 Unfortunately, data on between-year transfers were not available from the LDOE at the time of the study. It is possible that within-school transfers are more salient to principals because they do not occur all at once and are not due simply to the choice program in New Orleans. Parents’ “exit” is more noticeable in the middle of the year.
difference between schools’ diversity indices was less than 9%. New Orleans’s schools are very segregated by race, and the few White children who attend public schools tend to be concentrated in the selective-enrollment magnet schools. Overall, schools with similar racial demographics were more likely to perceive competition with each other.

School Characteristics. Certain features of the schools were also important in determining competition. Schools in the Orleans Parish School Board had higher odds of being viewed as competitors in the logistic regression model. The average marginal effect for the alter being in the OPSB was 8%. Orleans Parish schools have been the highest performing, in part because they were the schools that were non-failing prior to Katrina, those that were not handed over to the RSD. The perception of OPSB schools as higher performing may explain why they were more likely to be named as competitors, despite controlling for school achievement in terms of test scores. These schools, several of which are selective-enrollment schools with explicit admissions criteria, usually based on academic or language requirements, were not more likely to view other schools as competitors, but they were much more likely to be named as competitors, controlling for the other factors. This suggests that schools were striving to compete with the OPSB schools, even if they served different types of students. In interviews, some principals expressed that while OPSB schools were not highly competitive overall, they were highly competitive when it came to the top students. As one principal said, for example, “They are taking the best.” However, once I controlled for reciprocity in the ERGM, this effect became insignificant; instead, OPSB schools were less likely to view other schools as a competitor, controlling for other factors (the sender effect, which had been insignificant in the logistic regression). Therefore, it is important to interpret this with care; it may simply be that the endogenous network factors (e.g., reciprocity) that I controlled for explained the patterns of competition.

Certain charter networks or brands mattered for naming competitors, even after controlling for school performance. Several networks had brand recognition or status, either locally or nationally, and principals referred to these networks as “brand-name schools.” The odds of being named a competitor was approximately 80% times higher for one prominent network in particular, Network A. However, when reciprocity was included in the ERGM, this result became insignificant. The odds of Network B being named as a competitor were approximately 44% higher, and this result held in the ERGM. The average marginal effects were 10% and 6%, respectively. Because other factors, such as school performance, were controlled for, schools in these networks seem to be viewed as competitors because of their brand name or marketing rather than their actual performance.10

As predicted by the descriptive network analyses, high schools were more likely to compete with one another. When both schools in a dyad had at least one high school grade (9–12), the odds that they would view each other as competitors was more than three times higher, controlling for other factors. At the high school level, it is often the case that parents and students are choosing schools, and that students are able to travel further distances more easily. These factors might explain the higher level of competition between high schools. Furthermore,

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10 However, future studies should explore the role of student value-added in predicting competition. While these charter networks may not have higher school achievement overall, they may in fact show large gains for students. Unfortunately, these student-level data were not available at the time of the study.
there was a perception among the respondents that there were “too many high schools,” and that there were many more seats than students, which might also have created greater competitive pressures.

Schools that were open longer were less likely to report competitors, and they were also less likely to be cited as rivals, however these results did not hold when accounting for reciprocity in the ERGM. In the logit model, for every year the school had been open in its current form (e.g., charter, traditional), the odds that it would perceive competition decreased by about two percent and the odds that it would be viewed as a competitor by other schools decreased by a little under two percent. This was in contrast to the hypothesis that schools that had been in existence for longer would be more likely to be named as competitors due to name-recognition. Some of the qualitative data revealed that schools with long legacies in New Orleans also generated lasting bad reputations, and some school leaders perceived that there was a preference for schools that were, according to one principal, “shiny and new.” Schools that had been in existence for longer were also less likely to experience competition, however, and this may be due to their stability—new entrants to a market must work to gain market share and establish a reputation. However, the ERGM yielded the opposite effect. Given that these variables switched signs and/or significance between the two models, these results for years open are likely suspect and require further analysis.

Schools with selective enrollments, as predicted, were more likely to be named as competitors, but were not statistically significantly more or less likely to perceive competition otherwise. The odds of selective enrollment schools, versus open-enrollment schools, being named as competitors were more than two times greater. The average marginal effect was 15%, even when controlling for school performance, suggesting that the selectivity of the school itself contributed to it being viewed as a competitor. And schools that were higher performing were also more likely to be viewed as competitors. For every one-unit increase in SPS score, the odds that a school would be viewed as a rival increased by three percent. For example, in a dyad where the receiving school had an SPS score of 80, holding all else constant, the sending school had a 0.34 probability of naming the receiving school as a competitor, whereas when the receiving school had an SPS score of 100, this increased to 0.44. Therefore, there is some evidence of schools aspiring to compete with higher performing schools, though there is also a negative effect when schools’ performance scores differ. Again, these results did not hold in the ERGM, once reciprocity was included. In the ERGM, selective enrollment schools were less likely to report competitors, perhaps because of their high market position, and whether the competitor school had selective enrollment became insignificant. Again, this is another “status” variable that switched when accounting for reciprocity, and so the results for this particular variable are somewhat suspect.

Principal Characteristics. Male principals were more likely to name competitors than female principals. Male principals were 2.76 times more likely to name other schools as competitors, conditional on other factors, than female principals. The probability of competing was 19% lower for females than males, holding all else constant. Female school leaders may name fewer competitors because they perceive an unfair marketplace in which they are unable to compete. The new school leadership in New Orleans since Hurricane Katrina is not only more White (Buras, 2013), but also more male, a pattern reflected in charter leadership nationwide (Scott & DiMartino, 2008). One female African American principal referred to this as a kind of
“old boys club”; she believed that certain leaders, especially White males, were given growth opportunities and professional support, and that their schools were more likely to be invested in or expanded. Approximately half of the principals were male across the schools in New Orleans, even when looking just at schools run by charter management organizations, but particular charter networks were less equitable. At the time of the study, one prominent charter network had eight schools, and the majority of those school leaders were Caucasian males (6 out of 8). As a comparison, less than 30% of the school leaders in the standalone charters and direct-run schools were male. Female principals may also simply be less likely to enter into competitive relationships or less likely to report them. Some ethnographic literature in education has begun to attend to issues of gender and competition between teachers (Freedman, 2000), but few studies have explored the gender dimension of leadership under market-based reforms (see Scott & DiMartino, 2008 for an exception).

African American principals were not significantly more or less likely to name competitors. Principals with more years of experience at their current site were more likely to feel competition, after controlling for the tenure of their school. For every additional year of experience, the odds that a principal named a competitor increased by approximately 19%. For example, holding all else constant, a principal in his or her first year had a 0.32 probability of competing, while a principal in his or her sixth year had a 0.50 probability of competing. This suggests that even veteran principals, who might have worked in the schools before market-based reforms and competition became central, did feel competitive pressure and, in some cases, to a higher degree than newer principals.

Finally, exploratory analyses were conducted to examine the role of various extracurricular activities, legacy of the school, school size, and other demographic variables, but these were for the most part either not found to be significant or simply confirmed findings already reported, and they did not directly test the hypotheses derived from the literature. These are not reported here, but are included in the appendices.

**Conclusion**

The results suggest that structural measures of competition used by economists, and in line with neoclassical economic theory, such as geography and student transfers, matter for who school leaders identify as competitors. However, I find that they do not fully explain how school leaders in New Orleans perceive competition, and when other factors, such as school-level and principal characteristics are included, the models are able to explain a greater share of the variation in perceptions of competition. As previous studies in the UK have found, for example, “behavioral” perceptions of competition may be more consequential for market behaviors and outcomes than structural factors, such as student loss or distance to other schools. I find that both structural and behavioral factors predict competition. In addition to structural measures, other factors, such as charter brand, charter authorizer, principal characteristics, and school performance also influenced whether schools competed with one other. These micropatterns of competition, through the lens of school leaders, reveal a tiered market, where schools compete with like schools, tending also to compete with those with higher performance, and where competition occurs within niches and with particular school networks, rather than across the board. In other words, the degree of competition experienced, though predicted by student transfers and geographic distance between schools, also varies depending on a school's position in the market hierarchy, based on its school achievement scores, student population, and charter
network or “brand.” In this hierarchical model, schools at the bottom are competing even with those at the top, whether it is in terms of status or school performance. These findings also reflect patterns found in U.K. education markets, where parents select from “circuits” of schools, each of which has its own market hierarchies and competitive patterns (Gewirtz et al., 1995). Schools were found to compete with like schools, those that were geographically closer and demographically similar schools, as well as those with similar school performance, a finding reflected in Loeb et al.’s (2011) study of competition in Milwaukee schools. Overall, the findings suggest that the mechanisms of competition are more complex than they have been assumed to be in policy discussions and in previous studies, with implications for school-leaders’ strategies in a competitive environment and for how policymakers make inferences about the mechanisms that are driving outcomes in key reform districts.
Chapter 7: “Every Kid is Money”: Exploring School Leaders’ Perceptions of Competition

This chapter examines how school leaders perceive public and private school competitors, expanding on the previous chapter’s findings. While the previous chapter revealed large patterns of competition in the district as a whole, this chapter drills down into the perceptions and experiences of principals amidst this environment using analysis of interviews, observations, and documents. This chapter highlights how school leaders viewed their positions in the competitive network. I find that while market-based pressure, in the form of competition, was indeed salient for school leaders in New Orleans, their perceptions and positions in the network were interrelated. School leaders experienced varying degrees of competition, mediated by their personal backgrounds, access to information, the historical legacies of their schools, and their positions in what they viewed as a tiered marketplace.

This chapter explores the social dimensions of competition from the perspective of the school leader. This chapter draws on qualitative data from a subset of the schools in this study (N=30). I used stratified sampling based on the geographical density of schools in the area to select the sample of schools, and I interviewed all school leaders of those schools and observed or collected minutes for all school board meetings during the 2012–2013 school year. I coded and analyzed the data, looking for patterns and themes, and used matrices to test hypotheses from theory and previous literature, as well as those that emerged from the data. For the purpose of analysis, schools were grouped according to outdegree (number of competitors named) and indegree (number of other schools naming them as competitors), using tertiles, based on the whole distribution of schools in the study (N=89). The resulting sample still contained a roughly even distribution in terms of competition experienced (outdegree), with 9 schools falling into the “high competition” category, 10 “moderate,” and 11 “low.” Similarly, indegree, the status of the school in terms of how many other schools viewed it as a competitor, was roughly evenly distributed: 8 schools were “high status,” according to this measure, 10 were “moderate,” and 12 were “low.” Specifically, I ask:

How do school leaders in New Orleans perceive competition?

a. What are their perceptions of competition overall?
b. What schools do they view as rivals?
c. What factors predict competition, and to what degree do school type, quality, and location matter?

Salience of Competition

Most school leaders in New Orleans reported that they felt competition from other schools. However, the way they interpreted competition depended on their backgrounds, knowledge of the local marketplace, and their school’s position in the market hierarchy. Of the 30 schools in this subsample, 29 reported at least one competitor. Competition was salient, as theory would suggest it would be in an environment of unfettered school choice, which was one of the reasons for selecting New Orleans as a research site. Most school leaders defined competition in terms of enrollment, and observed that with school choice came competition for
students and their associated dollars. For example, when asked if their school competed with other schools for students, responses included emphatic yeses (“Yes, Lord!” and “Absolutely!”), as well as comments such as: “Every kid is money,” “Enrollment runs the budget; the budget runs the enrollment,” and “We all we all want our [student] numbers up so we can get more money, more funding.” Other principals explained this relationship in greater detail:

Choice is a competition, by the way, for students. It’s the whole idea. Parents get to choose a school that they feel has the best fit for their family, that they feel is going to do a good job of teaching their child…. So of course there is a competition built in with a choice system. (Principal, Hicks Elementary School)

We’ve constantly been very over our budgeted number, which is a lot more comfortable than being scraping by, which we were last year, like one or two [students] above. Which is sad to say that they’re numbers but...otherwise you’re shut down. (Operations Manager, Meade Elementary)

Another principal explained how these market pressures regarding enrollment drove her relationship with parents: “You also have to work with parents and with a community service orientation because they can pull them out and that is all of your revenue” (Principal, Wolff Elementary). Therefore, in response to competitive pressures, school leaders were compelled to attract and retain students at their school. As the theory of action of such market-based reforms would predict, they were cognizant of the link between their enrollment numbers and the funding they received.

While most principals reported competing with some schools, only two schools, both with a high number of competitors, viewed competition as a positive element of the environment. Two principals in the highest tertile reported that while they did compete with other schools for students, this process was beneficial to the community as a whole because institutions “up their game” (Principal, Vickrey High). As another principal said: “There’s a healthy pressure...I don’t feel like we’re a big fish in a little pond. I feel like schools are on top of it and you see schools getting shut down” (School Leader, Wolff Elementary). On the other hand, most schools acknowledged the presence of competition, but did not believe it was always beneficial. These schools felt they had to compete—“I mean, you’re forced to, you’re forced to” (Principal, Mill Elementary)—but expressed concerns because the tiered market they were competing in.

Only one school leader expressed that his school did not feel competition from other schools. This was because the school was slated for closure in the next year, and only students who were already enrolled at the site were able to continue for the 2012–2013 year. That, combined with the poor reputation of the school, meant that, in the principal’s view, the school did not compete for students:

The kids that have to go here, go here. And that’s just being honest. I don’t think that kids search out and say ‘I’m going to Frisch.’ If you live in the area or somebody in your family went here or whatever the case may be, you come here. (Principal, Frisch High)

As studies in other contexts have found, even in cities with widespread choice systems, large
numbers of poor, transient, or homeless students do not participate in the choice process, and are assigned to schools by the district. These students, which some have called “over-the-counter students,” as a report in New York City has shown, are often assigned to schools that are struggling or are in the process of being closed down (Arvidsson, Fruchter, & Mokhtar, 2013). This also seems to be the case in New Orleans, where schools like Frisch were assigned students who had few other options. The need to recruit and retain students was therefore on the forefront of many of the principals’ minds, but the extent to which schools competed was mediated by their existing enrollment status, niche, and geographic location, which I examine next.

**Enrollment Status and Competition for Students**

Schools experienced competition differently if they were undersubscribed or oversubscribed, even though almost all of them competed with some schools. Fifteen of the thirty schools reported being at capacity or oversubscribed, and the other half reported being under-enrolled by some amount. While schools were under or overenrolled in each of the three tertiles, experiencing low, medium, and high competition, the nature of competition varied based on their enrollment status. For example, one board member of an oversubscribed school with a reported waiting list of over 100 students said that competing with other schools for students was not a central priority for the board, and the school leader reported only a handful of competitors, placing the school in the “low” tertile: “As a board, because we have a waiting list, we don’t really talk a whole lot about student recruitment because it’s just not something we have to worry about at this point.” Many of these oversubscribed schools still identified their top competitors, but because of the school’s oversubscribed status, competing for students was not a central concern or key part of their work. For example, one school leader of an oversubscribed school experiencing low competition said that her school was “somewhat competitive” with the other highly selective schools, but added, “we’re okay if they don’t come.”

While oversubscribed schools experienced varying degrees of competition, usually due to other factors, such as geographic location or selectivity, their enrollment cushion allowed them to focus on other priorities besides recruiting students. Undersubscribed schools, with the exception of those slated for closure or serving a niche population, were more likely to prioritize competing for students and experience greater competitive pressure. For example, one undersubscribed school, which named only two other competitors due to its remote geographic location, was focused on student recruitment: “Right now we are really out there recruiting kids.” As circumstances changed, not all oversubscribed schools were shielded from this pressure to recruit students. When one overenrolled school (the one with the reported 100-student waitlist) added another school to their network, they felt the pressure to enroll more students. In the fall, before the decision to open another school was finalized, the board member said that enrollment was not something they “had to worry about at this point,” but by the early spring, the board announced at a meeting that it had become their top priority. Therefore, while oversubscribed schools and undersubscribed schools had similar distributions within each of the tertiles—some named many competitors, some named a few—the qualitative nature of competition they experienced was influenced by their enrollment status. Undersubscribed schools, as Gewirtz (2001) has also noted, found it “hard to resist the discipline of the market,” whereas schools with more demand than space could shield themselves from the market pressures to some extent in order to maintain, but not necessarily expand enrollment (Gewirtz et al., 1995).
Niches as Buffers for Strength of Competition

Schools that served niche populations or had specialized arts or language programs were more likely to be buffered from competition. Only one of the schools in the highest tertile (most competitors named) had a niche focus or program; three of the schools experiencing moderate competition did, and five of the schools experiencing low competition did. Two schools in the sample were alternative schools, which primarily served students who needed an accelerated program, were over-age, or were expelled from other schools, and these students were often, though not always, directly assigned to the schools. As the principal of one of these schools said, their competition was only moderate “because of the fact that we are servicing assigned students.” The principal of the other alternative school named only one other competitor, another alternative school serving that niche, and said, “Actually, other schools refer students to us,” particularly when they had discipline or academic “fit” issues at these other schools. In addition to alternative or accelerated programs, other schools had arts, language, or cultural specialties.

In education markets, as Betts, Goldhaber, and Rosenstock (2005) argue, schools that differentiate themselves, creating a market with fewer substitutes, will face a flatter demand curve because parents seeking that specialty have fewer other options. Betts et al. (2005) also argue that there are incentives for schools to differentiate their products rather than decrease costs, for example. As we will see in the next chapter, it is therefore not surprising that developing a niche was one strategy that schools used in this competitive environment, seeking to buffer themselves from competition rather than engage directly with it. While niche programs offer an array of different educational programs, which may be desirable for diverse urban districts, they also, by definition, will not be suitable for all students. In the next chapter, I examine how niche strategies affect equity and diversity in the school system.

Geographical Niches and Competition

Location and distance to other schools mattered for competition among schools in New Orleans, but not to the extent expected in the literature. The open-enrollment policy in New Orleans since Hurricane Katrina, as well as the storm’s effects on particular neighborhoods, has indeed changed the distribution of students geographically. In 2004–2005, about 51% of schools’ student bodies came from within 1 mile, on average. In 2010–2011, it dropped to approximately 22%. Similarly, while in 2004–2005, only 12% of schools’ student populations came from over five miles away from the site, in 2010–2011, 31% did.

Most charter schools in New Orleans must pay for their own buses, and they must provide transportation for students living more than a mile away. A handful of Type II charter schools, authorized directly by BESE, rather than the RSD, were not required to provide transportation. In interviews, 28 of the 30 school leaders stated that their students came from “all over New Orleans,” and, for state-authorized charter schools, even from surrounding parishes, but three of those school leaders noted that the majority of students at their school came from the neighborhood or zip code in which the school was located. Only one school, located in a remote part of town with few schools, had no buses. Other schools had as many as nine school buses going to different parts of town. One school leader, at a site where 95% of the students ride the bus, noted: “The way of the neighborhood school is now in the dinosaur age” (Principal, Fisher). Another principal said, “we’re vying for kids across the city” (Principal, Meade Elementary).
Citywide access schools, where parents can apply to any school in the city, did create competition across neighborhoods, but schools that were more geographically isolated experienced less competition. Three of the “low-competition” schools were in communities that had fewer schools or were far from the concentration of schools in the central part of New Orleans. All but one of these schools, however, still brought students from all over New Orleans via bus, but the other two also primarily served students in their communities. A board member at one of these low-competition schools said that there was a “dearth of good schools in this area,” and was petitioning the board to open an additional school in the community, which was approved before the end of the year. As that school expanded into a CMO, its strategy was to focus on this geographical niche. As discussed in the next chapter, this geographical niche might also be a type of strategic response to competition, as a way of guaranteeing a corner of the market (Glomm et al., 2005; Lubienski et al., 2009). For schools in such areas, on the edges of New Orleans, competition was more local; however, the vast majority of schools competed with schools across the city.

Information and Knowledge of Competitors

Schools varied in terms of how knowledgeable they were about their competitors, which also influenced their experiences of competition. Most principals were able to identify the particular schools they competed with, and some schools even tracked this information in a database. For example, one school leader tracked where all of her students went: “We have data on them; we track where all the kids go when they leave.” But because of the different districts, OPSB and RSD, private schools, and a few schools chartered by the state directly, tracking where students went was difficult for school leaders unless they maintained their own records. Furthermore, 13 principals (about 43% of the qualitative subsample) were in their first year in that position at the school, which affected their knowledge of the local educational landscape in New Orleans. For example, one first-year principal asked if she could have her colleague, an assistant principal who had been around “for ever and ever,” complete the questionnaire where competitors were ranked because she wasn’t familiar with all the schools. Several expressed surprise over how many schools had opened up in the years following Katrina. Other first-year principals expressed similar gaps in their knowledge of potential competitors: “Now you know there are going to be some I have not heard of, right, because some of them are new to me… Oh, my. I didn’t even know we had this many schools” (Principal, Simon Elementary). Another principal said, “Oh, my goodness. Okay. I didn’t realize there were so many schools” (Principal, Klein Elementary). Another principal, while a New Orleans native, was unfamiliar with some schools that were located around the school site because of where he grew up in the city:

I’m an Eastbank boy. Obviously, I know the Network D schools. But the other ones on the Westbank, I’m not 100% sure on…. If they don’t leave mid-year, we have no insight. I mean, we already know why they don’t come back here, generally, for the most part, but in terms of anything empirical, no, we don’t get any of that data. If they leave mid-year, we can usually find out where they are going. (Principal, Mill Elementary)

This also suggests that mid-year transfers, the ones used in the previous chapter’s analysis, may be more salient to principals than between-year transfers, unless the principals maintain careful records or seek out such information.
Even principals who had been in their roles before the 2012–2013 academic year described ways in which their knowledge of competitors was limited, either because they had not heard of some of the schools on the list or because of changes in school names and performance over the years: “And honestly I don’t know a lot about all of these schools…. I don’t know all of them… I don’t know how these other schools are doing” (Principal, Meade Elementary). As they completed the survey, other principals said “I haven’t heard of some of these schools” (Principal, Merton Elementary) or “I’m not sure of the names because a lot of schools have changed” (Principal, Marx High). In a city like New Orleans, where schools are constantly moving, changing names, or becoming newly authorized, keeping track of one’s competitors is more difficult. In fact, there may be a learning curve associated with entry into such a market, whereby new leaders need time to learn who their competitors are. While my survey instrument listed the full names of schools, which often included their historic names, some of the survey respondents who reported a low number of competitors may have done so because of such name changes.

While most principals were able to identify the specific schools they competed with, suggesting they engaged in some form of “scanning” behavior, or were “concerned with finding out about and interpreting the school’s ‘market’” (Woods et al., 1998, p. 11), some principals experienced competition as more of a general threat from all other schools. One of the high school principals reported feeling competition with all other high schools. Another principal was able to identify a charter network as a competitor, but did not differentiate between particular schools in the network, naming all Network A schools in the city as competitors: “I don’t know which Network A so I’ll just click all the Network As. Because they are basically the competition for where the children go. They go to Network A.” These general statements suggest that the experience of competition for these schools consisted of more of a general perceived threat, rather than a systematic assessment of the market or close scanning and monitoring of other schools, which appeared to challenge some of the assumptions of how competition operates. For the principal competing primarily with all Network A schools, the presence and penetration of that charter network’s brand was also a factor. These schools still experienced competitive pressures, but they felt it more generally.

Competition was thus a central issue for most school leaders, but how they identified competitors depended on their knowledge of the marketplace. Indeed, in a dynamic education market like New Orleans, where schools open and close regularly, keeping up with all other potential competitors requires great effort, knowledge, and cognitive strain. Based on the qualitative responses, however, even schools that competed with a subset of potential competitors experienced a significant threat and often engaged in strategies to retain their students or recruit students from those other schools.

**Tiered Marketplace**

Schools did not compete with all of the other schools that were identified as potential competitors. In other words, they did not rate as competitors all of those in the possible set. Half of school leaders, for example, reported competing with less than 15% of the other schools serving overlapping grade levels. This was not just due to distance. Several schools identified themselves based on their market position (Gewirtz et al., 1995), in terms of overall student performance and perceived desirability on the part of parents, usually by referring to their school’s state-assigned letter grade. For example, the principal of Clark Elementary described his
school's position in the hierarchy:

So a school like mine...we're almost a third or fourth tier school, because they try to get into the Network A schools and the Schellings and the brand-name schools first. When they don't, they go to the surrounding schools that may let them in. Now there are two schools in our area that we compete with that are top tier schools, great schools.... So they try to get into those two schools, and if you're a shining star, maybe you will be able to get into those two schools, and if you aren't you possibly won't be able to. If they can't get into those, then we're probably one of the last resorts.

Schools compete with similar schools overall, as the findings from the previous chapter indicated. Additionally, high-performing schools, especially those that used selective admissions, such as test scores or language proficiency requirements, tended to compete with one another, while also drawing top-performing students from schools that had slightly lower performance scores. For example, three high schools, one failing and two nonfailing, all described the loss of their “top kids” to the highest performing schools. One principal said in reference to a high-performing public school competitor: “It’s taking the best.” Others also expressed a similar view that while they were not losing a huge percentage of their students to higher-performing schools, they were taking their highest-achieving students:

Our kids get to be stars here and then they go and apply there. You know, once we get them at the top upper echelon of their group, then in 11th grade, they apply and get in to Schelling and [other high-performing school], so we keep getting the tops cut off. .... So we don’t lose many to that but the fact that we do is a harsh reality in competition. (Principal, Chandler High)

[School choice] gave those who were your top that had a choice to go to a better school, they could. But those who were right here, your middle, they stayed, your bottom stayed. Your top echelon, they had an opportunity to go to [a high-performing school] or somewhere and that percentage is so small. (Principal, Marx High)

One principal at an OPSB school expressed how the strength of her school’s market position would help them to compete even as policies changed. In the early part of the year, the principal had said that her school competed only with schools in OPSB, given their different enrollment and application processes. By the end of the year, the school was slated to participate in the OneApp, with the RSD, potentially opening them up to more competitors, but of a different quality. While the principal expressed concern over no longer being able to meet with families before enrollment, she was not concerned about enrollment numbers. In fact, joining OneApp increased the school’s position in the market relative to other schools. This was because now the school would be competing primarily with RSD schools and direct-run OPSB schools. (The OPSB charters, which were typically the highest performing and were previously the school's competitors, were not required to participate in OneApp during the year of the study.) As the principal said:

We don’t compete with many schools, and now, it has really changed. They have added
us as part of the OneApp application...Right now, the competition is slim to none. I'm not bragging, but we're like the best high school on this application. (Principal, Sachs)

Therefore, even though the OneApp potentially opened the school up to many more competitors, now that parents could more easily apply to the school, her position in the OPSB and as a relatively high-performing school buffered her from that competition.

Charter Authorizer and Network

Another form of “tiering” occurred because of the relatively high position of OPSB schools following the storm. For example, one OPSB high school principal stated that her school’s primary competitive group (Porac et al., 1989) was “strictly” consisted of other OPSB schools and “absolutely not with the RSD schools.” At the same time, one of the direct-run RSD schools suggested that the only other options his students have are other direct-run RSD schools, many of which were among the lowest performing schools in the city. Market position thus influenced schools’ experience of competition, and they competed with different types of schools for different types of students. This also reflects the findings in the previous chapter, which suggest that, across all respondents in New Orleans, OPSB schools were more likely to be named as competitors, even after controlling for school performance. As Porac et al. (1989) argue, schools “frame a competitive arena,” simplifying it into categories based on which schools they perceive to be competitors and those they do not.

Similar to the findings in the previous chapter, school brand or charter network also served as a kind of status or tier. Clark’s principal referred to Network A and other schools as “brand-name schools,” to which parents apply first. Others attributed the competition with charter networks to their more successful recruitment efforts: “Now this year, unfortunately, we’ve had to compete with other charter management organizations that are now infiltrating the New Orleans area, so we have actually experienced a decline in enrollment” (Principal, Fisher School). Three other principals named charter Network A as their top competitor. One principal explained her high rating for Network A because she used to work there: “I know how actively and aggressively they recruit. Yeah, they can turn into vultures.” While some of the networks were more likely to be named as a competitor (Networks A and B from the quantitative findings in the previous chapter), the other networks were not significantly more likely to be named as competitors in the full network analysis. For one of them, that may be due to the variation within the network in terms of school performance—a network that one principal described as “a tale of two cities.”

Certain networks also experienced less competition, perhaps because of their market position, market share, or recruiting skill. One of the principals in Network A refused to rate the other schools in his network as competitors and described how the network helped to allocate students evenly across the sites given their large market share. Similarly, Network D’s CEO explained their advantage, despite what he perceived to be relatively low status in the market as a whole: “The reality is Network D was the first CMO in New Orleans. We are still the largest CMO. We serve more students than anybody else does by far, by a thousand kids today.” This large market share, along with its geographical niche, might explain why the school feels less competition from other schools in New Orleans. Therefore, particular charter networks—or even entire districts—because of their successful branding, recruiting, reputation, or market share, were in some cases viewed as high-status and in others were buffered from competition.
These tiered patterns are also reflected in the indegree and outdegree measures for the subsample of schools. The schools’ indegree, the number of other schools who viewed them as competitors, can be thought of as a form of status; thus I refer to schools with high indegree as “high status,” and those with low indegree as “low status,” based on how other schools in the city perceived them. Of the eight high-status schools in my subsample, none of them were direct-run schools, half were OPSB schools, the highest performing schools in terms of student test scores and also the most racially diverse schools, and the other half were in the RSD. Of the four RSD schools, however, three belonged to a “brand-name” charter network, one of the largest five charter networks in New Orleans. Of the schools with “moderate” status, three were in the OPSB, and none were direct-run RSD schools, which school leaders identified as the lowest “tier” of the market. As expected, five of the twelve low-status schools were direct-run RSD schools, and the others were all RSD charters. Half of these low-status schools were slated for closure in the coming year, either completely shutting down or being taken over by a new charter.

Asymmetric Competition Across Tiers

Despite these relatively clear demarcations among the schools in terms of status, competition did not occur neatly within these boundaries. As described above, even lower-performing schools competed with high-performing schools, as they lost a few top students to those schools. Even if not a large number, this loss had a significant impact on the school. One principal of a direct-run RSD school expressed this:

You always compete with those schools. All brand-name schools you compete with, whether you compete directly or indirectly. The kids that they have, you want. The kids that live in our neighborhood, that live in the surrounding area, that are able to go to Schelling, that would normally go here, they’re able to go there if they can make the grade over there. So, you’re always competing with them. You’re competing with their brand name. You’re competing for the students. Even if it’s three students in this area, it’s three students for us that could make a dramatic difference. For them, it’s just a normal, regular thing. Yeah, you’re always competing with them. There’s always a high level of competition that way. (Principal, Clark Elementary)

As this principal indicates, even a small number of students lost to a selective-enrollment school can have a huge effect on the lower-performing school. As he said, “the kids they have, you want,” and he believed that the “brand-name schools,” even those that do not have selective enrollment, attract students that are higher performing or are more desirable in some way. The findings in the previous chapter indicated that for every outgoing transfer from school \( i \) to \( j \), the odds that the schools would compete increased by about 15%. Most principals linked enrollment to competition, thus explaining this outcome. The Clark principal’s explanation of what happens when he loses students suggests further that even though schools may not only be strong competitors in terms of the number of students leaving to attend the other school, the types of students they recruit or select makes them “high competitors,” particularly for “last-resort” schools like Clark. Similarly, the quantitative results showed that schools with higher SPS scores were more likely to be named as competitors, though they were less likely to compete as the differences in their SPS scores increased. Schools were also more likely to compete with OPSB
schools, which are higher performing and some of which have selective enrollment practices. While the selective, high-achieving schools may not reciprocate the competitive relationship, they were likely to be viewed as competitors by lower-performing and non-selective schools. This asymmetry in competitive ties has been documented in the business literature as well; one study, for example, found that while all companies considered only a small number of other companies as competitors, there were some companies that were considered as competitors by many other firms—an asymmetry between the outdegree and indegree of firms (Braha et al., 2011).

Reflecting on the Tiered Market

In addition to describing the tiered nature of the educational system, school leaders also expressed concern over its structure and inequities in terms of how students were allocated to schools in different tiers, the ability to compete given market position, and the limited options that resulted for parents. Seven principals referred to this phenomenon directly, six of those schools were given an “F” letter grade by the state, and four of them became slated for closure or did not have their charters renewed about one month following my interviews. One of the principals at an alternative school expressed concern that her school could become a “dumping ground for kids,” and was working with the RSD to ensure that appropriate interventions were in place at the referring schools. Another low-performing school described the inequalities even within his school’s charter network as “a tale of two cities” because the network had “two of the higher performing schools in the city and two of the lowest.” Another school leader acknowledged that the inequities didn’t come with charter schools, but that choice and charter schools might have exacerbated it:

I’m not going to say this tiering model just came in with the charters. We kind of had that going because we’ve had magnet schools and we had parochial schools, private schools, so parents could pay for an education for their kid that they didn’t feel public schools were offering. And then you had your better public schools and then you had your not-so-great. So you already kind of had that in place, where everything really was not as equal, but I think charters have really come in and just expanded on that model that was already in existence. (Principal, Prescott Elementary)

A school leader at a high-performing school described the problem of one for middle-class parents especially. Aside from the highest performing selective schools, there wasn’t, in her view, “much of a middle ground,” particularly at the high school level. She said: “Where do you go if you’re a nice middle-class any-type-of-ethnicity [student] that’s getting Bs and Cs. I know there aren’t enough schools, and some would argue there aren’t any schools, for those kids here” (Principal, Stone, Elementary). This reflects findings in previous studies that the most intense competition occurs at the highest and lowest levels, rather than in the middle (Kasman & Loeb, 2013). Principals in the higher tiers in terms of status or school performance also referred to tiers in the market, though less directly, commenting, for example that “the people we compete with initially would be the other high quality public schools” (Principal, Merton Elementary) or that they are “somewhat competitive with those other highly selective schools” (Principal, Stone Elementary).
School Histories and Legacies

Yet another form of tiering occurred due to schools’ legacies and histories. Several school leaders pointed out that New Orleans parents have a strong tradition of sending children to parochial and private schools, and that public and private schools that were historically important, or where the children’s parents’ attended, still had a draw. The principal at Clark Elementary described how parents first and foremost went for the schools that were, unlike his own school, “traditionally...very good schools,” and had “been around a long time and people trust the area that they are in and the reputation that they had.” The principal at Marshall High also described this phenomenon to explain why some parents did not choose her school despite their relatively high performance:

I think that we compete also with the old tradition of New Orleans schools. Like I went to Romer [high-performing public high school], my dad went to Romer, and my daughter’s going to go to Romer. Well, for some people, I went to Schultz [low-performing public high school] and my kid’s going to Schultz, I want my daughter to go to Schultz. But it wouldn’t matter necessarily that maybe the class was chaos at Schultz, but it’s that tradition for them.

Another principal, at Chandler High, described this tendency as benefiting her school and attracting parents to it:

The history of this school is that a large number of highly skilled black professionals here in this city and in many other surrounding Southern cities graduated from this high school. Your medical doctors, your black lawyers, you know, people that own their own businesses, insurance companies…. But the legacy and the history of the school is why families come here, it’s like my mother went here, my father went here, my aunt went here, so now I’m the niece that goes here, and that’s where it comes from. We have a long history.

These recollections of school quality and the school’s ongoing legacy attracted parents. These comments are also in stark contrast to most assessments of the pre-Katrina system, which most reformers have depicted as entirely dysfunctional and with little of value. While there was significant corruption at the district level, causing the FBI to be stationed there semi-permanently for several years, it is unclear how much of this dysfunction or corruption affected the everyday work of schools (Harris, 2013).

Family legacy, however, also helped school leaders at low-performing schools attract students. The principal at one failing high school that was slated for closure in two years described family legacy as one of the few reasons a student might attend his school because “early on…it was something that was a higher standard for African American people.” Now, however, he felt that the school was in decline, had gotten much worse over the years, and that the only reason students ended up there was if they had no other options or “if somebody in [their] family went here.” Therefore, as the principal of Marshall had suggested, family legacy helped even low-performing schools attract students.

Even some new schools benefitted from legacy if they retained the name of the traditional school even after it was converted to a charter. One principal said that he had “the
luxury of” having a name that “families in the community know of.” He said, “Whether they know of Network A Miller or whether they know of Miller prior to Katrina, the name is out there and so we haven’t had to do as much recruiting as other schools.” Therefore, even a school that no longer resembled the one that parents and community members recalled was able to take advantage of the legacy of attending that school. Legacy schools appear to influence school choice and competition in New Orleans to some degree, although the relatively crude proxy used to capture “legacy” was either not significant or only slightly significant in the whole-network analyses. The qualitative analysis suggests that schools with legacies may be less likely to feel competition than the newer schools, which have yet to make a name for themselves and/or have weak ties to the community. On the other hand, as one principal said, parents are attracted to what is “shiny and new,” particularly if they can’t get into one of the legacy or brand-name schools. Legacy schools also influence the overall market of schools, as schools with long histories are sometimes delayed school closure due to protest or retain higher than expected student enrollments due to status and reputation, not school performance. Districts that undergo significant turnaround efforts or charter a large number of schools will have to address these issues of history and legacy, as well as what a particular school or school’s name means to a community.

Race and Gender

While the quantitative findings suggest a gender effect; that female principals are less likely to compete, the qualitative results did not capture this, partly because 24 out of the 30 sampled schools were headed by female principals, and because the finding was unexpected and not included as part of the interview protocol. Similarly, while there were no significant differences between the perceptions of African American principals and other principals with regard to competition, this also was not illuminated in the qualitative sample, though 17 out of the 30 principals were African American. However, interviewees did report a sense of bias toward school leaders who were female, African American, or New Orleans natives. For example, one principal, whose school was set to close, commented on the gender and racial bias she experienced:

I feel like there’s not a whole lot of support for minority leadership. I just feel like if you look across New Orleans, since Katrina and the charter movement, what do you see? You see young, white, male…. It has to do with politics and money and color. That's what it feels like. One of the community's organizers ... feels like there is a target placed on black leaders, in particular, placed on their backs. It feels like if you're not young and white or backed by a CMO, then you have no shot.

Another principal, whose school also was slated for closure, believed that the bias was a combination or conflation of race and geography:

I think it's more of your locale than it is your race. But, I'm not going to say that race doesn't play a part in it at all. I'm not going to say that. But, I would venture to say it's more of your locale. If you're a local person, then the thoughts are, you probably don't have what it takes to make things happen at a school in the city. Race plays a part. I would agree with that. But, I think it's more of just you being from here that probably
plays a bigger part in it.

It is possible that this sense of unfair policy toward particular types of leaders—African American, female, or local— Influenced their perception of competition in the market. In an uneven playing field, where school leaders feel that there is unfair competition or that they are not able to compete with the same advantages afforded to White or non-native leaders, they may engage less in the market, a finding supported by research on school leaders in California (Wells et al., 1999). This issue is taken up further in Chapter 9, which examines the role of political contexts on school leaders’ work.

Private Schools Not Competition

It is worth noting briefly that despite a significant expansion of the Louisiana voucher system in the year of the study, school leaders, overall, did not view private or parochial schools as competitors. The primary reason was that vouchers did not take many students away from public schools. Twelve principals reported that private schools were “not a huge threat” or took only a few students. In fact, at least three schools reported receiving parents back from the private schools due to unforeseen costs or a lack of focus on intervention. One principal said:

We lost a handful of kids to it, and then we’ve seen a lot of them come right back because, like, one family just came back, it’s like, they’re not keeping up, that’s your problem, and there’s not a lot of an intervention mindset.

Some high school leaders said that there was little competition because vouchers had just been expanded to the high school level that year (Principal, Vickrey High). But others anticipated it might be more of a concern in the future. One high school principal said that he had lost only one student to the voucher program, but that it “verifies to me that there is competition out there. It’s not just the public schools situation now” (Principal, Fisher School). Other schools reported losing a few students to the voucher program, especially to legacy schools that historically served African American students, while others perceived the competition to be asymmetric; private schools competed with them, but they did not view private schools as competitors: “I don’t look at it as me against competing with them, I think they’re competing with us now because we have raised public education to a level that’s making the middle-class person return to public schools” (Principal, Merton Elementary). Another principal said that the private schools “do a run for us,” and expressed concern that some private school contracts locked parents into tuition for several years, preventing them from leaving even if their children were accepted into a high-performing public school. Still, five schools expressed that they were simply not competitors, given tuition and unforeseen costs associated with attending those schools. Overall, most schools felt greater competition from other public schools rather than private schools.

Conclusion

Generally, competition was salient in New Orleans, as theory would suggest given such widespread school choice. School leaders had competition at the forefront of their minds, and they viewed competition with other schools in terms of student enrollment. Whether a school was over- or under-subscribed influenced schools’ experience of competition (Ladd & Fiske,
Yet even oversubscribed schools felt competition with other schools, although their high enrollment sometimes eased competitive pressure at times. While competition occurred across all neighborhoods, a couple of schools, those located in more distant neighborhoods on the outskirts of the city, seemed to occupy geographical niches, diminishing the effect of competition (Glomm et al., 2005; Lubienski et al., 2009). While schools sought out information on competitors, which influenced their perceptions, schools varied in their familiarity with other schools, and newer principals were not always aware of all of the other schools in the city that might be potential competitors. While some principals tracked where all of their students went and analyzed the data to understand the competition, engaging in what Woods et al. call "scanning" behavior, whereby they actively seek out information to interpret the market, others were unfamiliar with schools outside of their area or network.

Schools also competed in what they perceived to be a tiered or segmented marketplace, where some schools were in a better market position than others based on performance, a finding reflected in the literature (Kasman & Loeb, 2013; Ladd & Fiske, 2003), but they also competed based on charter brand or authorizer. The findings suggest an asymmetry of competition (Braha et al., 2011), where competitive ties are not necessarily reciprocated, especially by the highest performing schools or those in well-known charter networks. Schools histories and legacies shaped whom schools viewed as competitors, the tiers of the market, and schools’ ability to compete. Their reputations, good and bad, influenced their market position and who they viewed as rivals, a feature that is important to any school district undergoing such changes or reforms, yet one that is often not discussed in the literature on competition. Finally, race and gender influenced the perception of competition, especially the ability to compete fairly in the marketplace, supporting some earlier work on charter schools in CA (Wells et al., 1999). Finally, private schools were rarely viewed as competitors, despite an expanded voucher program, suggesting that private schools were largely in a market of their own. Next I turn to what school leaders, given their market positions and views of competition, as outlined above and in the previous chapter, did to make their schools more competitive or to retain and recruit students.
Chapter 8: Market Competition and School Leader Strategy

This chapter examines the strategies school leaders employed in a competitive environment. Drawing on the qualitative data from the 30 schools in my subsample, I explore the range of actions they took, including the academic, extracurricular, and operational strategies they employed, as well as the relationship between their perceptions, as explored in the previous chapter, and their reported behaviors. This chapter highlights how school leaders' views and their positions in the competitive network shaped their strategies. I find that while market-based pressure, in the form of competition, was indeed salient for school leaders in New Orleans, and influenced their strategies, the specific actions they took were not always in line with policymakers' or researchers' expectations, nor were they always in the best interests of students and families. While some schools did engage in academic or operational strategies to improve school quality or effectiveness, they were more likely to invest time and resources into marketing the school.

Market theorists expect school leaders, as rational actors, to respond to competitive pressures, which arise through declining enrollments or the presence of nearby schools, by working to improve the efficiency of their schools, the effectiveness of instruction, and the quality of their outcomes (Goldhaber & Eide, 2003). If they do not respond to such pressures, they risk losing the funding that accompanies each student, and their school might be closed. The expansion of school choice is thus intended to be a “tide that lifts all boats” (Hoxby, 2002). As described earlier, there is very little research documenting the process of market competition, and how it might lead to more efficient outcomes, in the education sector. In particular, we do not understand the strategic actions of school leaders who work in a competitive environment.

Research that examines the effects of competition, which is measured using proxies such as geographic density or loss of market share, has focused almost exclusively on student achievement as an outcome and finds that competition has yielded small effects and mixed results (e.g., Bettinger, 2005; Hoxby, 2002; Ni, 2009; Zimmer & Buddin, 2005). However, there may be other outcomes of competition that are important to capture, such as enhanced efficiency (Arsen & Ni, 2012) or increased stratification of students (Hsieh & Urquiola, 2003). Such perspectives have assumed that school leaders are both able to recognize competition and have the capacity to respond to it in productive ways. Furthermore, these studies have used structural measures or proxies for competition, such as the geographic concentrations of schools or the loss of market share to nearby charter schools, but these may not be sufficient to capture the nuances of competition in a district, which my research has shown to be informed by issues of history, politics, and perceptions of asymmetries within competitive networks.

Indeed, a number of studies suggest that the mechanisms of competition are more complex than they have often been assumed to be in policy discussions, influenced by social and political factors. Research on the “demand side” of school choice has, in particular, examined the nuances of market behavior (e.g., Andre-Bechely, 2005; Bell, 2009; Holme, 2002; Jessen, 2011; Scott, 2005), yet the literature on the supply side, or how schools respond to choice has been relatively thin. The complexity of education markets requires an examination of education markets-in-practice rather than markets-in-theory (Gewirtz et al., 1995). School leaders choose from a large typology of responses, ranging from academic and curricular changes to promotional or marketing activities (Woods et al., 1998), and their backgrounds and perceptions of
competition affect the ways in which schools engage in market behavior. For example, using in-depth interviews, Woods (2000) found that school leaders, or “producers,” responded to competition in the public market based on different beliefs and orientations towards their roles. School leaders’ social networks and understandings may influence their views of appropriate competitive behaviors, such as engaging in illicit strategies to recruit and retain students (Jennings, 2010). Furthermore, schools’ positions in the existing market hierarchy, especially in terms of overall school performance, may be associated with their perceptions of competition; schools at the bottom may feel they are unable to compete, while schools at the top might feel they are ‘above the fray’ (Ladd & Fiske, 2003).

Knowledge of other market actors may also moderate competitive effects in school districts. Even when principals are aware that they are losing students to other schools, they may not be able to identify those schools or respond in a productive way (Holme et al., 2013). As some early work in the sociology of markets has shown, organizations may be wholly focused on other producers, rather than on the consumer or, in this case, the parent (White, 1981). The extent to which school leaders ‘scan’ the market, watching the strategic actions of other schools, influences their own strategic responses to schools (Woods et al., 1998), and it may also limit parents’ involvement in such processes. Therefore, the social and cognitive dimensions of education markets have implications for how competition occurs, operating through the perceptions, networks, and understandings of school leaders.

In this chapter, I investigate which strategies are employed by 30 school leaders in the competitive environment of New Orleans, the circumstances under which principals employ these strategies, and their implications for students and communities. Specifically, I ask:

How do school leaders behave within a competitive environment?

a. What actions do principals identify as engaging in competitive behavior (e.g., marketing, improving instruction)?

b. In what ways do these strategies vary across types of schools, and how are they shaped by the school’s perceived rivals and position in the competitive network?

c. What are their implications for students, families, and communities?

School leaders used a number of strategies in response to competition. While school leaders cited academic and operational strategies, as theory would suggest, school leaders also pursued other approaches in response to competition, including finding a niche in the market, adding or expanding extracurricular strategies, improving facilities, marketing, and recruiting or screening students. Table 11 describes the four main categories of responses to competition, which range from most to least desirable in terms of what is predicted by policymakers’ theory of action: (a) improving school quality and efficiency; (b) differentiating the school from others; (c) “glossification,” or focusing on marketing existing school offerings; and (d) “creaming” and “cropping,” actively selecting or excluding students viewed as undesirable. Table 12 shows the strategies employed at each school site. These strategies are neither exhaustive nor representative of all schools in New Orleans, but they help to illustrate the range of strategies used, as well as their relative frequency, within this subset of schools.

Previous studies have documented similar responses to competition in other contexts, and this study deepens our understanding of why schools select particular strategies by examining the conditions under which schools pursue strategies that are desirable to policymakers the
conditions under which they do not. Schools’ strategies in this competitive market differed depending on their location in the market hierarchy. Schools at the high tiers, for example, defined by status or prestige based on how many other schools viewed them as competitors, recruited students differently from those at the perceived low tiers, yet all but one school engaged in some form of strategic competitive behavior.

TABLE 11. Range of Strategies and Examples

<table>
<thead>
<tr>
<th>Type of Strategy</th>
<th>Categories</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve Quality and</td>
<td>Academics, Operations,</td>
<td>• Improving student test scores</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Information Seeking</td>
<td>• Changes to curriculum and instruction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Cuts to unnecessary programs or budget items</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Seeking out information on competitors’ strategies</td>
</tr>
<tr>
<td>Differentiation</td>
<td>Niche, Extracurricular</td>
<td>• Occupying a niche (arts, sports, academics) to attract parents and</td>
</tr>
<tr>
<td></td>
<td>Activities</td>
<td>limit competition</td>
</tr>
<tr>
<td>“Glossification” and</td>
<td>Marketing, Recruitment</td>
<td>• Focus on promoting existing offerings</td>
</tr>
<tr>
<td>Marketing</td>
<td></td>
<td>• Branding and marketing materials</td>
</tr>
<tr>
<td>“Cream-Skimming” and</td>
<td>Selecting or Excluding</td>
<td>• Counseling out students deemed not a good fit</td>
</tr>
<tr>
<td>“Cropping”</td>
<td>Students</td>
<td>• Not advertising open spaces to limit types of students who enroll</td>
</tr>
</tbody>
</table>

The findings are organized as follows. First, I examine overall patterns by describing the competitive strategies across the set of 30 schools. To examine how a school’s position in the district-wide network of competitors and market hierarchy influenced its strategies, as well as how multiple strategies intersect in one site, I explore four cases: (1) one school experiencing low competition, with a small number of competitors, (2) one school experiencing high competition, (3) one low-status school, which was not often rated as a competitor by other schools, and (4) one high-status school, which was viewed as a competitor by many others.

Improving School Quality and Efficiency

The intended effects of competition are to encourage school leaders to increase school quality, usually by improving academics, and to increase the efficiency of their school through operational changes. This section explores how these strategies were implemented across schools.

Academic and Curricular Strategies

Overall, only 2 schools out of 30 reported using academic programs to make their schools more competitive. These school leaders described efforts to raise test scores or added academic programs as an explicit strategy to recruit and retain students. For example, at the board meeting of a school with low academic performance, board members discussed under-enrollment and strategized about how to increase enrollment to sustain the school:

Board CEO [name redacted] said improving test scores are the key to boosting enrollment. “We need to continue to provide a quality education to our students,” [he] said. “That quality will be reflected in increased school performance scores. With a
Another school similarly sought to improve academic achievement, but in this case, the principal said his primary competitive strategy was to hire high-quality teachers by trying “to get the highest quality teachers you can in the classroom.” which could be considered an operational or human-capital strategy as well. In these cases, school leaders made direct links between raising test scores and increasing student enrollment. However, many other schools discussed their academic policies generally, but did not necessarily view competition as the motivation for these programs; instead, in these cases, they described the various state and federal accountability pressures that required them to focus on improving student achievement.

**TABLE 12: School Practices in Competitive Environment**

<table>
<thead>
<tr>
<th>School</th>
<th>Competition</th>
<th>Status</th>
<th>Improve Quality and Efficiency</th>
<th>Differentiation</th>
<th>Marketing</th>
<th>&quot;Cream-Skimming&quot;</th>
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<td>Information</td>
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**Absolute and relative performance shapes the competitive arena.** While most schools did not report making changes to their academic offerings in response to competition, academic performance nevertheless played an important mediating role in competition and school strategy. Schools recognized that their test scores and academic performance brought in, drove away, or retained students. Low letter grades meant both accountability challenges and enrollment challenges because the “grading system makes it a lot easier for a parent to see academic...
performance” (Principal, Marshall High) and letter grades are often “the very first thing that stands out” to parents (Principal, Mundell Elementary).

In addition to absolute performance, relative performance in submarkets based on geography, school type, or niche served also worked to make the school more competitive in terms of attracting students. As noted earlier by the principal of Sachs, whose school was placed in a higher market position among RSD schools when switched over to the OneApp enrollment process, even relative performance can help to make schools more competitive. Another school leader also shared this view when asked what attracted parents to the school: “In relation to test scores across the district, our school is, we’re in the 70s as far as our school performance score, so we are, in the Recovery School District, one of the highest performing schools.” The principal of another school, Bowles Elementary, slated to move from its current location to one in an area with even fewer schools, already believed that her school was competitive academically, but that their move would only enhance their market position and boost enrollment, not just because of the new building they would inhabit: “A new building is attractive, and it's inviting period, but a new building with our record? [New Orleans Neighborhood Name] would be in trouble!”

**Academic performance mediates competitive strategy.** Schools’ academic status, based on test scores, influenced whether the school even had to engage in recruitment or other strategies. Some schools with higher performance did not spend resources on recruitment strategies. One explanation for this might be that the schools’ high performance made them more likely to be oversubscribed and therefore they did not have to engage in many of the marketing strategies that other schools engaged in. For example, Bowles Elementary, because of its high scores, did not have to participate in the school recruitment fair this year:

> They have two fairs a year and after the last year I didn't participate because we do not have the problem. When you make your score, and people come in and do articles about you… The state says, “They’re high performing, out of all the schools in Louisiana, 35 schools were high performing, high poverty.” That's enough, I don't have to go out and recruit.

Another school, which had experienced very high growth in its SPS score in the prior year, also described how it was under less pressure to recruit students: “I think we had like the second highest growth in the city…We grew 20–some points from our first year to our second year, and we didn’t have to recruit. We had a waiting list” (Wolff Elementary). However, even extraordinary growth was not enough for some schools, particularly direct-run schools. Clark Elementary, despite making double-digit gains and even outperforming some other “brand-name” schools, was still unable to compete successfully for students:

> Now the irony of that is we had probably one of the biggest gains, if not the biggest gain, in the state of Louisiana last year. We went up 29 percentage points in academic growth, in ELA alone we went from 42% to 86% at basic or above, in math we went from somewhere in the high thirties to 83% in math. Value-added teachers, 9 of the top 11 in the metro area came from our building …This school was considered a failing school.
In this principal’s case, he arrived at the school too late for the improvements under his management to have an impact; the school was already in the process of becoming chartered under a local charter management organization.

Other high-performing schools also focused on new academic strategies to improve learning for students. At one high-performing school’s board meeting, the principal said of their reading instruction: “test scores are very important, but we also like to teach our children how to read.” She emphasized that this was “not just timed reading”— getting them to “under a minute for the passage” that they had to respond to questions about on the test. Another high-performing school’s principal described a new instruction strategy that would incorporate literacy in all subjects (Merton Elementary). These schools were able to focus on their curriculum and instruction without the constant pressure of attracting students.

Schools also faced tradeoffs between academic growth and enrolling more students. The principal at Mill Elementary described this as a “double-edged sword,” where his school needed more students, but the kinds of students they were likely to attract would depress their achievement scores. The principal at Chandler described how increasing enrollment numbers to the building’s technical capacity would not be a comfortable fit, and would require hiring additional high-quality teachers to maintain standards, not always an easy task. Two other schools described the tradeoff between higher enrollment and higher class sizes, which were not appealing to parents or teachers: “I’d like to have maybe 60 or 70 more [students], but on the other hand, that would really load up my classrooms.” Another school leader said that their strategy to avoid under-enrollment meant higher-than-desirable class sizes: We set our targets for 32 per class...We’ve only lost less than 10 kids all year. Some of our classes still have 32 in them, which I know our teachers are so excited about [sarcastically]” (Operations Manager, Meade Elementary). The pressure to recruit students, or “take all of the kids,” according to one principal, was especially hard on a standalone charter:

Because so many of us are standalone charters, and of course money plays a big factor into it, and kids bring money, there’s a real push to just want to take all of the kids, maybe more than you can handle. It’s not necessarily better for the kids, but you really have a pressure to keep your doors open.

For several schools in New Orleans, then, maintaining adequate enrollment and recruiting students also meant higher-than-desirable class sizes and, sometimes, a pressure to take on more students than the school was prepared to serve.

Operational Strategies

More common than academics were operational strategies, such as human capital investments in hiring and training teachers and staff, budgetary changes, and facilities. Neoclassical economic theory predicts that firms or schools will work to improve their “product,” in this case, instruction, and/or make changes to improve the efficiency of their school, either by changing allocation of resources, innovating, or otherwise making more efficient use of their existing resources. As the previous section outlined, academic changes were rarely tied to competition, except in a handful of cases, perhaps due to the more pressing concerns of state-based accountability systems. However, operational changes were far more common, with almost half of the schools (14 out of 30) citing some form of human capital, business operations, or
facility changes in order to become more competitive.

**Human capital and budgetary decisions.** Five schools responded to changes in enrollment resulting from competition by making strategic cuts to their staff. These schools recognized enrollment losses and adapted to remain within budget. However, what school leaders decided to cut involved strategic decisions in response to competition. For example, cuts were made at Fisher because of the budget shortage caused by enrollment. However, athletics at Fisher were spared cuts because they were believed to be key to attracting and retaining students. At Fisher, the principal described making human resource cuts in response to a drop in enrollment, but convinced the leadership not to cut athletics because of how such programs were necessary to recruit and retain students: “They know that in order for us to keep these kids we really have to have a strong athletic presence.” As he explained, these budgetary decisions and allocations were made to enhance the school’s competitiveness, even when it meant allocating funds to nonacademic programs that were deemed successful for recruiting students.

Another principal said that she had made some staffing changes, particularly at the front desk, to be more competitive, and was also training her staff to “sell” the school:

I’m talking with them about you have to constantly sell your school. So your bad days don’t matter to anyone. And your bad day could cost me 10 students, you know.... So we can’t do that. It’s pleasantries as often as we can. (Principal, Chandler)

The principal at Mundell Elementary, while not making cuts, sought to hire veteran staff and worked to retain them because she believed that the stability of her teachers and administrators was key in recruiting and retaining parents, even though this meant higher salary expenditures.

For many new or standalone schools, a key aspect to remaining competitive was raising enough funds to sustain the school. Many charter schools received startup funds, but these were depleted after a few years of operation. The charter management organizations (CMOs) certainly had an advantage here. At one of Charter Network A’s board meetings, directors discussed how, by spreading fundraising dollars across their school sites, they were able to protect their schools from adverse effects due to midyear enrollment drops. Reports from the Cowen Institute suggest that at some CMOs, the percentage of per-pupil funding coming from private sources is up to 29%, although it is only about 3–4% across the board. While most standalone schools did not discuss funding differences explicitly, they pointed to resources purchased by additional funding, such as marketing, when describing the disparities between their schools and CMOs.

At the same time, some schools’ CMOs might have hindered their ability to succeed. At one board meeting I attended at Simon School, a board member reported that the charter school was in fact subsidizing the operations of the nonprofit which oversaw it; in other words, it was not receiving all of the funding it brought in directly, and some of it was being used to support the operations of the affiliated nonprofit organization. While the charter school did benefit from the partnership with the organization because, according to the principal, the extra services they were able to provide drew parents to the site, board members expressed concern about the allocation of funds between the school and the nonprofit.

Some schools changed grade offerings or class schedules to stay competitive. Some considered adding or expanding their pre-kindergarten programs so as to create a kind of feeder
program for their school. One school in particular ultimately opted not to implement pre-K because it was not “cost-effective,” but acknowledged that it was a tough decision because it would have made it easier to enroll some kindergarteners: “The biggest cost effect is that they would automatically go into your kindergarten, which then gets you 20 [students].” Two schools discussed expanding pre-K or had added grades, but it was not clear whether this was specifically to address the enrollment issues the schools were having or whether they did so for other reasons. Others consolidated class schedules, incorporated more online learning when budgets were cut due to enrollment, developed tiered bus systems, or were building other systems and structures to be more competitive.

**Facility.** Several schools believed that having a new building would make them more competitive and attractive to parents. Unlike organizations in the private sector, schools did not always have control over their school site because there was a master plan at the district level to supply most of the schools with facilities, but they described how access to facilities affected their ability to compete. In this way, school facility was more commonly a mediating factor than a competitive strategy, but some principals focused their energies on lobbying for a new school building, in large part because they knew that was a key to attracting parents. Schools with new facilities expressed that it was attractive to parents. One principal describe how her school's building was “gorgeous” and attracted so many parents and free press coverage that she no longer advertised openings at the site.

New facilities also helped the school to be competitive because they were able to offer more services and extracurricular activities: “One, this is a brand new building. I think that should be stated. It is a fabulous facility. Given the facility, I think parents definitely want to come because of that.” She went on to say that in this “great facility,” they could “provide more opportunities to their students.” And while facilities helped schools to be more competitive, lack of sufficient space or low-quality facilities also diminished schools’ ability to recruit more students. One direct-run school leader, after visiting a school with a new site, described his lack of adequate facilities as affecting what he could offer to parents:

> And I just went to Meade Charter School just yesterday for a meeting and their new building is just beautiful. A brand new building. Beautiful. And I think that's where the other part of competition kind of fades for us because we don't have the newer building … that's afforded some of the charters. And it does kind of wear on what you can offer to parents. (Principal, Prescott Elementary)

For many oversubscribed schools, space or facility constraints prevented them from expansion and enrolling more students. Five schools described this as the major reason they could not enroll more students. Schools with independent funding streams were looking into building their own sites (Marshall High), while others were renting facilities from universities, cultural centers, and churches (Luxembourg, Stone, Hicks), yet the constant movement and uncertainty was making it harder for them to compete. At Stone’s board meeting in the spring, one concerned board member said “not having a location weighs heavily on parents’ decisions for enrollment.” Another school strategized about when to move to its temporary home while its facility was upgraded, and the principal believed that moving midyear could have helped enrollment for the next year, though she ultimately chose not to make that decision, and
according to board minutes, “believes the move is another contributing factor to low re-
enrollment” (Board Minutes). In an interview, she explained how the midyear move, while
disruptive to families, might have been a more strategic decision in light of enrollment for the
coming year:

Initially, they were going to move us out of this building midyear. I just nearly died when
I heard that, and I convinced them not to. But in some ways, I would have almost rather
we had moved at the beginning of the year to some other location, taken the hit that we
needed to take, and been back here quickly. Because then, you can start doing more.

In these ways, schools recognized that space and facility factored into parents’ decisions; schools
with new facilities recognized that they drew parents, and schools without new buildings partially
explained their low enrollment by referencing this issue. For the oversubscribed schools,
however, the challenge was less about facility or newness, and more just a matter of simple space
for expansion. Unfortunately, since allocations to facilities are made at the district level, these
factors are largely beyond the direct control of school leaders. In education markets, which are
overseen by government agencies, the capacity for schools to respond to competition is strongly
influenced by the school district. Therefore, even if schools identified the need to compete in the
marketplace by expanding enrollment capacity, they are constrained or enabled by other factors.

Information Use

As discussed in the previous chapter, school leaders’ access and pursuit of information on
potential rivals varied and mediated their experiences of competition. Schools also used
information as a strategy in the competitive marketplace. For example, some schools actively
gathered information on their competitors, visited other schools to observe best practices, or
examined data to make predictions about enrollment. Such activities have been called
“environmental scanning” by Woods et al. (1998) and other scholars, referring to “activities
through which a school gains information about its local ‘market’ environment, the interpretation
that is placed on that information, and the intentions that school managers believe the school can
and should pursue in relation to its ‘market’” (p. 12). I find evidence of such scanning activity in
New Orleans schools, as well as the use of internally generated information, such as student
enrollment figures.

Three schools described visiting other schools to learn about their practices. For some
principals this was formal, via the New Schools for New Orleans’s programs for principal
professional development and feedback (Wolff Elementary); for others it was more informal or
individually initiated: “Usually it is talking to the principals, the administrators, or anyone”
(Principal, Mundell) or looking at best practices in terms of instruction at other places (Principal,
Marx High). The principal at Mundell also received information informally from parents who
stopped by to fill out the OneApp:

Even as I have parents come here and do applications, if I’m here and available when
they’re doing that and working the counter, I’ll ask, “What school is your child coming
from? Tell me what they’re doing over there. How is your child doing?” Get information
that way, as well.
One school leader said that he paid attention to how other schools marketed themselves to see what they were doing to attract students, but did not actually visit schools: “I know what they're doing because I see their signs… I mean that's what people are doing. They're out there. Some people have cool swag. We have the pens, the Mardi Gras cups, and then we have the banners.” By observing how other schools were marketing themselves, he received information on how to market his school.

Other schools looked internally, rather than externally, for information. One school, facing under-enrollment for the next academic year, was developing a survey to determine why parents were not returning (Board Minutes, Simon School). Two other schools were using their data to predict enrollment. According to one of them:

> We are tracking well for how many families are coming back. We give the district a number. For example, let’s say we have 45 fourth graders. You would assume that if everyone passed we would have 45 fifth graders, but not everyone is going to pass....We’ve tried to work through a variety of formulas to see what would work best and sometimes it's just a gut. This is going to work the best yet.

His school had developed a formula to predict enrollment and ensure that they were filled to capacity. Another school leader also explained that she was looking at her school’s own numbers to predict student enrollment for the coming year: “I was asking just this morning: ‘What are our numbers now? How are we predicting now in terms of numbers?’” While earlier in the year, her school was under-enrolled and she was not sure why, in anticipation of next year, she wanted to make sure they were hitting their targets. Overall, six out of the thirty schools reported using some kind of information mechanism to improve practices or address enrollment issues in response to competitive pressure. More systematic use of external and internal information might be seen as desirable as part of a rational response to market pressures.

**Differentiating Schools: Developing a Niche or Focus**

Schools may develop geographical (Glomm et al., 2005; Lubienski et al., 2009) or product-based (Betts et al., 2005) niches to buffer themselves against competition, despite a simultaneous pressure toward mimetic isomorphism, or mimicking successful organizations when faced with uncertainty (Lubienski, 2003). Few schools that had niche programs experienced high competition, and several schools were in the process of developing niches as a response to competition, or rather, a way of avoiding it. While niche programs may help to provide parents with a range of choices, academic and nonacademic, they do not necessarily lead to better outcomes in terms of educational quality. Schools used academic niche strategies, such as expanding gifted programs or developing an integrated arts curriculum, geographical niches, niches based on student population or extracurricular activities, and human capital niches to attract teachers in the competitive marketplace.

**Academic Niche**

Some schools developed, or were in the process of developing, niche academic programs to attract students and, in some cases, students of a higher caliber who would be screened. One school leader, when asked what she was doing to compete for students, pointed to her application to become an International Baccalaureate (IB) school: “I really think this whole
notion of International Baccalaureate is big, and that's probably the key.” Another school leader identified her open-enrollment AP program as “a big draw.” When asked what strategies she used to make her school more competitive, one principal said that she was in the process of pursuing an A+ state arts program certification, which would integrate arts into the curriculum. Simon School was in the process of expanding its gifted and talented programs to attract more students:

I have increased enrollment in Special Ed on the gifted end. I have brought in gifted in vocal music. We're working on gifted in instrumental. They'll be screened. I have a new Gifted and Talented Division. I have nine students in there. We are working on our gifted screening for gifted in the arts. So I have increased the gifted population by almost 300%. More than that, because we are about up to 20-something of them. We only had, when I got here, three….One of the things that I was able to say at our expos and stuff was that we have a gifted population from the spectrum of academics, instrumental, art, vocal, and stuff like that. I provide that, so that helped out.

To attract students, perhaps in particular higher achieving students, whether in academics or the arts, some schools were developing specialized programs and even becoming certified in them. While some of these drew “gifted” or otherwise already high-performing students, other programs reflected different philosophies of academic excellence, such as the open-enrollment AP and the arts certified programs.

Extracurricular Activities and Student Services

Seven out of the thirty schools discussed extracurricular activities in the context of recruiting or retaining students, usually as a way of differentiating their school from others. At Fisher, competitors were other schools that offered athletics programs, and therefore, as described earlier, the school did not cut their budget for athletics even when they had to make severe cuts across the board. The principal that took over the school midyear also said that they were expanding their other extracurricular activities to include a drama club—“Not everybody wants to be in athletics.” In the context of a discussion on enhancing community support of their new school site, board members discussed bringing in famous local chefs or other activities in partnership with local celebrities and organizations. Alternative or accelerated schools were especially concerned that their exclusive focus on academics was causing them to lose students, and one of those schools was bringing in career and technical education programs and culinary arts to attract more families. Two other schools believed that their lack of certain extracurricular activities, such as a marching band, limited their ability to compete.

Other Niches

One standalone school, as described earlier, was in the process of growing into a CMO. It had selected as its first new site another school in the area, where there was a low concentration of schools. In that way, it sought a geographical niche:

There has historically been a dearth of great schools in the city but most specifically and additionally in the [neighborhood name redacted] community…. The [neighborhood name] is, in my mind, is just often forgotten. So, as a board, we really think our success as
a school, we can just lend some help to building more great schools in the [area].

Other schools identified their gender niche—offering same-sex education—as a selling point for parents (Fisher School), or how their immersion programs typically limited their competition to other schools with such programs (Merton Elementary). Another school leader said that while she still recruited for choice students, she also received a guaranteed number of assigned students who had been expelled from other schools, and was the only school serving such students. Similarly, one school leader, whom I mentioned in an earlier chapter, actually developed the overall model and mission for her school based on data she had access to while working for the Recovery School District. The data showed that there was a specific over-age population in New Orleans that did not receive adequate educational services, and the principal wrote the charter based on that target population. As she said, because of this specific population, she only had one other competitor, a new school that started to serve the same demographic. Finally, one school board member described a niche for veteran teachers because his school retained the state retirement plan, which many other charter schools have replaced. He planned to keep the state retirement plan in place, even though many other schools were abandoning it, because his school was able to develop a human-capital niche of veteran teachers who were drawn to those benefits. Overall, nine out of thirty schools offered some kind of niche program that they believed helped to attract parents or limit competition.

“Glossification,” Marketing, and Recruitment

Marketing and recruitment strategies were by far the most common responses school leaders discussed. Twenty-four out of the thirty schools used some kind of marketing strategy, although their strategies varied depending on their market position. School leaders used formal and informal marketing strategies to attract, and select, students. Previous studies have shown that school leaders use marketing as a strategy to compete for some students (Gewirtz et al., 1995; Jennings, 2010; Lubienski, 2007), advertising their schools to particular types of parents or incorporating language that attracts a certain population. In this way, marketing can also be a form of student selection, although that topic is explored further in the next section.

Range of Marketing Strategies

Schools used a range of marketing strategies, including signs, billboards, and bus stop ads (N=8); flyers and mailings sent to parents’ homes, placed in church bulletins, or handed out in grocery stores (N=11); knocking on doors or making home visits (N=7); parent incentives for referrals (N=5); bags, t-shirts, and other items with logos (N=4); print and radio ads (N=8); partnerships with organizations or individuals, such as child-care centers, chain supermarkets, or local celebrities (N=10); attending school fairs hosted by the district or local organizations (N=13); and open houses and other events at the school (N=8). Therefore, while most schools engaged in some kind of marketing, the strategies they used depended on their market position, in terms of both perceived status and student enrollment numbers.

Schools’ marketing strategies were based on whom they viewed as their competitors in the market, their networks of rivals, how others viewed them, and the type of student population they wanted to attract. For example, while many schools participated in one of the school fairs, organized by a local nonprofit to provide parents with an opportunity to obtain information on
schools in New Orleans, some schools no longer had to engage in such strategies because they received enough applications, and demand exceeded supply. Bowles Elementary did not participate in the big fair to recruit students in the past year, although they had in prior years, because of their high performance and already high demand.

Other school leaders also chose not to engage in marketing or marketed openings at their schools through informal networks. A school with seats available too late into the year might make the difficult decision to forgo additional funds so as not to recruit the types of students who have been out of school for several weeks or have already been kicked out of another school. Schools thus used the act of not engaging in marketing as a form of student selection. One principal identified the “double-edged sword” with regard to advertising openings at his school, related to the issue of screening out particular types of students:

And now for us that battle is unique because we know the more we advertise and push the fact that we have openings the more less-capable students we get. So yeah, I’m about a hundred kids below what we were targeting, but it’s a double-edged sword. Do I want a hundred kids in the building who aren’t in school?

The year of the study was a high-stakes performance year for this charter school; test scores that year determined the renewal of its charter. The school would prefer to be underenrolled than recruit the ‘wrong’ type of student, a pattern also found by Lubienski (2005) in Detroit, where districts and neighborhoods with declining enrollments and empty seats still preferred to remain empty or recruit students from the suburbs rather than open up their seats to local families.

Other schools did not use marketing strategies either because they did not know they had to or because they were fully enrolled. Three schools simply relied on the new OneApp system for enrollment, but were under-enrolled when the school year started. At that point, one school, Hicks Elementary, began an aggressive recruitment campaign:

We did public service announcements, print advertising, some paid-for advertising, and a major interview was done on a radio station that is quite popular particularly with our African-American community and we have banners on the school, all kinds of stuff.

However, the principal felt that the school had started conducting outreach too late and resolved to begin recruitment much earlier and with a “more aggressive” campaign for the following academic year. Indeed, their campaign began in the Spring semester, and they reported using a number of marketing strategies at that time. The other two schools continued to use the OneApp referral system to fill seats, though they were still under-enrolled at the count date in October. Some schools with high academic gains still engaged in some marketing (e.g., brochures, advertising), but began to cut back on marketing because they were already oversubscribed. At Merton, for example, the principal said, when asked about her marketing strategy:

Actually, because I’ve had almost 1,000 on a waiting list, I’m somewhat downplaying my PR only because I feel horrible that people go through the process of applying when I know that after kindergarten, I have like 98% retention rate with my students. I want to tell people all about Merton, but we’re in the news a lot and because we have this
gorgeous, new $24 million building, it has attracted a lot of attention on its own.

Another school in a similar market position, however, still conducted marketing and outreach in order to attract families that may not otherwise think that the school was an option for them:

We would like to, even more strategically, make an effort to visit child care centers in underserved populations and work more in that area. Though we don't have any problem getting applicants, we feel a moral obligation to go out and make sure we're reaching everyone. That we're not overlooking families who just hear “Stone School” and think “that's not available to me.”

As this principal recognized, stopping recruitment efforts when there were enough students could also limit the applicant pool just to families who already had access to information resources through their networks or other means. Therefore, she continued to market selectively to recruit a more diverse student body.

“Glossification” and Branding

As marketing becomes necessary to attract and retain parents, schools appear to be pursuing more sophisticated branding strategies. As Gewirtz et al. (1995) similarly find, the introduction of market forces creates a cultural transformation in education, where surface appearances and images are increasingly important, what they call a “glossification” of schools. For charter schools especially, managing one’s brand was important. The two standalone schools that were in the process of transitioning into CMOs were investing in branding and marketing. At a board meeting I attended, there was a presentation from a consulting group that worked with public organizations and charter schools in New Orleans to help them develop a brand, website, and marketing campaign; it's mission was to develop “strategies to make schools competitive in the marketplace.” At the meeting, one board member said that they have been so busy doing the work that they forgot to tell people about their achievements. Furthermore, because the two schools in the CMO existed in different locations, with different histories, and because the CMO was hoping to take over another school in the future, it was important for them to signal to parents that these schools were linked and establish name recognition.

Similarly, at the other school in the sample that was in the process of expanding from a single school to a network of two schools, there was also a focus on “rebranding” the school as a CMO rather than a standalone charter at the board meeting I attended. They were in the process of designing a new logo and rebranding the website. Finally, another school that was part of a CMO discussed protection of its name and usage of the logo on social networking sites. They were in the process of obtaining a trademark for their school’s brand. As one board member said, there was a need “to protect and preserve, to the extent possible, the integrity of Stone in the media.”

This “glossification” effort requires the participation of a broad range of school actors, including operations managers, counselors, parents, and teachers. Certainly, the principal or school leader feels the most pressure to manage this brand, but other staff members and even parents and students may be a part of the marketing campaign for a school. As one principal said about marketing and recruitment:
I think it probably affects my role more than anyone else's just because I'm the one who is constantly—me and my director of finance, and our board—just making sure we have the school full. And our admissions director who you met in the main office... Because we're always mindful of making sure we have our number of schools to keep our staff. And try to not put that pressure on teachers. (Principal, Luxembourg)

At some charter networks, the primary responsibility for marketing and recruitment falls on someone other than the principal—an operations manager or counselor, for example. Other schools bring along teachers and staff members to school fairs, while others described training their staff to “sell the school” or replacing them if they were not projecting the right message, as described in the section on human-capital strategies. Another school strategically invested in branding t-shirts that he hoped would be worn on the weekends by teachers, staff, and parents:

One of the things that we try to do is, our teachers and students have more T shirts, and they're beautiful. We put our name on everything. It's bright gold, it's black, it's bold. I know this, the kids that we have wear their uniforms all the time, they wear the T shirts all the time. They wear them to Wal-Mart. They're going to wear them when they go to the park. Teachers are going to wake up on a Saturday and wear it to the gym or wear them to go get their taxes done. And people are going to see them, and they're going to notice that. (Principal, Clark Elementary)

Of course at other schools, the charter networks handled much of the marketing, as also described above.

Furthermore, this relatively new practice in schools affects how school leaders view their roles. One principal, described in the very beginning of this study, returned to the New Orleans job market after spending five years in Baton Rouge after Katrina. She said that she went to several interviews for positions she knew she would not get just to get a sense of the new “culture” of schools in the city, where you had to “sell” the school and “vie” for students. As Gewirtz (2001) similarly describes, as principals confront their new roles, they begin to adopt the language of the market, referring to “selling” the school or “vying” for students. While marketing serves as a form of information and was essential for school leaders in this particular context, these strategies are less about school quality or school improvement.

**Content of Marketing.** Some schools responded to competition simply by marketing the programs and services the school already offered, rather than developing new ones. Fisher's principal, for example, would begin to highlight its graduation rates, college acceptance rates, and its programs for tracking academic growth:

We are also, for our middle school, beginning to focus a lot more on data analysis and getting our parents to understand how the Achievement Network, which is a benchmarking system, works and really just unveiling to parents what that is. Although the school has had that a couple of years the parents didn't really know anything about it.

Rather than make substantive changes, then, this school leader was going to market the features of the school already in existence to ensure parents were aware of them.
School leaders who anticipated having a new building within the next year or two believed that it would help them with enrollment, and it was a key feature of their marketing: “The other thing that we are doing to enroll more students is to capitalize on the fact that Fisher is going to be getting a new facility with construction to start at some time later this year.” At Meade School, the operations manager described how she liked to mention at school fairs how their school had an excellent speech therapist or whatever other services might benefit the child. The principal at Mundell said that they were advertising their arts programs “heavily” and marching in parades to attract more parents. Lewis School also marketed their school using extracurricular activities, such as their African drummers and their band. Fisher said that they were known for their athletics, but not all students were drawn to it. They, therefore, were not only expanding their extracurricular offerings, but also advertising their already existing programs, such as band and public speaking, to draw parents. Rather than adding new academic or other programs in order to improve school quality, these schools focused on marketing their existing offerings.

**Marketing on an Uneven Playing Field.** Marketing of schools occurred on an uneven playing field. It was particularly different for standalone or “mom-and-pop” charters, as well as direct-run schools, to compete with “brand-name” schools with large advertising budgets. As the principal at Clark Elementary, a direct-run school, said, he used community organizations “to market in areas that we’re not able to market with billboards and stuff like that.” Another school, a standalone charter, was unable to advertise as much as they would like due to budget constraints:

> During the year we have very little advertising. I would like to say that that will change but of course it is what it is with the money situation and I doubt seriously that we will be doing anything to that end this year because of the loss of revenue. (Principal, Fisher School)

In this case, the “loss of revenue” he referred to was from underenrollment, creating a kind of ‘catch-22’ when schools lost funding because of low student enrollment and thus had fewer resources with which to recruit the additional students they needed to solve budget shortfalls. Another standalone charter school had a foundation that raised money for the school, but even then, spending on recruitment caused a budget shortage, according to minutes from a board meeting. On the other hand, schools that were part of CMOs typically relied on the network to create flyers or send representatives to fairs. At Network B, for example, the central office for the charter network created flyers for the schools, even though each school conducted targeted outreach. At Network C, the CMO invested in bus station ads and other marketing materials to advertise the brand. Network A also had billboards and bus ads, and helped to raise funds and allocate students at the network level, removing that burden from the individual school.

**Recruitment Strategies**

Several schools overenrolled students, more than the desired amount per class, in order to combat attrition and so that the district could not assign students to their schools midyear. The principal at Marshall High, for example, used wait-lists at the start of the year, but upon reflection noted that they “should have just let everybody in.” Another school stayed filled
throughout the year to avoid receiving students in the middle of the year:

There’s a community that’s always moving. What I’ve learned, though, is that the more you stay filled, the less that teachers have to handle a revolving door, and if we have a little buffer, or even overenrolled a couple, then it’s not constantly flow in. (Principal, Wolff Elementary)

This school’s practice could also be viewed as a form of selection, which is discussed in more detail below. Schools noted that the tradeoff between balancing your budget and having larger classes (“Enrollment runs the budget; the budget runs the enrollment”) often pushed schools to take on “more than they could handle,” as described above.

Schools often focused on both retaining and recruiting students. Both were goals at Marx High, and Meade even conducted this in two phases:

I kind of see them with the two phases….we spent the first two weeks—I’m not even trying to get new kids—we just were hustling to get the ones back in. …After two weeks we had probably 95% of all of ours back with probably 94% saying they were returning. We knew some people might change their mind or move, but we told them, “You would rather reserve your space or not have it.” Kids will get defaulted back if they don’t fill it out, but we were like, “Make your choice, make your stance heard in this.” After that was when we started…hustling for new families, but using our old families first.

Three other schools also referenced their high retention rate, in the 90s, which eased the burden of recruiting new students at the higher grade levels, but the earlier grades, especially Kindergarten, was always a challenge. Some schools considered adding grades, especially Pre-K to ease the burden, but others decided against it. Some schools did not state this explicitly as a recruitment strategy, but also added grades or used within-network feeders in what appeared to be efforts to increase enrollment. Klein School discussed expanding its Pre-K program at its board meeting, and the board also discussed taking over an additional school. Other networks in the city also developed feeder programs; rather than focus on a particular grade, Network A, for example, expanded from elementary and middle grades to serving high school as well. Other schools broadened their population in other ways. One alternative school was seeking permission to begin serving over-age students as well, a means of expanding their potential student base.

Schools also used staff and parent incentives to recruit students. Four schools used parent referral programs or incentives. At Lucas Elementary, the principal gave parents a “ten-dollar referral”:

Let’s say you bring in a child. A current student’s family gets a student registered, we give out ten dollars in the spring if they end up being part of it. They add up. People get like $50 bucks at Walmart.

One of these schools also used staff incentives to encourage teachers to have their students bring back the enrollment forms (Operations Manager, Meade Elementary). Another school used parents to recruit students by asking them to invite like-minded parents to a special, invite-only school night.
We’ve done invite-only open houses, where we target specific types of parents, and we say, “Hey, we really love you as a parent and we want you to bring another parent who’s like you.” … I hold referrals like a recruitment open house, where I invited parents whom I believed epitomized an Arrow Prep parent and then I asked all of them to bring a parent. So I got a couple of parents that way. (Principal, Arrow Prep)

This targeted recruitment of “specific types of parents” was a form of selection, discussed in more detail next, where the school tried to attract certain types of students, despite its open-enrollment status.

Another type of recruitment strategy, which was sometimes selective, was schools' informal contact with affluent parents seeking placement, within-CMO cooperation to place students, and informal relationships with feeder schools, schools that were closing, or selective-admissions schools that were oversubscribed. For example, in an interview with a school board member, he described how schools and parents used him as an informal school assignment mechanism:

There’s no way to figure out where there are spots so usually what happens is people just call. They should call the school system, and they do, but it’s just not the way people are in New Orleans. People call people they know.

He went on to describe how an acquaintance reached out to him:

He’s calling and he has two friends who are PhDs who are moving here this summer… so I was explaining to him how everybody basically started applying in January and everybody got their letters in spring….So he calls and I was like: forget about Schelling, there’s no slots there, but let me check around with the school leaders. Like somebody would say: “Oh, we have a 6th grade position and we have a 2nd grade position.”…I had a list, but it’s impractical and as crazy as it sounds, there is no list. Part of it is that nobody wants to give up that information in a real-time format and part of it is that everybody thinks that they’re going to get screwed somehow. So what ends up happening is that when people get down to brass tacks, they start sending me more. I mean, people will give it to me if I ask because they want to fill the seats but it’s like when they’re volunteering it then that tells me that they’re getting worried because it's getting close to October 1st [the count date which determines the budget].

The informal assignment of students, where schools kept information on empty seats to themselves until absolutely necessary, gave schools much more control over which students to accept and could serve as a form of selection, which is discussed next.

“Creaming” and “Cropping”: Recruiting, Screening, and Selecting Students

In addition to formal marketing efforts, schools also informally recruited students, had relationships with feeder schools, or used other strategies to recruit and retain students. Principals also directly reported screening and selection behaviors. In open-enrollment schools,
which were the majority in New Orleans, such practices were not permitted. Schools are expected to accept all students who apply, and if there are more applications than slots available, they are to hold a lottery. In those cases where schools reported such behavior, they seemed to view the selection of students not as a choice but as necessary for survival. In most cases principals reported such practices matter-of-factly, not seeing anything wrong with them. As Jennings (2010) has found, schools vary in the extent to which they engage with such practices, and their own understandings and beliefs influenced the extent to which they engaged in such behavior. Schools in New Orleans are responding to market pressures, but they are also responding to a “different set of incentives” (Lubienski, 2005), including balancing the accountability pressures to improve test scores with the need to enroll more students. Similar to the school districts in Michigan that were unwilling to market their schools to local families, I found that even schools with declining enrollments and empty seats also sometimes prefer to remain under-enrolled than to attract students who might hurt their test scores and chances of charter renewal.

Perceptions of an Unfair Marketplace

As described earlier, schools viewed the market in tiers, with more selective schools at the top, and direct-run schools at the bottom. Schools in the “middle tier” lost but also received students from the upper tier, with some claims that schools kick out students after the count day so they do not affect their test scores. One principal describes this phenomenon:

And we typically, historically, we've gotten more kids as that date pushes past October 1st, because after the allocation is actually given out, now all of a sudden, that's kind of hard, that's bad to say, but that's the reality: “I've gotten the assessment for you, so now I'm less likely to have you impact my scores...'Cause I don’t want you to negatively impact my scores, so you need to find another place if you can't march to our beat.” (Principal, Fisher)

Most of the evidence of selective enrollment practices came from schools like the one above that received students who had been kicked out of other schools, schools usually not at the top of the tiered education system. Eleven school leaders reported such behavior on the part of other schools, including a perception that some schools were becoming a “dumping ground” for students who had been turned away from other schools (Principals at Samuelson Academy and Frisch), and that some schools received higher than typical special education populations, or students with more severe disabilities, because of such practices (principals at Prescott, Klein, Simon, Marx, and Chandler). One school leader reported that schools did not all follow the OneApp procedures, directly enrolling students when they were not supposed to (Principal, Wolff). Other schools reported having their top students recruited away (Chandler, Marx, and Clark). Even some open-enrollment schools required parental contracts, which served as a form of selection, as one principal reported (Hicks).

Schools that were under-enrolled received kids midyear, which hurt their scores even more. Simon School, for example, because it was under-enrolled, was assigned students via OneApp late into the year, and the principal described her concern over receiving students just before testing:
They have to come to you, because you have available space. This is two weeks before testing... I've taken four children in the last week. Testing started today. I took an eighth grader last Friday, and they got tested today on Explore...The score counts for me, and I have had no opportunity to even touch the child, know what this child is capable of...They just called me on Friday. They gave me another one of the same caliber, worse, actually, hasn't been in school for one month, and wanted me to take the child. ... I'm not doing it, because you already told me I'm an F school, and if I don't raise my scores then what are you going to do to me? You're going to close the door, and you're going to look at me and you're going to deem me unfit, but you're about to give me a child on Monday morning, but they enter testing on Tuesday, that hasn't been in school all year?

This school leader, whose school was in danger of being shut down, was concerned that with these last-minute students, her school would be even less likely to meet their academic achievement goals. These perceptions of how other schools engaged in illicit activities can affect the extent to which school leaders believe they can compete in an environment with school choice (e.g., Wells et al., 1999).

**Screening and Selecting**

Schools in the sample were themselves engaging in screening and selection practices. At least 10 out of 30 engaged in some kind of selection process that was either open, in the case of selective-admissions schools, or that they admitted to me. For example, at Fisher, even though the principal described other schools’ selection processes, he, too, said that their school “is not for everyone,” despite the fact that it is open enrollment. Simon was working to expand their gifted programs to attract higher-performing students. At Bowles Elementary, the principal said that she “does not want to lose any good kid,” suggesting that she might work harder to retain certain types of students. Chandler, another open-enrollment school, screened out midyear transfers, but made exceptions for victims of hurricanes or someone who was “a great student”:

> We just had a parent come this morning trying to get a kid in. I said, “I’m sorry, you can’t do that. I don’t have any way of knowing what the kid’s been doing for the last couple of months,” you know…. Now, I do have two coming in tomorrow from LaPlace that flooded during Isaac so of course I need to look at them, you know, because they lost their homes, so I will visit that. But you just changing schools locally here in New Orleans? I’m a little leery about why you would be doing that. But hey, you’re a great kid, I’ll look at it! [laughter] (Principal, Chandler)

Another open-enrollment school that was set to join the OneApp described how it would affect their selection processes because they would no longer be able to screen families:

> On OneApp, the children choose you, you don’t have that communication and dialogue that we had. Previously, we were able to do interviews and just see if the family fit for our institution. That’s one of the differences with being in OneApp...Whereas, some students may want to come for name, but will not be prepared for the expectations of the school, because it’s different from what you would see on “Blackboard Wars” at John
The expectations are totally different. (Principal, Sachs)

She went on to describe how parents who weren’t “ready to step up to the plate” or prepared for the school’s “high expectations” would usually transfer out, another form of selection through attrition:

For those children who are not ready to step up to the plate, and the family is not ready for the high expectations, they'll transfer out. With us being an open enrollment school, usually that's what happens. They may say, “Oh, it's too many rules,” or, “It’s too hard,” and they transition. Whereas, if they know the expectations of the school beforehand, they pretty much have an idea of what they step into.

Another school leader admitted that not providing transportation could be viewed as a form of selection. Other schools, as described above, tried to select parents who were more involved or embodied the school’s mission by tapping into parents’ networks and inviting them to special school events. While these practices may not seem widespread (10 out of 30 schools) nor extreme in the way they are implemented, it is important to note that these are simply the selection processes that schools were willing to share with me, a researcher who they were not close to, and only met with two or three times during the year. The fact that they did share these practices indicates that they did not see them as illicit, but rather simply as part of the necessary work of recruitment in a market-based environment. More severe selection processes may also occur, although the principals might not have been as comfortable reporting them.

How Perceptions and Strategies Intersect at Four Case Schools

Here I examine the incoming and outgoing ties of four schools to demonstrate how market or network position influenced strategies at these sites. Furthermore, while the above analyses showed the strategies across schools, these selected case studies show how multiple strategies interacted at school sites. Previous chapters explore the whole network; these cases are not meant to be comprehensive but rather to zoom in on parts of the network to show how schools’ positions in the network, using one measure of centrality, influenced their strategies. “High Competition” schools were schools that reported a large number of competitors, while “High Status” schools were viewed as competitors by a large number of other schools.

Spence High School: Filling a Niche (Low Competition)

Spence is a charter high school with low outdegree, part of which can be explained by geography: since there are few high schools in the surrounding area, they likely do not view many schools as competitors. However, more factors than just geography were at play, especially since students traveled from all over New Orleans to attend the school. The school leader also reported low competition because the school served a special population: students who were over-age or otherwise need alternative schooling arrangements. The principal of the school named only one other school as a competitor, another alternative high school, which served a similar population, yet 12 other high schools viewed Spence as a rival. This reflects the asymmetric nature of

11 “Blackboard Wars” was a documentary produced by Oprah Winfrey about the dysfunction at John McDonogh High School in New Orleans. It was a major topic of conversation during the year of the study.
competitive ties. The principal explained why she had so few rivals:

There’s only one other choice because my population is a specific population. They are two years behind, and at least two years behind in grade level. So a lot of my students, other people won’t take, because they’re 19, 20, 21, they’ve been incarcerated, they’ve had babies, they have all these issues, and we try to work with them.

The school’s principal, also the founder of the school, selected this target population after looking at the data on students in the district: “When I wrote the charter, I was working for RSD [the school district]…and I was able to access the database because I was working there. There were 1,728 students that qualified for the school. So yeah. Definitely the need was there.” Figure 18 shows the school’s outdegree on the left (only one tie, which was mutual), and both its incoming and outgoing ties on the right. The school was oversubscribed despite its “F” grade from the state for student achievement, and the principal planned to expand its enrollment in the coming years. This niche her school occupied might have buffered her from experiencing the high level of competition common to other high schools in New Orleans.

FIGURE 18: Spence School

Spence School: Low out-degree (L), and higher in-degree (R), with only one mutual tie. The figure on the left shows only out-degree, and the figure on the right shows both incoming and outgoing ties.

Even this oversubscribed niche school engaged in competitive strategies to retain students and perhaps to build a reputation that would help with its upcoming expansion. First, as the principal described above, creating this specialized school was a way of “competing,” or, more accurately, avoiding competition, while maintaining a competitive position. Second, the principal noted that the school’s almost exclusive focus on academics, due to the accelerated program, discouraged some students who might attend otherwise: “Our biggest challenge is we strictly do school. We don’t do football, basketball, baseball, we do no extracurricular, we don’t do any of those.” The principal noted this as their biggest recruitment challenge, especially because the students, rather than their parents, often selected the school. The school was beginning to offer more extracurricular services, the types that were available at other high schools in the city:

I’m working to do something with…the New Orleans Recreation Department to do some intramural type sports because even if I had a football team, most of our kids would
be too old to be eligible to play, and the Recreation Department actually stops at 16. So they are in that gap where nothing’s there for them. So I’m trying to work with them to get something going with them.

Finally, the school used marketing and recruitment strategies to compete with other schools, including banners at bus stations, provided by their CMO, radio ads, mailings, and attending school fairs. But the school found that the usual district-coordinated school fairs were not helpful for attracting their population of students:

We actually did the Urban League fair on Saturday, and then we did the thing at Greater Gentilly High School for eighth grade, but again, that’s not our big target population. That’s not the students that we are targeting. We’ve done a lot more with the probation officers and the places like Covenant House where homeless kids live.

Overall, this school’s niche population helps to explain why it had such a low number of perceived competitors, but it does not explain why 12 other schools viewed the school as a competitor, not all of which were serving “alternative” students. One reason for this may be that Spence received students from other charter high schools, but that students who left Spence usually dropped out altogether or received their GEDs, so that other schools lost students to Spence but did not receive them from Spence.

Lucas Elementary School: “Hustling” for Students (High Competition)

Lucas Elementary was a school with high outdegree. The principal felt high competition, listing 40 other schools as competitors (two-thirds of the possible competitors). Lucas’s indegree was only half of that; only 20 schools named Lucas as a competitor. Lucas was a charter school that had been open for several years at the time of the study, serving grades K–6. It was not underenrolled, but described the recruitment for students as a “hustle,” and talked about the challenges of attracting and retaining students at the school, especially since it has been given an “F” grade by the state for its test scores. The principal felt that this school was “at the bottom” in terms of competition, and was losing students in fifth grade to recruiters at other schools, an issue brought up at a public board meeting as well, when a board member said: “The thing that keeps me up at night is enrollment numbers.”

In Figure 19, we see the market from the perspective of this school. The image on the left shows the outdegree only, and we see that the school felt competition with many other schools. On the right of the figure is the full ego network, consisting of incoming and outgoing ties. Lucas had a high number of mutual competitive ties (shown in green), which means that many of the schools it named as competitors also viewed Lucas as a competitor.

In response to this high competitive pressure, the school leader at Lucas used informational, marketing, and operational strategies. His school gathered specific information on student enrollments, using a number of different algorithms to track how many students would return in order to give that number to the district. As he said, it was a “fine line” because on the one hand, the school wants seats to be filled by the district, if necessary, but doesn’t want to give them too many or too few seats to fill. In addition to tracking information on his own school, the principal examined the marketing materials of other schools carefully, adopting some of the same practices, such as Mardi Gras cups with the school’s logo and pictures of students in graduation
robes. He attended the school fairs, armed with “cool swag” and even had a staff member dress up as the school mascot to “get the crowd going.” The school also used parent incentives, such as gift certificates at Wal-Mart, to recruit students in prior years, but found it more difficult to track referrals under the district’s OneApp.

FIGURE 19: Lucas School

In their marketing, the school leader tried to avoid mentioning its low SPS score; instead he drew parents by emphasizing safety and confidently stating, “If you love your children, then this is the only school they should be at.” In response to the threat created by the other schools recruiting away fifth-graders, usually middle schools that begin in fifth grade, whereas Lucas ends in sixth grade, the school’s board minutes showed a concerted effort by the board to reach out to parents of fifth graders. School partnerships with outside organizations were primarily for publicity, and the school invited local musicians and chefs to events hosted by the school. Operationally, the school implemented a tiered bus system to cut transportation costs by eliminating the need for one additional bus. They also adopted a teacher incentive program to retain and reward teachers based on school performance. Given that all of these expenses are paid from the operating budget, schools without external or private funding, or those that were less connected to key reform organizations in the city that facilitated federal funding, would be unable to compete in this way.

Marx High: A School of Last Resort (Low Status)

Marx High is a direct-run high school in the RSD. The school is an “F” school based on state rankings. It shares its building with a charter high school, the only other high school in the surrounding two-mile area, and it is likely going to be chartered over the next few years. The school was expected to experience low competition given its geographical location, but the principal viewed over 70% of the other 30 high schools as competitors, in part because they receive students from all over the New Orleans metropolitan area and beyond, even though most students come from the neighborhood. The principal believed that “competition is relative,” and that other schools have the ability to recruit students, and he believed that he was receiving a
greater number of students with physical disabilities, pointing to the fact that his school had “10 wheelchair kids” while the charter school sharing his building had zero. Of course, the charter school had fewer students and grades, which might have in part accounted for this discrepancy, but the principal viewed competition as occurring on an uneven playing field.

Figure 20 shows this school’s incoming and outgoing competitive ties. While 22 of the 31 other high schools were named as competitors (outdegree), only 9 schools named it as a competitor, reinforcing the general finding that RSD direct-run schools were viewed as “last resorts” explored in previous chapters. As a reminder, one principal of a direct-run school said of schools like his: “we’re probably one of the last resorts.” This sentiment was echoed by principals at other schools as well. However, 7 of these 9 ties were reciprocated, indicating that while competition was asymmetric overall, this particular school leader had a strong sense of which schools viewed his school as a rival, but he also viewed a number of other schools as rivals, too. Eight of the nine schools that named Marx as a competitor were charter schools; only one was another direct-run school. This information suggests that the low status of direct-run schools overall did not prevent charter schools from viewing schools like Marx as a rival.

Figure 20: Marx High School

Marx High School: Low in-degree (L) and relatively high out-degree (R), with few mutual ties. The figure on the left shows only in-degree, and the figure on the right shows both incoming and outgoing ties.

The school’s awareness of its relative low status led the principal to believe that competition was “relative,” and that the playing field was uneven, particularly in terms of how students with disabilities were allocated. The only strategies he used to compete were marketing and information. Despite their low status, the school leader described an active marketing campaign focused on “advertising and awareness.” The school sought to retain and reenroll students and attract new students as well. Given the imminent chartering of the school site, it is not clear what the motivation to enroll additional students was. The effort to attract new students could be an effort either to maintain student enrollments for funding purposes in the interim or it could be a way for the leader to prove himself capable of running the school in the hopes that he might be retained as a school leader under a new operator or offered a position elsewhere. In order to remain competitive, he reported looking to other schools to gather information on what they were doing in terms of instruction. This information-gathering is likely not very different from what school leaders in more traditional districts would do, but
coordination across independent organizations to schedule visits and share information requires greater effort than it would in a more traditional setting. The fact that the principal used the information to make his school more competitive also differentiates it from other sites.

**Sachs School: Relative Performance Offers Competitive Advantage (High Status)**

Sachs is a direct-run middle and high school in OPSB. While it used to be a selective-enrollment magnet prior to Katrina, it is now officially a non-selective school. The school is relatively more diverse than the other schools in New Orleans. While 84% of its students were African American, the school also had a sizeable Asian and Latino population. The school had a letter grade of “B+” awarded by the state. The school was expected to experience high competition based on the 21 potential competitors in the surrounding 2-mile area.

In addition to its nonfailing status, parents come to the school because of its legacy: “they are not aware that it is no longer a magnet school of some sort,” and the school has “a very good reputation.” The school leader said that the school does not “really” compete, at least not the way they did when they were a magnet school. Even as an open-enrollment school, she views her competitors as those that are higher performing. The fiercest competition was among the tops students, which she lost to other high performing schools in New Orleans. Figure 21 displays the school's incoming and outgoing ties. The school was listed as a competitor by 34 other schools, which put it in the highest tertile. Again, this was asymmetric; Sachs named only 8 out of its 76 potential competitors. As mentioned earlier, in addition to its already high market position as a part of OPSB and its B+ letter grade, it also recently received what the school leader perceived to be an increase in desirability because of its inclusion on the OneApp. Instead of submitting a separate application to the school, Sachs was now listed alongside dozens of other schools in the RSD. When I asked if this changed the level of competition—opening the school up to new rivals, perhaps—the school leader responded: “The competition is slim to none. I’m not bragging, but we’re like the best high school on this application.”

**FIGURE 21: Sachs School**

![Graph of Sachs School connections](image)

Sachs High: High in-degree (L) with low-outdegree, and both in- and out-degree also represented (R).
She continued:

Even with being in the pool of an application process, we are not competing because we’re on two different levels...so there’s no competition for us. If anything, the students who would apply to us who won’t get in, still won’t go there [referring to RSD schools.]. They will probably either go to a private school or choose another.

The strong segmentation in the market buffered the high-status schools from competition with other schools.

Part of maintaining a competitive advantage came from the district’s student assignment function, and the transfer to the OneApp moved the school from being moderately performing in a high-performing district to being very high performing on an application with primarily failing high schools. However, the school used marketing and selection strategies as well. In terms of marketing, their school counselor attends fairs and expos, and also visits feeder schools. The school’s illicit selection process came to light when the school leader described the downsides to being on the OneApp rather than directly controlling admission. As an open-enrollment school, the school should not engage in selection processes. However, the school leader described how participating in OneApp meant that they would no longer be able to screen families in the quotes above, under Selecting and Screening Students. In the past, they were able to screen out families who might not be “prepared for the expectations of the school.” However, news reports regarding the implementation of the OneApp have shown that schools were still able to selectively enroll students, often by sending a lower number of total seats available to the RSD, and then filling additional seats through direct enrollment.

**Conclusion**

School leaders, in response to competition, engaged in a number of strategies, ranging from changes in academic services to marketing. As neoclassical economic theory would suggest, school choice in New Orleans created competitive pressures, which were salient for school leaders. Furthermore, schools with lower enrollments felt greater pressure to respond to competition. Many schools across the board were actively working to improve their operations, including human operations and budget allocations, which could potentially lead to more efficient uses of resources. But the findings also reveal that insights from the sociology of markets are useful frames for capturing the dynamics revealed in my data. While competition is having its intended effect in terms of placing pressure on schools, particularly those that are low-performing or under-enrolled, school leaders do not always respond to those pressures in the ways imagined by policymakers. Schools developed niches, creating a balkanized or fragmented market, which might serve to provide better opportunities and stronger match between parent desires and school offerings, but is certainly different from the traditional economic view of a “rising tide lifting all boats.” Furthermore, schools' perceived hierarchies, their perceptual sets of rivals (Porac et al., 1989), influenced their responses to competition. Through the perceived hierarchies, schools were placed into tiers of the market, either as experiencing a high level of competition (viewing a large number of other schools as competitors) or as high status (where other schools were more likely to view them as rivals). School leaders’ practices, particularly around marketing and selection, sometimes exacerbated the segmented nature of the education market.
If the aim of choice policies is to create pressure on schools through the mechanism of competition, that is certainly occurring, but what schools do in response to those pressures is not always in line with policymakers’ goals. Furthermore, while accountability policies are most connected with academic strategies and practices, the combined pressure to both enroll a greater number of students and raise test scores to meet state targets seems to be linked to the negative consequences, such as the practices of screening and selecting students. Next, I will explore how local “conditioning factors” (Ni & Arsen, 2010) at the district level and schools’ political contexts, including the regulations and tensions at the community level, affected school leaders’ capacities to respond to competitive pressures and helped both to alleviate and exacerbate educational inequities.
Chapter 9: The Visible Hand: Markets, Politics, and Regulation in Post-Katrina New Orleans

This chapter reveals how the regulatory environment influenced the competitive practices in schools that were described in previous chapters, as well as how the changing governance structure created new political and regulatory roles. Data come from interviews with district leaders, intermediary organizations, and school leaders in New Orleans. While previous chapters highlighted the mechanisms of market competition, focusing on the so-called “invisible hand,” this chapter argues that all markets, but especially those in education, are governed also by a visible hand that influences how they operate.

Economic worlds are political worlds. As the findings from this study and other existing research make clear, competition between schools is shaped not only by social and economic forces, as outlined in the previous chapters, but also by political relationships, local government institutions, and district regulations. Since Polanyi (1944), scholars have argued that government institutions underpin market society. Market institutions are not politically neutral; they are generated by the decision-making, lobbying, and power struggles of groups towards both economic and political ends (Feigenbaum et al., 1998; Fligstein, 2001). The political economy tradition in political science essentially views ‘markets as politics’ and moves beyond “sterile debates” about how much states should intervene in markets to “arguments about different kinds of involvement and their effects” (Evans, 1995, p. 10). The expansion of market-based reforms has redefined the regulatory role of government; local government institutions shape and support markets through oversight and informational functions. While proponents of privatization emphasize its efficiency and financial gains, others have argued that such efforts are political as well as economic, for they shift power and resources to some groups at the expense of others (Feigenbaum et al., 1998; Sclar, 2001; Scott & DiMartino, 2009; Scott, 2013).

Quasi-markets in public education are often the direct result of policy enacted by government institutions. For example, the Recovery School District in New Orleans was created by state action. But districts also construct and intervene in education markets in multiple ways. They set the ground rules for choice and student assignment, and they determine the number and types of schools. These actions affect the extent to which school leaders experience competition, and the range of strategies that they pursue in response. While neoclassical economics minimizes the role of government institutions in the marketplace, this political-economic approach highlights the different ways that districts shape education markets and the implications for school leaders. Specifically, I ask:

In what ways do the two districts' policy environments influence school leaders' competitive strategies?

a. In what ways do the districts regulate choice, incentives, and competition among schools?
b. How do the district policy environments influence the perceptions of competition and the range and type of strategies that school leaders adopt?
c. How does the new regulatory environment in New Orleans create new political relationships and struggles?

This chapter draws primarily on interview data and board minutes from both “districts” overseeing New Orleans schools, the locally elected Orleans Parish School Board and the state-
run Recovery School District, and from the schools in my subsample over the past year. I observed nine board meetings during my fieldwork, and I collected board minutes electronically for approximately 200 meetings that I was unable to observe in person during the 2012–2013 school year. In addition to the interviews with the 30 school leaders, I draw on interviews with 10 district leaders and elected school board members, 3 state-level policymakers, 8 charter network leaders (e.g., CEOs, charter board members), and 2 intermediary organization leaders. I also collected news articles written about New Orleans schools from a number of sources to inform my understanding of the local political context. Interviews and board minutes were coded in a way informed by the literature. I first coded for broad categories such as “district regulation,” “state regulation,” or “political/power conflicts.” Then I went back and coded within these broad categories, again using theory again but also coding more inductively. Within the broader codes are the various dimensions of regulation that are thought to influence market behavior: school assignment policies, closure and renewal, oversight, and supports, as well as other dimensions that arose from the data, such as power and conflict or human capital. I compared the two districts along these lines, and traced their influence down to the work of the school leaders in my study.

Regulating the Educational Marketplace in New Orleans

Even with the introduction of choice and competition, education markets remain “heavily regulated” (Woods et al., 1998). The government oversees the functioning of markets in education, measuring quality and performance, opening and closing schools, and addressing the unintended effects of markets. Features of a regulated marketplace affect how competition works (Levin, 2010). For example, district policies and regulations affect actors’ access to information about choices and options, and they influence the potential for economies of scale in certain areas of school operations. Even in a system as deregulated as that of New Orleans, governing agencies play a key role in the mechanisms of competition: district policies shaped school leaders’ perceptions of the competitive arena, and they also constrained or enhanced competitive behaviors. As the previous chapter outlined, school leaders responded to competitive pressure in both desirable and undesirable ways, and their actions were in part mediated by the local district environment.

Table 13 displays the similarities and differences between the OPSB and RSD, the two bodies that oversaw the schools in New Orleans. (A couple of schools in New Orleans are directly chartered by the state Board of Elementary an Secondary Education, but I set those aside for now to focus on the governance differences between the largest two agencies.) As the background chapter explains, the two “districts,” as I’ll refer to them, had very different historical trajectories, which in part influenced their different approaches to oversight and market regulation. Yet, in some key ways, particularly with regard to school autonomy, the districts had similar approaches.

Both districts believed in giving schools more autonomy over hiring and budget decisions. One legal difference was that while both the RSD and OPSB oversaw charters that they authorized, charter schools were their own local education agencies (LEAs) under the RSD. In OPSB, the central office served as the fiscal agent, handling, for example, all of the financial paperwork, audits, and funding for Title programs. This distinction is one that some charter networks are trying to encourage the state legislature to change because losing LEA status is one
**TABLE 13: Similarities and Differences between the OPSB and RSD**

<table>
<thead>
<tr>
<th></th>
<th>Orleans Parish School Board</th>
<th>Recovery School District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reform Perspective</td>
<td>• Need to guide reforms in a marketplace, privatize selectively—“case by case”</td>
<td>• “Not in the business of running schools.” Charter all of the schools long run</td>
</tr>
<tr>
<td></td>
<td>• Lack economies of scale that larger districts have</td>
<td>• Role of government is to address externalities and “minimally restructure”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Economies of scale from services can be provided privately or through co-ops, not necessarily a central office</td>
</tr>
<tr>
<td>Oversight</td>
<td>• 2–3% fee for services (evaluations, audits, act as LEA for charters)</td>
<td>• 1.75% approx. for charter oversight, .25% to state. Part of per-pupil funding used for central office to support direct runs</td>
</tr>
<tr>
<td></td>
<td>• Schools set own budgets, not the board.</td>
<td>• Charter schools their own LEAs</td>
</tr>
<tr>
<td></td>
<td>• Managerial perspective is easier: inspect, monitor, make sure laws are followed; then you get to say “you fix this or else.”</td>
<td>• Direct run schools have autonomy</td>
</tr>
<tr>
<td></td>
<td>• Charters not their own LEAs, more work for central office; fiscal agent for 13 charters</td>
<td>• OneApp provides oversight of enrollment process (externality)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Expulsion hearing office provides oversight of discipline (externality)</td>
</tr>
<tr>
<td>Charter Accountability</td>
<td>• Two opportunities to hold charters accountable: application process and renewal</td>
<td>• Four steps in charter oversight: set standards, communicate standards, assess schools, provide feedback (and close if needed)</td>
</tr>
<tr>
<td></td>
<td>• Create overview system with the charter school leaders</td>
<td>• Simple, clear standards and default closure—“a privilege to operate” not necessarily that school did “something egregious”</td>
</tr>
<tr>
<td></td>
<td>• With deliberation, not “haphazardly”</td>
<td>• Long-term goal is to charter all schools in RSD</td>
</tr>
<tr>
<td>Assignment</td>
<td>• No centralized enrollment, but direct run joining OneApp for following year.</td>
<td>• OneApp central enrollment system. All RSD schools participate.</td>
</tr>
<tr>
<td></td>
<td>• System is difficult to navigate for parents, but need to protect school autonomy, complications with selective-enrollment magnets.</td>
<td>• Assignment a central part of RSD’s work, but made easier by OPSB charters not participating (most affluent parents)</td>
</tr>
<tr>
<td></td>
<td>• No official system, so informal assignment (tests)</td>
<td></td>
</tr>
<tr>
<td>Human Capital</td>
<td>• Veteran teachers did not lose their jobs in OPSB</td>
<td>• All teachers lose jobs with creation of RSD, some hired back.</td>
</tr>
<tr>
<td></td>
<td>• TFA brings new insight “perpetual motion,” but in moderation</td>
<td>• Large contract with TFA, but principals have control over hiring, some national recruiting for teachers at the charter level.</td>
</tr>
<tr>
<td></td>
<td>• Not all leaders benefit from more autonomy (“it distracts her”)</td>
<td>• Need for new leadership roles in direct-run or “transformational” schools—The Close-Out Artist.</td>
</tr>
<tr>
<td>Other Services and Supports</td>
<td>• Provide services for charters and noncharters.</td>
<td>• Information: parent guide, parent centers</td>
</tr>
<tr>
<td></td>
<td>• Opt-in to food services</td>
<td>• Enrollment management (OneApp and everyday requests)</td>
</tr>
<tr>
<td></td>
<td>• “10,000 ft. level”: facilities, maintenance, which charters for which neighborhood?</td>
<td>• IT, Transportation, Special Ed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Expulsion hearing</td>
</tr>
<tr>
<td>Politics</td>
<td>• Wants RSD schools to return</td>
<td>• Allows schools to return, but charter school boards decide.</td>
</tr>
<tr>
<td></td>
<td>• Divisive politics, but most board members work with “both sides”</td>
<td>• No politics. Views politics in play in OPSB but not in RSD</td>
</tr>
<tr>
<td></td>
<td>• Locally elected school board (money into campaigns)</td>
<td>• “Effectively has no elected board.” (RSD staff)</td>
</tr>
<tr>
<td></td>
<td>• OPSB says RSD “not accountable to the public”</td>
<td></td>
</tr>
<tr>
<td>Race</td>
<td>• Perceived racist element to reform movement in RSD</td>
<td>• No mention of race</td>
</tr>
</tbody>
</table>

of the primary reasons that charter schools have given for not wanting to return to the OPSB, despite the belief by leaders at both RSD and OPSB that the schools will eventually return.
Regardless, both districts had adopted a general principle of school autonomy, specifically that site-level leaders should make most of the decisions around budget allocation, hiring, and curriculum and instruction, while the district’s primarily role was oversight. Both districts also offered some minimal opt-in support services, including food services and transportation.

But despite these superficial similarities in oversight and support services, there were major differences in terms of student assignment policy, human-capital approaches, and the long-term goals of the districts—basic market features that influence how competition operates. In the case of human-capital and long-term goals, the OPSB was indeed more “traditional,” in that its practices and beliefs were similar to what we would expect in other districts with locally elected school boards and centralized offices. In other areas, including student assignment, the OPSB acted more like a private-sector actor, as Lubienski et al. (2009) have argued, and, in some cases, the RSD was more likely to centralize services and take on a more traditional, district-like role.

Choice and Assignment

Until the year 2012–2013, there was no centralized enrollment system in New Orleans schools. Each parent was required to submit applications to individual schools. This system, or lack of a system, created extraordinary challenges for families and schools, who did not know whether parents had submitted applications to other schools and had been accepted. Many students who had been admitted to a school did not show up on the first day because they had received admission elsewhere. As an RSD staff member explained to me, the case for a centralized system had been made even before they set out to implement one:

The beauty of the time that we came is that, in some respects, all of the work to build the case for why it was necessary to have a centralized enrollment system had been done. Because for years there wasn’t, and it was incredibly difficult for families to access schools. It was incredibly difficult to know whether or not schools were following the proper rules. It was incredibly difficult to know whether or not schools were creaming or not creaming or not accepting special ed kids. I mean, there were just years of festering resentment between the school independent systems for enrollment and the public. And so we really walked in at this time when people were ready to do this.

These externalities caused the RSD to take on a more typical central office role to assign students to schools, while still offering parent choice. The staff member went on to say:

If you think about enrollment as a marketplace, all this makes sense, right? When you have schools developing their enrollment policies they do it in a way that’s rational for them. I think many of our schools were good actors. I don’t think we’re rampant full of bad actors in this city. But everyone did them independently. So if every school decided on their own how many third-grade seats they were going to offer, there was no one who would know whether or not there were enough third-grade seats for the second graders….If a parent drops off information at 10 schools and gets lucky and wins in 10 lotteries, they are effectively holding nine seats that they’ll never be able to use. And there were other families that didn’t get those seats and wanted those so it’s horribly inefficient.
The RSD staff members, despite the organization’s overall belief in greater autonomy and privatization, understood that centralizing enrollment was key for the system to be equitable and efficient. New staff members arriving from New York City, working under State Superintendent John White, initiated the central application system, the OneApp.

The OneApp was in its first year of implementation during my study, and throughout my interviews, school leaders had complaints about its rollout, even when they agreed with the program in principle. Sometimes they criticized technical issues, such as a glitch that prevented some siblings from being placed in the same school; in other cases, they were upset that schools were less able to control their own student populations, less able to continue or to attempt illicit practices, such as screening out students who might not be a good fit. While all schools in the RSD were required to participate, OPSB schools were not. This exclusion helped create a fragmented system. In some ways, that fragmentation was why the OneApp was possible; as the RSD representative said, the most affluent parents were not directly affected by the OneApp, which made it more politically feasible to implement.

OPSB representatives were hesitant to join the OneApp, even though they said it was an important step forward. They agreed that the current system was difficult to navigate for parents. When asked about how parents choose schools in the city, one OPSB board member said:

Oh, I think it’s awful….If you got one application that you can choose your top five choices in order, it’s much easier to than to go and apply to Frey, Schelling, and Marshall…Than to apply to each separate school and then to wait to find out which one you get into, and then you’ve got to tell the rest you don’t.

OPSB board members and school leaders were opposed to the OneApp in part because some of the OPSB charter schools had explicit selective enrollment policies, such as language tests or auditions, and those schools were wary of having to expend time and resources administering entrance tests for all parents and students who listed their school on the form. According to one of the board members:

I think that’s an important part there. Part of the problem is that there are some schools who legitimately have selective admission criteria…you’re juried in based on dance or music or what have you. Are we saying just because you want to go there then you get to go there?

Board members also expressed concern over the loss of school autonomy:

There’s got to be a better way to put it in and a kind of one stop shop in a way, but you got to preserve the individual schools’ autonomy. If it’s a central place that’s taking in the applications and then shooting them out, that’s great. But if it’s about us, the district, telling such and such school that they’re going to take this kid—because I thought part of this thing is some of these schools are choosing who they take, and there’s a wrinkle in here. …The problem is that isn’t autonomy. We can’t have autonomy and then say that we’re going to tell you what to do.

Still other board members believed the centralization would ultimately benefit schools: “And it's
really a mess on both sides, not just for the parents. And so I think it’s to the schools’ benefit to participate in the OneApp, but I think some of them are just very leery about someone else controlling their enrollment” (Board Member, OPSB). Practical and political feasibility thus prevented OPSB officials from joining a common application system, despite the desire of some representatives to do so. While direct-run OPSB schools were slated to join the OneApp in 2013–2014, charter schools will join upon renewal. The lack of an official enrollment system in the OPSB, however, created the need for an informal one. As the previous chapter described, school leaders and parents used school board members as informal brokers of slots in schools since there was no centralized way to find out where spaces in OPSB schools were available.

Human Capital

The two governing agencies also differed in their human capital strategies, partly as a result of the initial changes in staffing after Katrina. Unlike teachers in the OPSB direct-run schools, all teachers were fired when a large number of schools were transferred to the RSD. Some teachers were hired back, but there are limited data as to how many, what percentage, and the characteristics of these teachers. As the background chapter indicates, there was a lawsuit filed and settled against the state for this mass dismissal of teachers.

Anecdotally, there is evidence that the RSD has hired a large number of teachers through alternative pathways such as TFA, TeachNOLA, and The New Teacher Project, yet these patterns have yet to be confirmed systematically. The RSD has a large contract with TFA, according to district staff, but principals have control over hiring, and some charters even conduct national searches for recruiting teachers. Charter school leaders believed it was difficult to attract and retain talented teachers, and this was a major source of competition between schools, beyond competition for students. Yet this definition of “talent” usually implied that good teachers must be recruited from elsewhere, and native New Orleanians viewed this as implicitly racist or geographically biased against local teachers and leaders, as Chapter 7 illustrated. One Network A school leader, for example, explained how the CMO was targeting Teach For America alumni to encourage them to stay in New Orleans:

And so we have a talent team at the regional level and it does a lot of support on the front end, and right now, is having conversations with Teach for America corps members who are on their second year and saying, “Are you thinking about staying in the city? Here’s why Network A could be a great thing for you” and building those relationships.

While the CMO also recruited some veteran teachers locally, it had a major nationwide recruitment campaign to find teachers. The more traditional OPSB also hired TFA teachers, but the board members viewed such teachers as a resource to be used “in moderation,” to bring new insights into the system for “perpetual motion,” but not as a primary way of staffing schools.

The RSD’s goal to charter the remaining direct-run schools in the next few years also generated a new human capital need, what one school leader called “the close-out artist.” One school leader was at a site that was slated for closure. A year earlier, he was at another direct-run school that was phasing out. He jokingly referred to himself as “the grim reaper of schools,” and did not know where he would go next. As RSD’s direct-run schools awaited chartering, they required school leaders who could be ousted from their positions within a year, and on short
notice. As one RSD staff member said:

We’re learning to do this, to reframe what it looks like to be a direct-operated school leader. We call them transformation leaders now because it’s hard to find people who are super high quality who will know that they’re gonna be around for a year. So, how do we kind of manage that human capital need?

OPSB, on the other hand, did not intend to close its already high-performing direct-run schools and therefore did not have the problem of needing high-quality but temporary school leaders.

**Long-Term Goals**

Representatives from the two districts held different beliefs about how educational reform should proceed in New Orleans, which in part influenced their oversight policies. The OPSB representatives expressed a belief that marketization and privatization should occur on a “case-by-case” basis, and that the district should play an active role in its implementation. According to one board member, in reference to market reforms:

You have to guide it. You can’t say, I’m going to shut down this school here, but our goal is to start a new school that’s going to be excellent and people are going to want to go to it, and it’s going to cause competition and we’ll let the parents decide with their feet what schools they are going to attend, shut down.

In other words, he did not believe that, left unattended, the market would address issues of school quality. Another OPSB board member also believed that the district had to actively guide the process of opening and closing schools, making decisions from the “10,000 foot level” about “do we go out and build some new schools here?” or “let’s go and recruit five more charter schools for this new and emerging neighborhood.” On the other hand, several RSD staff members or school leaders in their system shared the view that the RSD was “not in the business of running schools,” and aimed to charter all of the schools as a long-run goal.

The two districts also differed in their approach to privatization. The OPSB board members described a need for selective privatization “when it works,” but not whole-scale privatization, which they believed the RSD was after. One OPSB board member described how OPSB had privatized some food services and busing, which protected the district from lawsuits resulting from bus accidents, and suggested that privatizing liability was an example of efficient contracting out. The board member acknowledged that “some groups just want to privatize everything.” Whereas OPSB board members believed that they could benefit from economies of scale, as they had when they were a bigger district in the past, the RSD staff members believed that such economies of scale in transportation and food services were important, but could be provided privately, through co-ops, not necessarily through a central office.

RSD representatives also used concepts from economics when describing the operations of their districts. OPSB representatives primarily described autonomy and management, with some reference to “economies of scale.” Some RSD representatives, including a staff member overseeing school performance and operations, believed there was a small role for “good government” or “minimally restrictive” government, whereby the RSD attended to “externalities”: 
Whether it’s game theory or the tragedy of the commons or whatever, there are negative externalities that aren’t really being comped in a totally decentralized system. I think it’s the responsibility of the regulator to understand what those negative externalities are and try to develop minimally restrictive ways of addressing them while not inadvertently creating additional externalities or perverse consequences. And that’s not easy. But I think that, fundamentally, setting standards, reporting on performance, and functioning as a regulator to protect against externalities is a relatively small but very important ongoing role in an all-charter district.

One example of such intervention in the case of externalities was the OneApp assignment program described above. Similarly, the RSD implemented a centralized expulsion hearing process, which, according to one RSD staff member, met with less resistance from the individual schools. The RSD’s parent centers and other efforts to provide information about schools to parents across New Orleans helped address what one charter network leader described as a major problem of “information asymmetry,” where there were so many new options for parents, but “by and large they were not really hearing about them.”

**How District Policies Frame the Competitive Arena to Influence School Leader Perceptions and Strategies**

In this section, I examine how district contexts and specific policies shaped school leaders’ perceived competitors, framing the competitive arena, and how policies and programs enabled or constrained competitive behaviors on the part of schools. This chapter builds on the previous ones, examining an additional layer to reveal how district-wide policies influenced the perceptions and responses documented in prior chapters.

**Perceived Competitors**

Districts affect the tiers and the landscape of competition through enrollment policies that define the local competitive arena, through location decisions that determine the geographical landscape of choice, which make some schools more desirable, and through decisions to open charters or expand charters under a CMO. These policies not only defined the set of potential competitors for schools, but, depending on how transparent the policies are, they also had important implications for whether school leaders viewed the market as a level playing field, which influenced their responses to competition.

**Enrollment policy frames the competitive arena.** As Chapter 7 shows, schools that were over- and under-subscribed experienced competition differently. The OneApp, which allocated students to schools, affected how schools competed for students in the year of the study. Schools that were accustomed to managing their own enrollments, lotteries, and waitlists, now had to accept students from the central office. In some cases, this meant that schools could no longer screen out students via parent interviews or by not advertising open spaces. For example, the principal at Mill Elementary described this problem as a double-edged sword; he needed more students to increase revenues, but did not want students that would depress the school’s already low test scores.

Who participated, and who was required to participate, in the OneApp also changed the
networks of competitors, and the schools’ status in that market. When OPSB direct-run schools were required to join the OneApp toward the end of the year, the principal at Sachs described how competing with the RSD’s low-performing high schools would give them a competitive advantage: the competition became “slim to none” because her school became one of the highest performing among OneApp schools, even though it was only average among the other OPSB schools. In this way, the assignment policy changed her market position and the types of strategies she could use in order to recruit and retain students. This example suggests that competition is malleable and can be strongly influenced by district policies, which have the power to put schools in competition with one another or buffer them from it.

Because the OneApp was only used for RSD schools in the year of the study, not OPSB, we see reflections of the fragmented enrollment system in the quantitative data as well. Although schools were all located within New Orleans, and while the two districts served overlapping geographic areas, OPSB schools were far more likely to be viewed as competitors, reflecting the asymmetric nature of competition.

**District decisions about opening, closing, and transforming schools influence perception of the playing field.** District and state-level decisions about opening, closing, and chartering or “transforming” schools also influenced the competitive arena. As Chapter 6 showed, charter brand, more than school performance, made schools appear more competitive in the eyes of respondents. Most of the “name-brand” charter networks were in the RSD, while OPSB had only standalone charter schools in the year of the study. Particular charter brands were far more likely to be viewed as competitors, and therefore authorizing agencies structured the competitive arena by expanding the market share of these CMOs. Decisions about school closures and openings also influenced competition. Some school leaders expressed concerns over what they perceived as an unfair and not transparent process for allocating schools to existing CMOs or closing schools. According to one charter-school principal:

> What’s a little frustrating in New Orleans, I’m sure you picked up on, is schools that are “D”s are now picking up other schools. RSD’s already cued up conversation about, “When you get your three year renewal, guys, what school are you taking over?” We’re like, “What?” It doesn’t make any sense. It’s like me being like, “Hey, would you like to invest in my restaurant? I know, right now, that things look bleak and nobody’s coming, but guess what? We’re going to open up another restaurant.” Nobody’s coming. It doesn’t make any sense. That’s what’s frustrating about this market.

Other principals speculated that political processes drove the opening and closing of schools, especially for direct-run schools and charters that were up for renewal. The decision-making was not transparent to school leaders, particularly those who were hired to turn around a failing school. These principals had often expected to be in their positions for a longer period of time, but realized only too late that they had actually been hired by the district as “close-out artists.” For example, the principal of Kuttner was hired in the midst of the charter’s renewal process, and she believed that if she worked hard that year to turn around the school, there would be a chance of renewal. However, the school’s already low test scores meant that there was little they could do in one year to make the necessary gains, and another school had already put in a bid to take over the school through an i3 grant. According to the principal of Kuttner:
I had found out about this [school takeover/closure] in November, and, apparently, it had been in the works since last year. I really didn’t have knowledge of that part when I first took the job because it really didn’t make no sense to take the job [laughs] because anybody could have just come here and opened up the school for a year.

This school leader, a veteran educator who retired after Katrina, upon receiving an incentive to do so, returned to the field to run this school and was now out of a job. Similarly, the principals at two other direct-run schools were let go sooner than expected. In one case, a direct-run high school under the RSD was closed mid-year and a new charter network, a national CMO that had just been recruited to New Orleans but had a shortage of students, was given the school to operate. The principal who was let go expressed concern, as reported in Chapter 7, that these decisions reflected a lack of faith in local, African American school leaders:

I think the big thing now is the national push. If you’re from New Orleans, then you probably don’t know what’s going on. This is their thinking: we want to get someone from outside. Someone who was a business major who now has taught for one year and they know it all and have all these great ideas, so they can be a leader of a school….Just, if you’re in New Orleans, if you’re in education, someone who taught for a while, who became an administrator, there are less supports in place for you. Your window of opportunity is getting smaller, as well as your window for error.

These perceptions of how opportunities are distributed in the marketplace certainly have implications beyond competition: they affect the livelihoods of local educators. They also affect the basic market functioning in New Orleans. As previous chapters have illustrated, school leaders’ perceptions shaped their competitive strategies. School closures and leadership changes influenced the landscape of rivals directly because potential competitors were added and removed from the field. Furthermore, the extent to which school leaders perceived a fair marketplace had implications for how they responded to competition. If school leaders believed competition was fair, they would be able or at least willing to compete in such a market (Wells et al., 1999). But if they believe that they have little control, that political decisions influence the market more than school quality or what parents desire, they might have adopted different strategies in response to market pressures.

**Competitive Strategies**

In addition to influencing whom school leaders viewed as rivals, district policies also constrained or enhanced competitive behaviors.

**Assignment policy influences school selection.** As the previous chapter has shown, seats were informally allocated in both districts, despite the RSD’s centralized enrollment system, and these informal processes shaped competition. However, these patterns played out differently in the RSD and OPSB, in part because of their respective enrollment policies. In the RSD, for example, the schools worked around the centralized enrollment system, the OneApp, either by enrolling students against policy over the summer, when it was unclear what they were supposed to do, or by not reporting empty seats to the central office during the course of the year to avoid
having students assigned to their site. The OneApp enrollment policy was supposed to end the practice of recruiting students away from schools, but as several school leaders reported, this was not the case in its first year of implementation. One school leader reported that some schools did not follow the OneApp procedures, directly enrolling students when they were not supposed to:

There was this point in the summer where you didn’t know if you were waiting for the process to happen or if you could just start enrolling families, so you’d hear some principals be like, “Oh no, we’re just doing all that on our own,” and we’re like, “Wait, we’re losing out.” Every kid is money, so you know, we were afraid that we were going to be out of compliance so we were playing by the rules, and then it’s like wait, everyone else is doing this, how do we handle this, and then it just seemed like at the end of the summer, it was just back to normal like the RSD’s done handling this. (Principal, Wolff).

School leaders, particularly in CMOs, also reported working with other schools in their network or with other CMOs to allocate students—a cooperative or collusive model despite widespread competition for students. According to one CMO leader:

We’re in really good relationships with a lot of those operators. So, I think we all, even when I get together with people who do what I do, we just talk about how much of a struggle enrollment is in general, and don’t ever have any, in my mind at least, any sense of competition with each other for individual kids. I think we’re all just hoping to get as many as we can. When one of us is over-enrolled and another is under-enrolled, we’ll usually have a conversation about that and see if we can make it work.

This served as another informal way of allocating students without working through the central office. Yet, despite these exceptions to the rule and the confusion over summer enrollment processes, schools in the RSD by and large used the centralized enrollment policy during the academic year to enroll students.

In the OPSB, however, there was no such central mechanism. As discussed in a previous chapter, an OPSB board member described how he himself became a broker between parents and schools, connecting parents to schools via text message. This lack of central assignment was designed to give schools more autonomy over their enrollments, but it simultaneously put more authority into the hands of just a few board members and the parents who were well-connected. Furthermore, the informal nature of assignment meant that schools were able to screen out or attract particular students and families; there was no accountability to a central authority. In fact, there is a lawsuit pending regarding the alleged failure of New Orleans schools to provide adequate education for students with special needs, in part because of discriminatory enrollment (Dreibinger, 2013a). However, the policy was changing for the 2013–2014 school year and beyond, with some OPSB schools joining the OneApp process. Indeed, joining the OneApp for the following year, as described in the previous chapter, affected the ability of Sachs School, an OPSB school, to conduct such screening processes. The principal at Sachs was concerned that the school would be unable to continue to pre-screen families to ensure that they were a “good fit” with the school. The use of these policies has significant implications for the extent to which parents have access to educational opportunities in choice districts (Scott, 2013).
School fairs and letter grades influence the range of schools’ marketing practices. Information for parents is an essential part of any choice system. In partnership with a nonprofit organization, the city put out a *Parents’ Guide*, which listed all the schools and provided some basic information on their location, performance, services, and extracurricular activities. This guide was available at most school sites, at the district offices, and at various intermediary organizations. In addition, the RSD ran Parent Centers, where parents could seek assistance with filling out the applications for schools or otherwise ask questions about choice. The city also put on a school fair in the Superdome, and the RSD hosted a number of smaller events for different grade levels. But because schools were not required to participate in these fairs, and, as the previous chapters indicated, some school leaders who were not concerned about enrollment—especially those at higher-performing schools—did not. Therefore, the range of information available to parents was limited. These centralized marketing venues, aside from the Superdome event, were not always very well attended. According to one principal (Hicks School):

I’ve gone to two fairs, Cyndy went to one, Luke went to one. So we went to school fairs, but they weren’t very well attended….He said hardly anybody was there. The one I went to was at Arrow Elementary, and four parents came, and...I don’t know, Cyndy, how many people came to those school fairs you did? [Cyndy: I went to two. I did two of them. I’d say I talked to about a dozen at each.]

Because many parents did not attend these fairs, it raises the question of where the parents received information about schools and on the OneApp enrollment process. Another policy that facilitated marketing and competition was the assignment of state letter grades to schools. These letter grades reflected the school performance score, based on absolute performance (not on growth measures). These ranged from A–F, and many schools identified themselves by their letter grade in the interviews. Low grade letters meant that in addition to
accountability sanctions, schools sometimes lose additional students due to the visibility of their letter grade. These schools developed strategies for working around this with parents, and they had to work harder to convince parents to stay, especially as other schools heavily recruited their students. For example, the principal at Simon School described how the school’s failing score allowed other schools to recruit her students:

With the OneApp they now allow other schools to recruit those children by simply saying—the letter was worded so that we were a school “in decline,” which was, yeah, we’re in decline, if you want to look at it from your perspective, because we’re an F school, but we have not declined in scores. I’ve been looking at our scores, prior to me, we have constantly increased, there’s been a constant increase each year, but because we didn’t reach over 75, it makes your school in decline. So the wording of the letter was erroneous, and when the parents see that, and they only send it to those parents whose children are scoring, as in you have a choice now to move their child from a failing school….A couple of parents had actually brought me the letter, and asked me to explain it to them. I said the option is yours, we all want the best for our students, but I can show you the data that shows that this school has increased in test scores each year. It’s just that they are 1.3 [points] away from 75, from going above [failing].

This principal had to work harder to retain her students by talking to parents and showing the success over the years, despite the fact that the school was still considered failing. Similarly, the principal at Lucas Elementary said that his school was considered a failing school despite having one of the highest gains in the previous year.

Facility policies shape geographic niche strategies and influence school’s attractiveness to parents. Many schools indicated in Chapter 8 that their facility was a key factor to attracting parents and remaining competitive. New Orleans has a Master Facilities Plan, which allocates buildings to schools, but there are still political battles over who gets assigned to these buildings. Bowles Elementary, for example, had plans to move to a new site across town, in an area with fewer schools, which would have given them a competitive edge, but they were competing for that new building with another school: “There are two of us vying for the same school.” The school board would make the final decision, which could significantly expand the school’s market share. The school had close to 400 students and was currently in a building intended for 300, and the new building would allow them to grow up to 800 students. Furthermore, as the principal described in Chapter 8, “A new building is attractive, and it’s inviting, period, but a new building with our record? [New Orleans Neighborhood Name] would be in trouble!” The Master Facilities Plan, as a case of district facility policies, is thus able to disrupt or enhance schools’ abilities to create geographical niches (Glomm et al., 2005).

Rather than the parent–school relationship (or consumer–producer relationship) shaping school strategies and actions alone, schools also responded to the actions of other schools via information-seeking, as previous chapters have indicated, and by the local competitive arena, which is shaped by macro forces and local government decisions. As Woods et al. argue, students and parents are “dependent upon decision-makers” (p. 196), including principals and local government officials. These officials have the authority to shape “features of the producer domain (such as numbers and types of schools)” and control “the resources available to parents
Market advocates support removing government from schooling or greatly diminishing its role in order to give parents and communities more control, but markets require state and local governments to set and regulate the rules of interaction. Even with the relatively unfettered market-based reforms in the New Orleans system, policies have been developed by district and state leaders to reign in these market forces, a shift from what principals called the “Wild West” of education in New Orleans to something that more closely resembles a traditional district, including a centralized enrollment policy and a centralized expulsion process. While these policies may be seen as positive steps toward regulating the marketplace, and they have begun to address some very serious externalities and fairness issues, they may also be seen as essential for the continued functioning of market-based systems in education. In order for markets to flourish, governments must support them, both to improve their functioning (e.g., providing information, economies of scale) and to ward off criticisms resulting from the externalities of the market.

As scholars have argued, markets are inherently unstable, and the government is always attending to one market crisis or another (Fligstein, 2001; Polanyi, 1944). Indeed, we see similar patterns in other countries that have experimented with radical choice and privatization policies. In Chile, the formerly unfettered choice and voucher system has recently undergone a change, with new regulations in place to ensure fairness and accessibility for students (Elacqua, 2012). This push for accountability came from the left; it was subject to resistance from the conservative parties because of its intrusion on market forces. The two sides ultimately converged, with agreement that the state has a role to play in schools—a consensus that came about over the past few years.

There is also increasing consolidation in the form of CMOs receiving priority for new charter takeovers, a trend that runs counter to free market principles and may lead to anticompetitive behavior (Burch, 2009). As we have seen in some cases above, charter networks cooperate as well as compete with one another for students. Within CMOs, there is less competition, and as these networks expand to run a greater percentage of schools, the future of competition in New Orleans is uncertain. As a leader of a prominent nonprofit organization in New Orleans said, “I feel like there’s a lot of [collaboration] there, but the major risk here is that you replace the district monopoly with the CMO oligarchy, and that’s an insider game.” As he mentioned, a handful of CMOs run the majority of charter schools, and so his organization has sought to recruit more operators to maintain a broader spectrum of participants.

Yet as systems in New Orleans, such as enrollment and expulsion, are becoming more centralized, and as charter schools consolidate into CMOs, this is not a return to how schools were governed before. There have been significant political shifts that have changed the dynamics of regulation and governance in New Orleans, empowering new actors and disenfranchising others. As other scholars have noted (Garda, 2011), the state takeover of the majority of New Orleans schools constituted a disenfranchisement of local voters, who no longer elected all of the officials to oversee those schools. Instead, the schools in the RSD are overseen...
by the state board of education, of which only one member, the current CEO of Teach For America’s regional operations, represents the New Orleans area. As some reports have speculated, an outright takeover of the entire Orleans Parish School Board in 2005 would have likely raised red flags at the Justice Department and may have violated the Voting Rights Act at the time (Smith, 2012). The VRA applies to all elected officials, including school board members, and such a takeover of a school district in New Orleans, a majority-minority city in the South, may have been legally challenged. One school leader noted this in an interview:

It was the Voter Rights Act that caused us not to be able to take over every school at the state level. So this whole bifurcated governance model would’ve never happened north of Frankfort, Kentucky. So when the state of Pennsylvania went to take over public schools in Philadelphia, or when the state of Michigan took them over in Detroit, they just dissolved the school district. Because this is a majority-minority elected body, it would’ve taken an act of Congress to do that in the South.

Some local elected officials noted that there seemed to be a racist element to the school takeovers. According to one white OPSB school board member who was privy to these types of conversations:

I think that when the people voted for the Recovery School District to be created, before Katrina, and I was one who voted for it, okay, the intent was that it would take schools, fix them, and return them. Period. And it was clear under the Pauls [Paul Pastorek and Paul Vallas, two previous leaders of the RSD] that it was never their intent to abide by that. And people accuse them, accuse the reform movement, of being racist, and I cannot say that there was not a racist element in that decision. They don’t want the schools returned to New Orleans. New Orleans is a heavily majority black city, and there was a sense that it was because they didn’t want, quote unquote, “the dumb blacks destroying the schools any more than they already had.” Okay? And that’s a paraphrase, but that was certainly the sentiment that I heard constantly, I mean, it was a constant thing and so take that for what it is.

Similarly, as previous chapters have shown, several school leaders also perceived a racist element to the decisions made about which schools would receive support or be shut down.

Although the RSD did not take over the entire school district, as has been common in other state takeovers, the RSD did take over the vast majority of schools in New Orleans (and oversaw over 70% in the year of the study). Therefore, while the traditional district has not been dissolved entirely, its scope has been significantly limited. Voters in New Orleans have not been entirely disenfranchised as they would have under a complete dissolution of the school board, but they have lost control over the majority of their public schools and they have almost no say in whether they will get those schools back. Furthermore, the schools remaining in the OPSB, which have some public input via the elected school board, serve the most affluent students, and include several selective-enrollment schools.

There continue to be tensions over whether schools in the RSD that are no longer failing will be returned to OPSB and the timing of that return. Even though the RSD was meant to be a temporary entity, the changes to the policy have created a more permanent structure. I
described the tensions created by this shift in greater detail in the background chapter (Chapter 5), and I return to this governance issue by examining the views of school leaders. Schools in the RSD were able to return to the OPSB if their charter boards elected to return, yet none have. As one RSD charter school leader said when her board elected not to return, despite her own support, the support of several other school leaders in the CMO, as well as that of parents and staff: “Speaking as a citizen, I believe in the right to elect voices that speak on my behalf.” This principal also believed in “autonomy, autonomy, autonomy,” which led to her support for the charter movement in the first place. But she did anticipate that the RSD, by way of a CMO, would oversee her school when it was no longer failing.

Similarly, a parent activist said in a local paper that the decision not to return the school to OPSB ran counter to the claims of greater parental empowerment and choice: “They talk about parental choice, parental choice. Well, the parents have spoken. In the charter school movement, that’s supposed to mean something” (Dreilinger, 2013b). An OPSB board member expressed similar concern over the failure of schools to return. He said of the RSD: “they are not accountable to the public.” Similarly, a charter leader in OPSB noted the challenge of making such decisions and the loss of accountability:

There’s been this little push to have CMOs, and inside the CMOs, once you start to get a couple of maybe thousand, two thousand students into these CMOs, what’s the voice of the public inside of how those are being run, or is it just fiat of the people that are in charge of the board? And how is that selected, and how does that have any public voice? I’ve heard people argue on both sides of that, and say that the public doesn’t know what it’s doing when it comes to education. Look at the boards that we have around the country and you can see that. But on the flip side, what’s the check and balance? So a city that votes incompetents in, it gets what it’s elected. So I end up really challenged around some of those questions.

While centralization and consolidation have occurred within the RSD and among charter schools, the new dynamics of representation and governance do not constitute a return to a traditional school-district monopoly, but toward a private-sector one. Charter school boards are run by representatives who are not elected, and it is unclear how these boards are even selected.12 Such boards are not always accountable to the demands and requests of parents, staff, and leaders within the school. This lack of accountability raises questions about who is actually “empowered” by choice, and it sheds light on the more nuanced arguments made by local community leaders who advocate for greater autonomy via charters but not necessarily for privatization (Scott, 2013).

In addition to shifting regulatory power from the local level to the state, the policies implemented in New Orleans have shifted governance responsibilities from public to private, sometimes resulting in decision-making and oversight that occurs outside the public eye. For example, venture philanthropy has had a major role in shaping reforms in New Orleans (Cowen Institute, 2012), as in other urban areas (Scott, 2009; Scott & Jabbar, 2013, 2014). As mentioned

12 In addition, at every charter school board meeting I attended, I was the only member of the public aside from reporters from The Lens. These reporters, however, have had difficulty accessing public charter meetings however, with schedule changes, locked doors, and other hurdles. See Hasselle, 2013 for more details.
in a previous chapter, at some CMOs, the percentage of per-pupil funding coming from private sources is up to 29%, although it is about 3–4% across the board (Cowen Institute, 2012). And as previous research has shown (Lagemann, 1992; Reckhow, 2013; Scott, 2009), foundation funding can shape public policy and its implementation to serve the interests and agendas of the funders rather than the public, not to speak of the fact that much philanthropic funding constitutes a loss of public tax revenues.

Intermediary organizations that have close relationships with one another and the local government are another example of governance outside the public eye. As one intermediary group said:

Our organization has a working group of CMOs/CEOs, there’s about seven of them, and we meet every six weeks and we just dig through whatever pressing issues they have—organizational strategy, culture, financial models, tech and they’re pretty open….They’re very transparent about what’s working and what’s not. ...The other is collaboration between charter and government. At least once a month the superintendent and his cabinet at the RSD invite all the CMO leaders together and usually will preview any policies that they’re thinking about implementing and probably go through two to three months of iteration and getting really deep CMO feedback on what the policies look like.

As this nonprofit leader noted, there is a concern that the seats at the table of decision making and power are being occupied by just a handful of CMO leaders, not standalone charter schools or direct-run schools. As described earlier, these CMOs collaborate to allocate students, sometimes working outside the central system of the RSD. An exclusive focus on competition can thus downplay the high rates of cooperation and collaboration among charters, elite intermediary networks, and RSD officials, which may in fact muddle competitive forces. In at least two cases during the year, charter leaders worked directly with the RSD to make policy decisions to shut down schools, one at midyear and one at the end of the year, and these decisions had no public input or open deliberation. In one case, a school was closed in October, and its students were transferred to a recently arrived CMO that needed more students (Buras, 2013); in the other, a charter school received an i3 grant to expand, and worked with the district to decide which school would be taken over—several months before the school and its leader were notified. These shifts in governance are worthy of further research and examination; it is unclear what the long-term consequences of these shifts are, and what governance might look like if schools were in fact returned to the OPSB.

**Conclusion & Implications**

An exclusive focus on market mechanisms ignores political dimensions. Yet without an understanding of the continued role of the state in mediating the contexts under which market reforms take place, researchers miss an opportunity to engage in greater empirical and conceptual complexity. Market advocates cite politics as the problem with traditional school districts (Chubb & Moe, 1990). They claim privatization and autonomy as the solution, and RSD officials, too, insist that their system is free of politics. One RSD official said, “Obviously, the RSD effectively has no elected board and Orleans Parish is very much defined by the elected school board, which brings politics and all sorts of things into play in a way that they’re not in play at the RSD” (RSD Staff Member #1). Another said, “Even if we have to take things to state
boards at the state level, its not enshrined in local politics as much” (RSD Staff Member #2).

Yet as the earlier discussions about local control and the political struggles within CMOs indicate, the RSD is not free from political tensions either. Research suggests that while market-and standards-based accountability might shift school board decision-making out of the public eye (Trujillo, 2013), these processes are still highly political, if not more so. Certainly, at the state level, politics is also at play, especially in the case of the recent school voucher bill, which is being challenged by the courts. In New Orleans, despite the claim that these reforms are either race-neutral or in the interest of African American children and families, these conflicts are also shaped by a history of school segregation, racism, and an ongoing struggle between the more conservative state of Louisiana and the majority-black and Democratic city of New Orleans. Indeed, many school leaders in the RSD and district officials in the OPSB identified this as an element of racism. Instead of being free from politics, as other scholars have argued, markets create new politics (Burch, 2010; Henig, 2010; Scott & DiMartino, 2010), a politics that, in this case, denies political motivations: the politics of no politics. Despite national news coverage that often glowingly depicts the reform movement in New Orleans, and downplays the resistance by community members against some elements of the reforms, political struggles continue for the control over schools, and for the control over markets and market share (Fligstein, 2001). Next, I discuss the implications of these and other findings, and outline areas for further research.
Chapter 10: Conclusions and Implications

One of the primary aims of charter school policies is to introduce competition between schools. Proponents argue that when parents can choose where to send their children, this creates pressure on schools to attract and retain students. But do school leaders recognize these market pressures? Which schools do they compete with and why? And what strategies do they employ in response to competitive pressures? My research examines how the expansion of choice creates school-level actions, highlighting the social and political aspects of competitive markets in education. Using mixed methods, including qualitative interviews, network analysis, and statistical modeling of network data, I examined the perceptions and strategies of school leaders in New Orleans, the system that most resembles a perfect market in the U.S. In particular, this study reveals the complexity in competition, through a systematic analysis of principals’ perceptions and strategies. In addition, my research begins to explore how district and state policies structure competitive relationships and foster or constrain competitive behavior.

Ms. Stone, the school leader with whom this dissertation began, had a tumultuous first year at Simon Elementary. She lost 11 teachers during the year, learned how to work with a charter board, and struggled to improve the school’s “F” letter grade for student achievement. Despite these academic and staffing challenges, one of the most pressing issues her school faced was student recruitment. When I attended the school’s board meeting in March, student enrollment was a key part of the agenda. Ms. Stone reported competing with 32 different schools for students, about 40% of the schools that served overlapping grade levels. Despite this high number of reported competitors, few schools viewed Simon as a competitor. In fact, it was among the lowest in terms of “status,” or the number of incoming ties. Ms. Stone acknowledged that “the school doesn’t have the best reputation,” and, as she said, “the OneApp program means that schools have an opportunity to recruit from other schools, and some of our students were recruited away.” At the same time, because of the OneApp, students were also sent to her school midyear, in some cases just before testing. As Ms. Stone described in an earlier chapter, “I’ve taken four children in the last week. Testing started today…. The score counts for me, and I have had no opportunity to even touch the child, know what this child is capable of.” At the March meeting, board members also voiced similar concerns about the way in which students were being assigned to the school. Students were being sent to the school because it had open seats, but midyear transfers put a strain on the school and could potentially decrease their test scores just before state policymakers decided whether to renew their charter. The school leader was working on several strategies to address the enrollment shortage for the following school year, including creating more slots for gifted students in academics and in the arts, marketing the school at citywide expos, and improving test scores in order to raise the school’s letter grade.

Ms. Stone’s experiences regarding enrollment, school performance, and competition in the post-Katrina environment encapsulates many of the themes throughout this study. Like Ms. Stone, school leaders in New Orleans perceived a great amount of competitive pressure, but in ways not currently captured adequately in the literature. In many ways, their perceptions of competition fit the rational economic frame: school leaders were more likely to perceive schools that were closer to them geographically as competitors, as well as those to which they lost students. But school leaders’ perceptions were more complex than has been assumed in the literature. My findings indicate that competition was defined by a number of factors, not just
proximity, and that competition was asymmetric—if one school viewed another as a competitor, that relationship was often not reciprocated. This contrasts with the existing literature, which assumes that competition occurs within well-defined geographic spaces. As predicted by the theory of action, school leaders did perceive schools that were higher performing as rivals, but they also perceived as rivals those that belonged to particular “brand-name” charter networks, or had legacies and histories of success, regardless of their actual performance. Perceptions also varied according to gender and experience: female principals were far less likely to perceive competition, even after controlling for a number of factors related to the schools in which they worked, and principals with more years of experience were more likely to perceive competition.

Despite the awareness of competition, my findings do not support the theory of action that states that competition via school choice drives school leaders to improve academic services in response to market pressures. Competition had its intended effect in terms of placing pressure on schools, especially those that were low performing or under-enrolled—Ms. Stone’s school illustrates this pattern of low school performance combined with high perceived competition—but school leaders did not always respond to those pressures in the ways imagined by policymakers. A school’s position in a district-wide social network of competitors and its status in the market hierarchy mediate its experiences of and responses to competition. School leaders engaged in a number of strategies related to competition, ranging from differentiating their school by developing a particular curricular or extracurricular focus to marketing via the production of a charter logo, flyers, or advertisements. While school leaders did seek to improve their school quality and academic programs, they connected these efforts to accountability pressures rather than competitive or market pressures. In other words, the stated motivations for academic changes at schools were unrelated to student enrollment, attracting parents, or competing with other schools. Instead, my data show that schools competing for students primarily used marketing strategies to attract and retain students. Only some schools reported working to improve their operations in response to competitive pressures, including human operations and budget allocations, which could potentially lead to more efficient uses of resources.

Schools also developed niches, creating a balkanized or fragmented market, which might serve to provide better opportunities and stronger matches between parent desires and school offerings, though it is certainly different from the traditional economic view of a rising tide lifting all boats.” Rather than enter an already crowded marketplace, these school leaders carved out a slice of that market, thereby pre-empting or avoiding competition, instead of engaging in it. School leaders’ practices, particularly around marketing and selection, sometimes further segmented the education market in ways that harmed the most under-served students. Schools targeted recruitment efforts to families whose children were already successful in school, and found ways to circumvent the district-wide assignment mechanisms either to save those slots for students they wanted or to prevent the enrollment of students who might be especially struggling in school. Furthermore, while accountability policies are most connected with academic strategies and practices, the combined pressure to enroll a greater number of students and raise test scores to meet state targets appeared to be linked to the practices of screening and selecting students. Although competition is expected to improve school and student performance, what schools actually do in response to market pressures, based on the strategies that are available to them, is not always efficient, ethical, or equitable.

Schools’ political contexts affected school leaders’ perceptions in relation to competition
and their capacities to respond to competitive pressures. In particular, policies such as the common enrollment application, facilities, and transportation mediated schools’ experiences in the market and had the potential to shift their overall market position. In addition, despite an attempt to move away from the messy politics of traditional school boards by introducing market-driven policies, the Recovery School District was also not free from politics and power struggles. Instead, such decisions and debates were shifted from public control to the private control of charter-board members. Proponents of this shift argue that chartering schools gives schools more autonomy while also allowing for greater community participation in school decisions. As I show, however, these boards were not always responsive to the desires of school leaders, teachers, and parents.

Contributions to Research

This study contributes to several fields of education research, beginning on the micro-level with individual principals’ perceptions of competition, moving to the meso-level market structures and networks of competitors, and then to the macro political factors that influence the actors and market structures. The findings presented in this dissertation broaden existing theories of competition through conceptual tools that are taken from areas combining economics with sociology and politics. The mixed methods used in this study to examine the competitive relationships also deepen our conceptual understanding of how school choice creates competition.

First, the findings deepen our understanding of the mechanisms of competition in schools. This study contributes to theory on how markets operate in schools, building on existing theories of so-called “quasi-markets,” and examining the mechanisms by which competitive pressures influence the strategies of school leaders. These mechanisms have previously been assumed in the empirical economic literature. This study demonstrates the extent to which competing for students has become a part of school leaders’ work, and how market pressures influence their strategic responses to competition. Even in the business management and economics literature, few studies have actually uncovered the nature of competitive relationships, and this study also contributes to research on competitive networks generally by illuminating a particular case in education. My research reveals some of the dynamics of competitive market structures, in particular that perceptions of competition are asymmetric and that these perceptions are associated with specific characteristics of leaders, including gender.

Second, I elaborate the process of competition by examining school leaders’ perceptions of competition. While previous research on competition has approached it in purely structural ways, relying on objective measures, such as the density of schools in the surrounding areas or charter-school market share, I draw from research in the sociology of markets that examines competition as a process, not a state. School leaders’ perceptions of competition, as well as their characteristics (e.g., gender, experience) play a key role in the competitive process. I demonstrate that competition and school choice need to be understood from the perspective of those who enact these policies—school leaders. Market pressures are thought to improve schools, their offerings or their efficiency, but any school improvement effort resulting from competitive pressure must begin with school leaders understanding their work as occurring within a competitive network, and they must identify which schools are their competition, determine when to react, and how. This, in turn, affects the educational experiences of students. Therefore, in addition to objective, structural measures of competition, school leaders’ subjective
understandings of the market also play an important role in explaining competitive dynamics.

Third, this is among the first studies to examine how different regulatory environments shape school choice and competition within market-oriented settings. My findings thus also contribute to our understanding of how district policies shape economic behavior, adopting political-economic approach that while used elsewhere to understand markets has been largely neglected in the education policy literature on market-based reforms. Too often, the economics of education literature has focused exclusively on market mechanisms, which downplays the political dimensions that influence school leaders’ perceptions and responses to competition. As this study reveals, this lack of attention to politics is reinforced by the apolitical stance of reform-oriented districts such as the Recovery School District, whose representatives claim that their organizations are free from the traditional school-board politics of the Orleans Parish. The OPSB has certainly had a tumultuous year in terms of board elections, politics, and large sums of private funding spent on these campaigns. Yet as the tensions over the return to local control and political struggles within CMOs indicate, the RSD is not free from political tensions either. Market-based accountability shifts school board decision-making out of the public eye, in this case to charter boards, intermediary organizations, or the state board of education, but these processes are still very political (Trujillo, 2013). My research suggests a need for greater understanding of the continued and refocused role of the state and other actors, such as foundations and intermediary organizations, serving in policymaking roles (Scott et al., 2014), in mediating the contexts within which market reforms take place, as well as a need to attend to the role of democratic participation and decision-making within such choice or portfolio districts.

Finally, this study also makes several methodological contributions to the study of competitive markets in education. I applied new methodological tools to explore this phenomenon. No study to date has comprehensively surveyed all schools in a local education market about all of its potential competitors using roster-style surveys. Previous studies of perceptions of competition have limited responses to between one to three top competitors instead, for example, which does not allow for a system-wide analysis of competitive relationships between schools. Network analysis provided a new way to explore the structure of the market and to conceptualize the competitive arena and the link between school leaders’ perceptions and their strategies in response to market pressures. I also move beyond describing the social network of competitors to predicting the factors associated with the existence of the ties that form the network. Competitive ties, like other social relations, may be formed because of endogenous factors that make the tie more likely to form, or due to attributes of the schools themselves. In this study, I used recently developed exponential random graph models (ERGMs), alongside other methods, to accurately capture such relationships. This study also combined such network surveys with qualitative data, which brought the nodes and ties in the network maps to life, helping to explain how and why competitive relationships and strategies occurred and to provide context to the network. Furthermore, the finding that perceptions of competition are asymmetric suggests that many of the existing measures of competition that assume symmetry and infer that all schools within a given geographic area are competitors are insufficient. In sum, my research emphasizes the need for more nuanced measures of competition, even for future quantitative work that seeks to estimate the causal effects of competition on measurable outcomes, such as student achievement or graduation rates.
Implications for Education Researchers, Policymakers, and Policy Advocates

Although this particular study took place in New Orleans, it is also a story about market-based reforms more broadly. What happens when policymakers introduce choice and competition in schools? My findings are particular to New Orleans, but they have important implications for policy, for the many other districts that are in the process of adopting or considering the adoption of similar reforms, as well as implications for research.

First, policymakers often draw quite loosely from economic concepts to inform their theories about issues such as school choice. Policymakers must clarify how competition is expected to operate in public schools, how its operation differs in private versus public markets, and its potential effects. Policymakers must also consider the potential outcomes of markets, both the positive and the negative, by paying particular attention to what drives changes in schools. For example, marketing is quite common and accepted as a major part of the work of private firms, but is this also what policymakers expect public schools to devote public dollars to in order to succeed?

Second, districts considering such policies ought to be wary of superficial gains, such as the growth in aggregate test scores in New Orleans that are so often cited, and consider the causal mechanisms that create those outcomes. Despite all of this competitive activity in New Orleans, competitive pressure has not translated into a focus on school improvement. My findings suggest, on the one hand, that school leaders are receptive to competition; they perceive competitive pressures. However, my findings also suggest that market-based reforms in education in particular can create adverse effects. Competition, then, while generating immense pressures on school leaders, does not, for the most part, result in strategies related to school improvement. If schools in New Orleans are improving overall—which is still an empirical question that remains unanswered because of the lack of research using appropriate controls—it is unlikely that school leaders’ actions in response to competitive pressures are driving these gains.

The competitive environment may, in fact, create adverse effects. In this study, several school leaders, faced with market and accountability pressures, engaged in strategies (e.g., focusing resources and efforts on marketing) that had the potential to pull resources away from the core work of schools. In several cases, schools described a “double-edged sword,” which led them to adopt strategies that actually limited parents’ choices, such as screening out families they believed would not be a good “fit” due to perceived lack of involvement or simply not advertising open spaces to the district. Such practices allowed schools to cream-skim and allocate these seats to students they viewed as more desirable instead. While these are certainly undesirable strategies, they are not necessarily unanticipated or surprising, given what researchers know about how markets function in other sectors. Therefore, while districts can certainly implement more safeguards for equity in choice systems, the combined pressures to increase test scores and fill seats will likely continue to generate tensions between school choice and equity.

Complicating the problem further is the shift in decision-making authority in such districts. The oversight of schools has moved from traditional, elected school boards to charter networks and other private organizations, as well as, in the case of New Orleans, to state-level agencies. As school leaders in this study described, such shifts can result in greater autonomy over hiring and curriculum, but charter boards have not always been responsive to staff or parents’ wishes, and they lack democratic accountability. This is a larger issue to consider than simply the effectiveness of the reforms. Local, public, and elected oversight of schools in New
Orleans is increasingly being replaced by private or state-level oversight. Given the politicized nature of school-board elections in New Orleans, and the influence of private philanthropy (Maxwell, 2012; Cunningham-Cook, 2012), the traditional school board system is certainly not an ideal democratic system. Foundations and reform advocates are able to buy influence in the elections and directly fund new schools. But democratic forms of oversight can potentially provide a structured and institutionalized avenue for change. The public does not elect charter board members at all, and in New Orleans, these boards hold a lot of authority over school decisions, acting as their own LEAs. They also have the power to decide whether to return to oversight by the traditional OPSB, and, in some cases, as I have shown, they have voted against the recommendations of school leaders, teachers, and parents in the charter network. Even if the reforms implemented under such a political arrangement end up showing some gains in student achievement, it is important to ask how much local, democratic oversight the public is willing, or should be willing, to trade for somewhat higher-performing schools.

Future Research

The findings from this study suggest several directions for future research. First, my research indicates that we need better proxies for competition to study its effects. My work begins to extend and elaborate theory to illuminate the black box of competition in schools, and there is a need to explore this process in other contexts. New Orleans is what qualitative researchers call a “critical case” or a “revelatory” case, with significant competitive pressures. Such cases are helpful to illuminate the process of competition, but an important follow-up question is how school leaders in districts with more moderate school choice policies experience competition with other schools. New Orleans now has over 90% of students in charter schools; what is the nature of competition in districts where 30–50% of students attend charters? Is competition as salient for school leaders in such districts? Do they engage in similar strategies in response to competitive pressure? Such work might continue to employ mixed methods: examining the processes of competition through more in-depth ethnographic work, while also examining the competitive effects in different districts, and inquiring whether perceptions-based measures of competition are more or less likely to predict competitive responses than structural measures.

Second, so much of the research on competition to date has focused on the effects of competition on student achievement and test scores, but we know little about how competition affects equity and diversity in schools. Specifically, future research should explore whether students are being counseled out or selected and to what extent. While my research begins to show how such practices occur, further research is needed to examine this systematically, and to track student movements between schools. Where do students end up when they are “counseled out”? One way to examine this is to look more closely at student mobility, at who is leaving and entering schools, to see whether there is evidence of cream-skimming (e.g., Zimmer & Guarino, 2013). There has also been a large body of work on the effects of school choice on diversity in schools, and some indication that choice districts are more segregated at the national level. But how do local policy environments influence student access to schools and segregation in schools? In addition to examining other portfolio school districts at various stages of marketization and privatization, it may also be worthwhile to examine different types of portfolio models, which may emphasize different dimensions of markets and incentives in their local policies.

Third, a focus on competition alone neglects the many ways in which schools also cooperate or collude to get ahead in competitive markets. While market-based reforms are
thought to highlight competition over cooperation (Gewirtz, 2001), they may in fact create a context of what some scholars have called “co-petition,” whereby school leaders cooperate in some ways while competing in others (Hite et al., 2010). My research began to illuminate some practices whereby CMOs collaborated with one another around issues of enrollment. How does collaboration or collusion within the education market influence the way in which competition occurs? In some ways, cooperation can be seen as positive; rather than view competition as a zero-sum game, schools are working together to help all schools improve, share best practices, or meet enrollment requirements. Schools’ cooperation with external providers and agencies may also help to explain competitive behavior, providing necessary supports to schools (Woods, 2000). Yet, cooperation within particular segments of the market can also create an uneven playing field, increasing the capacity of some schools and networks to compete while hindering others, and this could be considered a form of collusion or manipulation of the market.

Finally, this study focused primarily on competition for students, but during my fieldwork I found that schools also competed heavily for teachers and staff, a phenomenon previous research left unexplored. Previous studies have explored whether competition for students affects teacher quality (Hanushek & Rivkin, 2003), but not how competition for teachers itself changes hiring and compensation practices within schools or charter networks. Theory suggests that without union contracts, school leaders will be able to hire teachers that best fit their organization’s mission and goals, remove teachers who are unsuccessful, and compensate teachers according to their productivity. In turn, a greater number of skilled teachers will enter the labor market, thereby improving the overall quality of the teaching force. In New Orleans, most teachers are not unionized and, because the majority of schools are charters, each school or network sets its own salary and compensation scale. These conditions make it an ideal case to examine what happens when policymakers lift restrictions on school hiring practices. Are schools in these types of decentralized environments able to match good teachers with higher salaries or unique career paths so that they may attract and retain a high-quality teaching force? Do they use different tactics to recruit and retain teachers? This line of work on competition for teachers would add another dimension to competitive networks in schools, allowing for comparisons between competition for students and competition for teachers.

As urban districts across the U.S. shift to mixed-market or portfolio models that emphasize competition and choice, and as state and federal leaders look to New Orleans as a template for school reform, it is increasingly important to understand the impact of such models on the nature of school leaders’ work. By examining the processes of competition empirically, this study indicates that policymakers should consider the mechanisms by which market pressures affect schools rather than assume that more choice produces their desired outcomes. In fact, as this study shows, market pressures led school leaders to engage in a number of undesirable or superficial strategies alongside some genuine efforts for school improvement. Assuming that some school systems will continue to pursue market-based policies, my work also suggests some areas where the district could play a bigger role to mediate competition and to ensure a fairer marketplace, mitigating some of its negative effects. More research is needed to explore variation in district policies and their effects on school strategy, but there is certainly a need for oversight. For example, central assignment programs, such as the OneApp, may help to reduce inequities in terms of access, by retaining some central authority over assignment rather than leaving it entirely to the schools, and they may also simplify the process for families. But districts can also provide better information and closer oversight to ensure that students and
families are able to access schools they need. This requires an active role for the district in market and incentive design, considering where schools should be located, which neighborhoods are underserved, and which transportation policies reduce long travel times for students and cut costs for schools. District leaders must find ways to mitigate the effects of the instability inherent to markets and competition. In particular, districts should consider ways to reassign students after schools have closed in ways that are equitable, and to also consider the long-term ramifications of such turnover for students, teachers, and school leaders. Finally, since competition alone does not seem to generate many school-improvement efforts, districts might provide supports to struggling schools to help them build capacity and focus on academic improvement.

Policymakers are hoping to learn from key reform districts, such as New Orleans, that have already instituted large-scale market-based reforms. But there are reasons to believe that the mechanisms of competition are more complex than they have often been assumed in policy discussions and previous studies. A narrow conception of competition might cause policymakers to make invalid inferences about the mechanisms that are driving outcomes in key reform districts. As the reforms migrate to other cities, the validity of such inferences becomes even more urgent.
# Appendix A: Codebook

<table>
<thead>
<tr>
<th>Code</th>
<th>Code Description</th>
<th>Literature/Theory</th>
<th>Definition/Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASE NODES</strong></td>
<td>30 nodes: one for each school / case</td>
<td>e.g., Arthur Ashe, International School of Louisiana</td>
<td></td>
</tr>
<tr>
<td><strong>DESCRIPTIVE</strong></td>
<td>Descriptive Codes</td>
<td>N/A</td>
<td>Categorizing whole sources</td>
</tr>
<tr>
<td><strong>DESC-NETWORK</strong></td>
<td>Affiliated Network</td>
<td>Which network, if any, they belong to (e.g., charter management organization, other network of charters working together)</td>
<td></td>
</tr>
<tr>
<td><strong>DESC-DISTRICT</strong></td>
<td>District</td>
<td>The district they belong to (e.g., BESE, OPSB, RSD)</td>
<td></td>
</tr>
<tr>
<td><strong>DESC-GENDER</strong></td>
<td>Respondent Gender</td>
<td>e.g., Male, Female</td>
<td></td>
</tr>
<tr>
<td><strong>DESC-RACE</strong></td>
<td>Respondent Race</td>
<td>e.g., African American, White, Asian, Latino</td>
<td></td>
</tr>
<tr>
<td><strong>DESC-GEOGCOMP</strong></td>
<td>School’s Tertile in Terms of Geographic Competition</td>
<td>Based on the density of schools in the surrounding two-mile area, created tertile based on that measure (e.g., 1-Low Competition, 2-Moderate Competition, 3-High Competition)</td>
<td></td>
</tr>
<tr>
<td><strong>DESC-GRADE LEVEL</strong></td>
<td>Grades Served at School</td>
<td>e.g., K-8</td>
<td></td>
</tr>
<tr>
<td><strong>DESC-SCHOOLFORM</strong></td>
<td>School Form</td>
<td>Charter, Direct-Run, or Private</td>
<td></td>
</tr>
<tr>
<td><strong>COMP</strong></td>
<td>Competition (Definition)</td>
<td>Empirical Economic Literature &amp; Market Theory</td>
<td>Evidence of competition, how it is defined.</td>
</tr>
<tr>
<td><strong>COMP-LOSS</strong></td>
<td>-Enrollment loss</td>
<td>Market Theory</td>
<td>Mention of enrollment loss</td>
</tr>
<tr>
<td><strong>COMP-GAIN</strong></td>
<td>-Enrollment gain</td>
<td>Market Theory</td>
<td>Mention of enrollment gain</td>
</tr>
<tr>
<td><strong>COMP-TYPE</strong></td>
<td>-Type of school (direct-run, private, CMO charter, standalone charter)</td>
<td>Various studies that have looked at each of these.</td>
<td>Type of school mentioned that poses a threat (other school parents choose, offers more services, has more resources) “Some parents go across town to send their kids to X public school” or “think about all those kids that go to private school that could be going to our school” We only compete in Kindergarten</td>
</tr>
<tr>
<td><strong>COMP-COMPETITOR</strong></td>
<td>-Name of a competitor</td>
<td>Inductive</td>
<td>E.g., “We compete for students from KIPP”</td>
</tr>
<tr>
<td><strong>COMP-CIRCUITS</strong></td>
<td>-Competition occurring in circuits or networks of competitors based on market hierarchy</td>
<td>Gewirtz et al.</td>
<td>Ex. “First, you’ve got the top tier—that’s your KIPPs, your Lushers, your high-performing charters...”</td>
</tr>
<tr>
<td><strong>COMP-DEFN</strong></td>
<td>-Definition of competition provided directly, or meaning/significance of competition suggested.</td>
<td>Inductive</td>
<td>Ex. “you’ve got to sell your school” „social inclusion and social justice aims “collide” with market values Ex. “Because we are next door to them, we compete for the same students.”</td>
</tr>
<tr>
<td><strong>COMP-GEOG</strong></td>
<td>-Geographic dimensions of competition or enrollment</td>
<td>Inductive</td>
<td>Ex. Eastbank and Westbank divide</td>
</tr>
<tr>
<td><strong>STRATEGIES</strong></td>
<td>Strategies Identified by Principals as Part of Working in Competitive Environment</td>
<td>Various theoretical and empirical work</td>
<td>Strategies mentioned to improve school to make it more attractive to parents, increase enrollment.</td>
</tr>
<tr>
<td><strong>STRAT-ACAD</strong></td>
<td>Academic strategies</td>
<td>Ni &amp; Arsen (2010)</td>
<td>-new academic programs, new curriculum, test scores increase</td>
</tr>
<tr>
<td><strong>STRAT-NONE</strong></td>
<td>No identified strategies</td>
<td>Ni &amp; Arsen (2010)</td>
<td>-Aspects of school enrollment not being addressed, waiting for enrollment to increase in other ways (passively)</td>
</tr>
<tr>
<td><strong>STRAT-EC</strong></td>
<td>Extracurricular</td>
<td>Ni &amp; Arsen (2010)</td>
<td>-After school programs, sports, etc.</td>
</tr>
<tr>
<td><strong>STRAT-MKT</strong></td>
<td>Marketing</td>
<td>Ni &amp; Arsen (2010)</td>
<td>-Type of information presented in marketing materials.</td>
</tr>
</tbody>
</table>
|                                |                           | -More attentive to parent needs, community engagement, parent engagement | Inductive | Market Theory, Friedman (1962) | -School actively recruiting particular students, discussion of types of students they would like to recruit.  
|                                |                           | Efforts to improve school climate, safety, trust. | Teske et al (2000) | Inductive | e.g., “we have a strict environment"  
|                                |                           | e.g., "Creating spaces for parent engagement, responding to parent demands |                      |                      | -Just cutting expenses.  
| STRAT-OPER                      | Operational responses     | Business Operations: funding, budgeting, purchasing, -Increased efficiency -Cuts to expenses (not necessarily resulting in efficiency) | Teske et al (2000) | Inductive | -Evidence of efforts to increase efficient use of resources. (Less resources, same outcome.)  
|                                |                           | -Leveraging grants, cutting back nonessentials, finding ways to do more with less. |                      |                      | -Just cutting expenses.  
| STRAT-OPER-BUSINESS             | -Human Capital, Teachers  | (different pay; more output for same pay) | Belfield & Levin (2002) | Any changes related to staff, teachers' working conditions, pay, "productivity." retention |  
|                                |                           |  
| STRAT-OPER-TRANSPORT            | Transportation issues     |                           | White, Economic Sociology | -“We see that other schools are using X compensation scheme.” Ex. "I didn’t know so many schools existed.” Ex. "We keep track of where students go – I can show you the spreadsheet.” |  
| STRAT-INFO                      | ‘Watch’ other actors, not | Information on competitors | White, Economic Sociology | -“Our school is the only X type of school.”  
|                                | consumers                 |                           |                        | -Desire for stability over competition (e.g., reference to closing and opening of schools, uncertainty.)  
|                                |                           |                          |                        | -“All schools now have the same behavioral policies’ |  
| STRAT-CONTROL                  | -Try to contain or control competition | Niche schools -Schools use same policies, practices – reduces competition | White, Fligstein, Economic Sociology | Lubienski |  
| STRAT-CONTROL-NICHE            |                           |                           |                         |                          |  
| STRAT-CONTROL-ISOMORPHISM      |                           |                           |                         |                          |  
| STRAT-RECRUIT                   | -Recruiting students from other schools serving same grades -Alliances with feeder schools | Jennings, news reports/allegations Lacireno-Pacquet et al. 2002 | Lubienski | -“We might take more students after Oct. 1 if they are really good students.” |  
| STRAT-RECRUIT-FEEDER           |                           |                           |                         |                          |  
| STRAT-SCREEN/SELECT            | -Manipulation of student body, prescreening, counseling out behaviors |                           |                         |                          |  
| DIST & REG                     | Districts and Regulation  |                           |                         |                          |  
| DIST-ASSIGNMT-FO               | -role of district/department of education in assignment. Informal and Formal | Jennings (2010) | Also, inductive | -how the district staff/policies factor into the enrollment issues at the site. |  
| DIST-ASSIGNMT-INF             |                           |                           |                         | Formal: open enrollment, district policies related to assignment. Informal: district talking to parents “steering” |  
| DIST-SUPP                      | -Support                 | Inductive                 |                           | Evidence of district support to school (or lack of support). Ex. District provides incentives, assistance with grants |  
| DIST-POWER                     | -Power, authority of district -Power struggles in the district -For economic ends -For political ends -Double movement; a counter movement alongside the expansion of market forces | Feigenbaum, Fligstein, Sclar, Scott | Scott; Political economy | Mentions of district’s role in enforcing regulations, monitoring, etc. |  
| DIST-POWER-ECON               |                           |                           |                         | -e.g., outsiders come in to make money in education  
| DIST-POWER-POL                |                           |                           |                         | -e.g., controlling a blue city in a red state; suppression of African American voice  
| DIST-POWER-DISSENT            |                           |                           |                         | -e.g., movement against expansion of markets, resistance |  
| DIST-REG                      | -District regulations, policies that affect school governance / choice architecture -Diff types of district | Evans, Polanyi; Political economy |                           | e.g., One App program for student assignment expulsion policy |  
| DIST-REG-OPSB                 |                           |                           |                         |                          |  
| DIST-REG-RSD                  |                           |                           |                         |                          |  

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Source(s)</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STATE-REG</strong></td>
<td>Mention of state policies affecting school governance/choice</td>
<td>Evans, Polanyi</td>
<td>e.g., voucher policy</td>
</tr>
<tr>
<td><strong>STATE-REG-VOUCH</strong></td>
<td>-Voucher policy specifically</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CMO-REG</strong></td>
<td>-CMO or charter board regulations, policies that affect school governance/choice. -Diff types of CMO intervention</td>
<td>Evans, Political economy</td>
<td>e.g., CMO policy on marketing, assignment</td>
</tr>
<tr>
<td><strong>INTERMED-REG</strong></td>
<td>-Regulatory role of other intermediary orgs in the area -Playing district like roles -Foundations' roles</td>
<td>Evans, Scott, Political economy</td>
<td>e.g., NSNO regulations</td>
</tr>
<tr>
<td><strong>PERC</strong></td>
<td>Perception</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PERC-PARENT</strong></td>
<td>-Parent and community perception of the school</td>
<td>Inductive</td>
<td>Role of parent/community perceptions of school as unsafe or under-performing. (Word of mouth, history of school as under-performing). Ex. “Parents don’t think they can get a quality education here.”</td>
</tr>
<tr>
<td><strong>PERC-MKT</strong></td>
<td>-Actors’ perceptions, beliefs, and understandings of markets in ed</td>
<td>Fligstein, “conceptions of control”</td>
<td>“We have school choice so that every parent can select the best school.”</td>
</tr>
<tr>
<td><strong>OTHER</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>THESE KIDS</strong></td>
<td>-Student body (sorting of students across schools, peer effects, these kids are different than kids in other schools, who we serve) - Evidence that there is nonrandom exit from or entry to school.</td>
<td>Inductive</td>
<td>Ex. “Those schools don’t have the kids in abject poverty” or “We serve X type of kids”</td>
</tr>
<tr>
<td><strong>COLLABORATION</strong></td>
<td>Evidence of cooperation or collaboration between schools</td>
<td>Inductive</td>
<td>Ex. We send kids to the other schools in our network if we don’t have space.</td>
</tr>
</tbody>
</table>
Appendix B: Interview Protocols

School Leader Interview Protocol [In-Depth]

Background
How did you become a principal at this school?
When did this school open?
   a. If charter, who started it?
   b. Tell me about the previous leadership of the school. (Probe: differences)
Tell me about what you do in a typical day.
What are the biggest challenges you face?

Enrollment
What neighborhoods do students at your school come from?
What transportation do they use to get here?
How, if at all, has enrollment changed since you’ve been here?
   a. Why do you think these changes occurred?
   b. How has it mattered to you that enrollment has changed in these ways?
   c. Do the publicly available enrollment figures accurately capture your student body?
   d. How, if at all, has the type of students who attend your school changed?
How do students enroll in your school?
   a. What is the application process like?
What are your thoughts on the new OneApp program in the Recovery School District?
Can you describe other schools that your students or their parents have considered?
   a. How do you find out that they are considering other schools?
When students leave your school or select other schools, where do they typically go? [Probe: traditional schools, charter schools, private schools, schools in other districts]
   a. When do students leave your school?
   b. How do you usually find out about this?
   c. What are these schools like? (high-performing, low-performing, demographics)
   d. Where are they located? (nearby, far away)
   e. How does the loss of these students affect your school, if at all?
   f. What’s your sense of why these students leave your school? (Probe: do other schools try to recruit your students?)
   g. In what ways, if at all, has this situation influenced your decisions?
Some of your students arrive after spending some time at other schools. Which schools do they come from?
   a. Why do you think these students leave those schools?
   b. How do they adjust to your school?
   c. How, if at all, does this affect your school overall?

Competition
Does your school do anything to enroll more students?
   a. Certain types of students?
b. Can you give me an example [Probe: curricular changes, instructional changes, marketing, operational changes]

Do you think your school competes for students?
   a. Can you give me an example of when this happened?

If yes, What other schools would you describe as competitors (provide list and ask them to rate each school as “not a competitor,” “low,” “medium” and “high” competition)?

What strategies do you use to make your school more competitive? [Probe: curricular changes, instructional changes, marketing, operational]

Marketing & Information
In what ways is your school different or unique from other schools?
How do students and parents find out about your school?
   a. To what extent does your school use outreach or advertisement to attract students? (Adapted from Loeb et al., 2011)
   b. Where do you do the outreach?
   c. What do you think you gain from this kind of outreach and advertising?
   d. Who typically puts together those materials?

What do you think attracts parents to the school?
   a. Can you give me some examples of students or parents that have been satisfied with the school?
   b. Dissatisfied with the school?

What’s your sense of how parents understand or navigate the choice system?
   a. What kinds of questions do parents ask you?

Policy & Regulation
Who makes decisions on the curriculum used at your school?
Who decides on the testing policies?
What kinds of teachers are best for this school?
Would you say that you compete for teachers / staff?
What do you do to make your school competitive in terms of hiring teachers?
   a. Are you able to offer any kind of bonus/incentive program?
   b. Any other perks? (Probe: hiring bonus, housing, etc.)
Who sets the policies on who is hired and fired?
   a. For teachers?
   b. For principals?

From where does your school receive its funding?
What is your relationship with the OPSB?
What should be the role of the school district in New Orleans?
How do the two districts differ in their approach to managing schools?
   a. For RSD schools: if your school is given a choice to stay within the RSD or return to OPSB, what would you choose and why? (Skip if non-RSD)

New Orleans’s school reform model is often held up as an example. What would you say is going well in the district and should be replicated elsewhere?
   a. What isn’t going well?

What organizations does your school partner with?
a. What is the nature of your partnership activities?
Are you a part of a charter school network?
   a. If yes, how does the central office of the CMO or organization oversee your work?

End
Over the last few months, what are you most proud of? What would you regard as your greatest successes?
Is there anyone else you think would be good to talk to?

District Interviews

Background (adapted from WTG project)
How long have you been with the district?
How did you come to work here?
Please describe your role in this organization.
How long have you been in this position?

Current Policy Environment
What is the climate like in New Orleans for charters?
   a. For non-charters?
What do you describe as the district’s current priorities?

Partnerships [adapted from WTG project’s protocol]
Is the district formally partnering with others, whether at national, state, or local levels?
   a. What form does the partnership take?
   b. Is the district working with other districts, the state, or at the federal level around any particular issues?
With what organizations is the district most aligned philosophically?
With whom do you work most intensively?
What about less formal relationships?
Are there other groups that you would say share aspects of your agenda?
How do your efforts overlap or differ?
How does the district partner, formally or informally, with the other district in New Orleans, if at all?

Regulation & Information
What systems of accountability are in place?
   a. In your district?
   b. At the state level?
What decisions does the district make?
In what areas do schools have decision-making authority? [Probe: curriculum, instruction, teacher and principal hiring, staff development, textbooks, testing, transportation]
What do you think the job of the central office should be?
In a district like New Orleans, which has so many charters, what kinds of regulations are needed?
School choice seems to be a central part of the New Orleans reform strategy. How do parents obtain information on schools?
   a. What is the district’s role?
   b. What roles do other organizations play?

The RSD has recently implemented a new student-assignment plan. What are your thoughts on this plan?
   a. How did schools select students previously?
   b. What problems arose in the past?
   c. What problems do you foresee?

What is the process for district approval of contracts with charter schools?
   a. Would you share an example of a successful contract application?
   b. An unsuccessful one?

How does the district decide whether a school needs to be closed?
   a. How many school closures have they been this year?
   b. Previous years?
   c. What’s your opinion of the school closure policy for low-performing schools?
   d. How do school closures affect the community? (Teachers? Principals?)
   e. When schools are shut down, where are students sent?

Are there differences in ways you oversee direct-run and charter schools in the district?

How do you see the Recovery School District and Orleans Parish School Board differing in their approach to managing schools?

**General**

New Orleans’s school reform model is often held up as an example. What would you say is going well and should be replicated elsewhere?
   a. What isn’t going well?

End

Is there anyone else you think would be good to talk to?

---

**School Leader Interview Protocol [Short]**

**Background**

How did you become a principal at this school?
When did this school open?
What are the biggest challenges you face?

**Enrollment**

What neighborhoods do students at your school come from?
What transportation do they use to get here?
How, if at all, has enrollment changed since you’ve been here?
How do students enroll in your school?
   a. What is the application process like?

What are your thoughts on the new OneApp program in the Recovery School District?
Can you describe other schools that your students or their parents have considered?
  a. How do you find out that they are considering other schools?

When students leave your school or select other schools, where do they typically go? [Probe: traditional schools, charter schools, private schools, schools in other districts]
  a. How does the loss of these students affect your school, if at all?
  b. What’s your sense of why these students leave your school? (Probe: do other schools try to recruit your students?)

Some of your students arrive after spending some time at other schools. Which schools do they come from?
  a. Why do you think these students leave those schools?

**Competition**

Does your school do anything to enroll more students?
  a. Certain types of students?
  b. Can you give me an example [Probe: curricular changes, instructional changes, marketing, operational changes]

Do you think your school competes for students?
  a. Can you give me an example of when this happened?

If yes, What other schools would you describe as competitors (provide list and ask them to rate each school as “not a competitor,” “low,” “medium” and “high” competition)?

What strategies do you use to make your school more competitive? [Probe: curricular changes, instructional changes, marketing, operational]

**Marketing & Information**

In what ways is your school different or unique from other schools?

How do students and parents find out about your school?
  a. To what extent does your school use outreach or advertisement to attract students?
    (Adapted from Loeb et al., 2011)
  b. Where do you do the outreach?

What do you think attracts parents to the school?

**Policy & Regulation**

What kinds of teachers are best for this school?

Would you say that you compete for teachers / staff?

What do you do to make your school competitive in terms of hiring teachers?
  a. Are you able to offer any kind of bonus/incentive program?

What should be the role of the school district in New Orleans?

New Orleans’s school reform model is often held up as an example. What would you say is going well in the district and should be replicated elsewhere?
  a. What isn’t going well?

Are you a part of a charter school network?
  a. If yes, how does the central office of the CMO or organization oversee your work?

**End**

Is there anyone else you think would be good to talk to?
### Appendix C: Additional Exploratory Analyses

#### 1. Cross-classified logistic regression predicting existence of competitive tie between two schools

<table>
<thead>
<tr>
<th>Variables</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
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<tbody>
<tr>
<td>Grade Overlap</td>
<td>1.566 (0.455)</td>
<td>1.515 (0.469)</td>
<td>1.328 (0.418)</td>
<td>1.875* (0.641)</td>
<td>2.000** (0.696)</td>
<td>2.322*** (0.795)</td>
</tr>
<tr>
<td>Distance (Miles)</td>
<td>0.896*** (0.022)</td>
<td>0.945** (0.026)</td>
<td>0.903*** (0.027)</td>
<td>0.909*** (0.029)</td>
<td>0.913*** (0.029)</td>
<td>0.930*** (0.030)</td>
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<td>Nearest School (Sender)</td>
<td>0.947 (0.689)</td>
<td>1.384 (0.955)</td>
<td>0.886 (0.638)</td>
<td>0.552 (0.379)</td>
<td>0.812 (0.578)</td>
<td>0.719 (0.509)</td>
</tr>
<tr>
<td>Nearest School (Receiver)</td>
<td>1.474 (0.451)</td>
<td>0.838 (0.252)</td>
<td>0.99 (0.197)</td>
<td>1.046 (0.233)</td>
<td>0.765 (0.176)</td>
<td>0.751 (0.169)</td>
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<tr>
<td>No. Schools in 2 mi (Sender)</td>
<td>0.907*** (0.042)</td>
<td>0.926* (0.041)</td>
<td>0.887** (0.042)</td>
<td>0.840** (0.042)</td>
<td>0.843*** (0.042)</td>
<td>0.828*** (0.042)</td>
</tr>
<tr>
<td>No. Schools in 2 mi (Receiver)</td>
<td>1.004 (0.193)</td>
<td>0.994 (0.019)</td>
<td>1.003 (0.222)</td>
<td>0.994 (0.015)</td>
<td>1.000 (0.016)</td>
<td>0.999 (0.015)</td>
</tr>
<tr>
<td>School Performance Score (Diff.)</td>
<td>0.963*** (0.004)</td>
<td>0.961*** (0.004)</td>
<td>0.961*** (0.017)</td>
<td>0.970*** (0.005)</td>
<td>0.967*** (0.006)</td>
<td>0.969*** (0.005)</td>
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<tr>
<td>Both Failing</td>
<td>0.524** (0.132)</td>
<td>0.692 (0.183)</td>
<td>0.651* (0.156)</td>
<td>0.520** (0.138)</td>
<td>0.610* (0.167)</td>
<td>0.568** (0.148)</td>
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<td>Principal Characteristics</td>
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<tr>
<td>Years (Sender)</td>
<td>0.962 (0.124)</td>
<td>1.303 (0.222)</td>
<td>1.289 (0.209)</td>
<td>1.482** (0.267)</td>
<td>1.390* (0.251)</td>
<td>1.156*** (0.058)</td>
</tr>
<tr>
<td>Years (Receiver)</td>
<td>1.201*** (0.065)</td>
<td>1.098** (0.049)</td>
<td>1.106** (0.053)</td>
<td>1.087 (0.053)</td>
<td>1.158*** (0.061)</td>
<td>0.253* (0.174)</td>
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<td>African American (Sender)</td>
<td>0.809 (0.471)</td>
<td>0.497 (0.334)</td>
<td>0.812 (0.182)</td>
<td>0.263* (0.192)</td>
<td>0.880 (0.189)</td>
<td>0.870 (0.188)</td>
</tr>
<tr>
<td>African American (Receiver)</td>
<td>0.511*** (0.128)</td>
<td>0.941 (0.176)</td>
<td>0.871 (0.186)</td>
<td>0.263* (0.192)</td>
<td>0.880 (0.189)</td>
<td>0.870 (0.188)</td>
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<tr>
<td>Female (Sender)</td>
<td>0.208*** (0.123)</td>
<td>0.249** (0.158)</td>
<td>0.352* (0.215)</td>
<td>0.271* (0.171)</td>
<td>1.001 (0.191)</td>
<td>1.006 (0.188)</td>
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<tr>
<td>Female (Receiver)</td>
<td>0.900 (0.229)</td>
<td>0.780 (0.143)</td>
<td>0.895 (0.175)</td>
<td>0.895 (0.175)</td>
<td>0.900 (0.175)</td>
<td>0.900 (0.175)</td>
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<tr>
<td>Years Open (Sender)</td>
<td>0.999 (0.024)</td>
<td>1.012 (0.023)</td>
<td>0.987* (0.023)</td>
<td>0.984* (0.007)</td>
<td>1.004 (0.024)</td>
<td>1.004 (0.023)</td>
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<tr>
<td>Years Open (Receiver)</td>
<td>0.990* (0.006)</td>
<td>1.102 (0.023)</td>
<td>0.987* (0.006)</td>
<td>0.984* (0.007)</td>
<td>1.004 (0.024)</td>
<td>0.982* (0.006)</td>
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<tr>
<td>Pre-Katrina (Sender)</td>
<td>0.469 (0.367)</td>
<td>0.201** (0.160)</td>
<td>0.636* (0.156)</td>
<td>0.294 (0.271)</td>
<td>0.245 (0.227)</td>
<td>0.245 (0.227)</td>
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<tr>
<td>Pre-Katrina (Receiver)</td>
<td>0.708 (0.162)</td>
<td>0.636* (0.156)</td>
<td>0.636* (0.156)</td>
<td>0.639 (0.212)</td>
<td>0.617 (0.199)</td>
<td>0.617 (0.199)</td>
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<tr>
<td>OPSB (Sender)</td>
<td>0.295 (0.246)</td>
<td>0.194* (0.187)</td>
<td>4.900*** (1.765)</td>
<td>0.121* (0.145)</td>
<td>0.225 (0.234)</td>
<td>6.831*** (2.758)</td>
</tr>
<tr>
<td>OPSB (Receiver)</td>
<td>3.473*** (0.869)</td>
<td>1.04** (0.187)</td>
<td>6.458*** (2.675)</td>
<td>6.458*** (2.675)</td>
<td>6.458*** (2.675)</td>
<td>6.458*** (2.675)</td>
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<td>Charter Networks</td>
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<td>Network A (Sender)</td>
<td>0.294 (0.336)</td>
<td>0.094** (0.104)</td>
<td>2.545** (0.856)</td>
<td>0.083** (0.0853)</td>
<td>0.060*** (0.063)</td>
<td>2.913*** (0.946)</td>
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<td>Network A (Receiver)</td>
<td>2.286*** (0.721)</td>
<td>2.495** (0.938)</td>
<td>0.361 (0.489)</td>
<td>2.216 (0.965)</td>
<td>6.844 (8.884)</td>
<td>4.134 (4.951)</td>
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<td>Network B (Sender)</td>
<td>6.099 (7.785)</td>
<td>5.516 (6.691)</td>
<td>6.516 (6.691)</td>
<td>2.383** (0.920)</td>
<td>2.000** (0.696)</td>
<td>2.618*** (0.916)</td>
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<td>Network B (Receiver)</td>
<td>2.266** (0.795)</td>
<td>2.495** (0.938)</td>
<td>0.361 (0.489)</td>
<td>2.216 (0.965)</td>
<td>6.844 (8.884)</td>
<td>4.134 (4.951)</td>
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<td>Network C (Sender)</td>
<td>0.192 (0.243)</td>
<td>0.361 (0.489)</td>
<td>0.666 (0.291)</td>
<td>0.134** (0.121)</td>
<td>0.362 (0.482)</td>
<td>0.806 (0.242)</td>
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<td>Network C (Receiver)</td>
<td>0.756 (0.326)</td>
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<td>0.407 (0.291)</td>
<td>0.407 (0.291)</td>
<td>0.407 (0.291)</td>
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<td>Network D (Sender)</td>
<td>0.477 (0.486)</td>
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<td>0.407 (0.291)</td>
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<td>Network D (Receiver)</td>
<td>0.875 (0.231)</td>
<td>0.721 (0.207)</td>
<td>0.721 (0.207)</td>
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<tr>
<td><strong>Selective Enrollment (Sender)</strong></td>
<td>0.497 (0.587)</td>
<td>2.500 (5.093)</td>
<td>10.065 (25.682)</td>
<td>7.256 (17.586)</td>
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<tr>
<td><strong>Selective Enrollment (Receiver)</strong></td>
<td>2.195** (6.687)</td>
<td>8.344*** (4.994)</td>
<td>6.315* (6.261)</td>
<td>9.665*** (7.394)</td>
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<td><strong>Diversity Index (Diff.)</strong></td>
<td>0.003*** (0.002)</td>
<td>0.003*** (0.002)</td>
<td>0.003*** (0.002)</td>
<td>0.003*** (0.002)</td>
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<tr>
<td><strong>Diversity (Sender)</strong></td>
<td>0.000 (0.000)</td>
<td>0.000* (0.000)</td>
<td>17.842 (45.594)</td>
<td>77.403* (185.379)</td>
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<td><strong>Diversity (Receiver)</strong></td>
<td>1.021 (2.467)</td>
<td>1.536*** (0.204)</td>
<td>1.566*** (0.213)</td>
<td>1.294*** (0.218)</td>
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<td><strong>FARL (Sender)</strong></td>
<td>0.992 (0.040)</td>
<td>1.022 (0.477)</td>
<td>0.992 (0.040)</td>
<td>1.004 (0.040)</td>
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<td><strong>FARL (Receiver)</strong></td>
<td>0.997 (0.011)</td>
<td>0.998 (0.129)</td>
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<td><strong>African American % (Sender)</strong></td>
<td>1.352** (0.166)</td>
<td>1.536*** (0.204)</td>
<td>1.566*** (0.213)</td>
<td>1.294*** (0.218)</td>
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<tr>
<td><strong>African American % (Receiver)</strong></td>
<td>0.003*** (0.002)</td>
<td>0.000* (0.000)</td>
<td>0.000 (0.000)</td>
<td>1.004 (0.040)</td>
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<td><strong>Caucasian % (Sender)</strong></td>
<td>0.998 (0.034)</td>
<td>0.925** (0.033)</td>
<td>0.925** (0.033)</td>
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<td><strong>Caucasian % (Receiver)</strong></td>
<td>1.272*** (0.100)</td>
<td>1.357*** (0.124)</td>
<td>1.423*** (0.130)</td>
<td>0.945** (0.040)</td>
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<td><strong>Extracurricular / School Services</strong></td>
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<td><strong>Special Ed Inclusion (Sender)</strong></td>
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<td><strong>Special Ed Inclusion (Receiver)</strong></td>
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<td><strong>Extended School Day (Sender)</strong></td>
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<td><strong>Extended School Day (Receiver)</strong></td>
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<td><strong>Extended School Year (Sender)</strong></td>
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<td><strong>Team Sports (Sender)</strong></td>
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<td><strong>Free Transportation (Sender)</strong></td>
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<td><strong>Free Transportation (Receiver)</strong></td>
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<tr>
<td><strong>Marching Band (Sender)</strong></td>
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<tr>
<td><strong>Marching Band (Receiver)</strong></td>
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<tr>
<td><strong>Total Student Transfers (Outgoing) 2010</strong></td>
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<tr>
<td><strong>Total Student Transfers (Outgoing) 2011</strong></td>
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</tbody>
</table>

| **Random Effects** | | | | |
| **Sender** | 2.422 (0.237) | 2.167 (0.231) | 2.083 (0.207) | 1.818 (0.215) |
| **Receiver** | 0.881 (0.110) | 0.745 (0.109) | 0.292 (0.110) | 0.259 (0.120) | 1.593 (0.196) | 0.000 (0.115) | 1.647 (0.200) | 0.000 (0.125) |
### Cross-classified logistic regression predicting existence of competitive tie between two schools (bounded network—only schools with complete data)

<table>
<thead>
<tr>
<th>Variables</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade Overlap</td>
<td>4.569 (4.461)</td>
<td>11.165** (11.810)</td>
<td>38.697*** (47.219)</td>
<td>0.000* (0.000)</td>
<td>0.000** (0.000)</td>
<td>0.000** (0.000)</td>
</tr>
<tr>
<td>Log Likelihood</td>
<td>-1562.065</td>
<td>-1222.05</td>
<td>-985.394</td>
<td>-888.321</td>
<td>-860.851</td>
<td>-855.861</td>
</tr>
<tr>
<td>N</td>
<td>3780</td>
<td>2861</td>
<td>2309</td>
<td>2204</td>
<td>2204</td>
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</tr>
</tbody>
</table>

*Note: Coefficients are odds ratios. Only schools that have been in operation for two years receive an SPS score.*

#### Principal Characteristics

<table>
<thead>
<tr>
<th>Years (Sender)</th>
<th>0.963 (0.125)</th>
<th>1.311 (0.224)</th>
<th>1.298 (0.211)</th>
<th>1.490** (0.269)</th>
<th>1.396* (0.253)</th>
<th>1.154*** (0.063)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years (Receiver)</td>
<td>1.204*** (0.069)</td>
<td>1.093* (0.056)</td>
<td>1.094* (0.058)</td>
<td>1.164*** (0.065)</td>
<td>0.238* (0.176)</td>
<td>0.881</td>
</tr>
<tr>
<td>African American (Sender)</td>
<td>0.810 (0.474)</td>
<td>0.498 (0.336)</td>
<td>0.853 (0.174)</td>
<td>0.830 (0.185)</td>
<td>0.830 (0.185)</td>
<td>0.830 (0.185)</td>
</tr>
<tr>
<td>African American (Receiver)</td>
<td>0.511** (0.128)</td>
<td>0.941 (0.176)</td>
<td>0.304* (0.152)</td>
<td>0.236*** (0.182)</td>
<td>0.236*** (0.182)</td>
<td>0.236*** (0.182)</td>
</tr>
<tr>
<td>Female (Sender)</td>
<td>0.197*** (0.116)</td>
<td>0.226*** (0.144)</td>
<td>0.906 (0.185)</td>
<td>1.002 (0.237)</td>
<td>1.060 (0.205)</td>
<td>1.060 (0.205)</td>
</tr>
<tr>
<td>Female (Receiver)</td>
<td>0.904 (0.236)</td>
<td>0.786 (0.151)</td>
<td>0.906 (0.185)</td>
<td>1.002 (0.237)</td>
<td>1.060 (0.205)</td>
<td>1.060 (0.205)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pre-Katrina (Sender)</th>
<th>0.421 (0.332)</th>
<th>0.172** (0.139)</th>
<th>0.274 (0.255)</th>
<th>0.529* (0.202)</th>
<th>0.228 (0.213)</th>
<th>0.491* (0.184)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Katrina (Receiver)</td>
<td>0.770 (0.170)</td>
<td>0.611* (0.160)</td>
<td>0.121* (0.146)</td>
<td>0.225 (0.234)</td>
<td>0.225 (0.234)</td>
<td>0.225 (0.234)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>OPSB (Sender)</th>
<th>0.288 (0.242)</th>
<th>0.179* (0.174)</th>
<th>0.121* (0.146)</th>
<th>0.225 (0.234)</th>
<th>0.225 (0.234)</th>
<th>0.225 (0.234)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPSB (Receiver)</td>
<td>3.362*** (0.882)</td>
<td>4.663*** (1.756)</td>
<td>7.458*** (3.330)</td>
<td>6.975*** (2.874)</td>
<td>6.975*** (2.874)</td>
<td>6.975*** (2.874)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Charter Networks</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Network A (Sender)</td>
<td>0.276 (0.317)</td>
<td>0.080** (0.089)</td>
<td>0.073** (0.077)</td>
<td>0.053*** (0.056)</td>
<td>0.053*** (0.056)</td>
<td>0.053*** (0.056)</td>
</tr>
<tr>
<td>Network A (Receiver)</td>
<td>2.365*** (0.781)</td>
<td>2.611* (0.913)</td>
<td>2.947*** (0.984)</td>
<td>3.035*** (0.999)</td>
<td>4.298 (5.162)</td>
<td>2.553*** (0.910)</td>
</tr>
<tr>
<td>Network B (Sender)</td>
<td>6.099 (7.808)</td>
<td>5.452 (6.630)</td>
<td>7.081 (9.241)</td>
<td>2.553*** (0.910)</td>
<td>2.553*** (0.910)</td>
<td>2.553*** (0.910)</td>
</tr>
<tr>
<td>Network B (Receiver)</td>
<td>2.291*** (0.861)</td>
<td>2.485*** (0.979)</td>
<td>1.988* (0.809)</td>
<td>2.553*** (0.910)</td>
<td>2.553*** (0.910)</td>
<td>2.553*** (0.910)</td>
</tr>
<tr>
<td>Network C (Sender)</td>
<td>0.169 (0.215)</td>
<td>0.274 (0.377)</td>
<td>1.009 (2.408)</td>
<td>0.523 (1.160)</td>
<td>0.523 (1.160)</td>
<td>0.523 (1.160)</td>
</tr>
<tr>
<td>Network C (Receiver)</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
| Network C (Receiver) | 0.767  
|                       | (0.347)  
| Network D (Sender)   | 0.433  
|                       | (0.442)  
| Network D (Receiver) | 0.875  
|                       | (0.231)  
| Selective Enrollment (Sender) | 0.542  
|                        | (0.641)  
| Selective Enrollment (Receiver) | 2.360**  
|                         | (0.793)  
| Diversity Index (Diff.) | 0.003***  
|                        | (0.002)  
| Diversity (Sender)    | 0.999  
|                        | (0.014)  
| Diversity (Receiver)  | 1.362**  
|                        | (0.168)  
| FARL (Sender)         | 0.999  
|                        | (0.014)  
| FARL (Receiver)       | 1.362**  
|                        | (0.168)  
| African American % (Sender) | 0.999  
|                        | (0.014)  
| African American % (Receiver) | 1.362**  
|                       | (0.168)  
| Caucasian % (Sender)  | 1.004  
|                        | (0.026)  
| Caucasian % (Receiver) | 1.004  
|                      | (0.026)  
| Extracurricular / School Services | 1.927  
|                             | (3.976)  
| Special Ed Inclusion (Sender) | 0.269*  
|                       | (0.211)  
| Special Ed Inclusion (Receiver) | 6.886*  
|                       | (7.175)  
| Extended School Day (Sender) | 0.739  
|                       | (0.245)  
| Extended School Day (Receiver) | 1.275  
|                       | (1.268)  
| Extended School Year (Sender) | 0.795  
|                       | (0.308)  
| Extended School Year (Receiver) | 0.487  
|                       | (0.635)  
| Uniforms (Sender)     | 1.669  
|                       | (0.817)  
| Uniforms (Receiver)   | 0.888  
|                       | (1.055)  
| Arts Programs (Sender) | 0.649  
|                       | (0.254)  
| Arts Programs (Receiver) | 0.790  
|                       | (0.643)  
| Team Sports (Sender)  | 1.268  
|                       | (0.336)  
| Team Sports (Receiver) | 0.182  
|                      | (0.281)  
| Free Transportation (Sender) | 7.500***  
|                        | (4.001)  
| Free Transportation (Receiver) | 6.231*  
|                        | (6.021)  
| Marching Band (Sender) | 0.787  
|                       | (0.259)  
| Marching Band (Receiver) | 0.179*  
|                       | (0.167)  
| Total Student Transfers (Outgoing) 2010 | 1.468***  
|                             | (0.191)  
| Total Student Transfers (Outgoing) 2011 | 1.346***  
|                             | (0.144)  

**Random Effects**
3. Cross-classified logistic regression predicting existence of competitive tie between two schools (removed 5 extreme cases, where all or no schools were named as competitors)

<table>
<thead>
<tr>
<th>Variables</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade Overlap</td>
<td>1.712*</td>
<td>1.892*</td>
<td>1.723</td>
<td>2.888***</td>
<td>3.711***</td>
<td>4.104***</td>
</tr>
<tr>
<td>Distance (Miles)</td>
<td>0.906***</td>
<td>0.940***</td>
<td>0.899***</td>
<td>0.918**</td>
<td>0.915***</td>
<td>0.940*</td>
</tr>
<tr>
<td>Nearest School (Sender)</td>
<td>1.023 (0.682)</td>
<td>1.721 (1/020)</td>
<td>1.896 (1.201)</td>
<td>1.913 (0.720)</td>
<td>1.563 (0.929)</td>
<td>1.772 (1.066)</td>
</tr>
<tr>
<td>Nearest School (Receiver)</td>
<td>1.157 (0.288)</td>
<td>0.912 (0.114)</td>
<td>1.040 (0.254)</td>
<td>1.017 (0.227)</td>
<td>0.655* (0.165)</td>
<td>0.644* (0.160)</td>
</tr>
<tr>
<td>No. Schools in 2 mi (Sender)</td>
<td>0.918**</td>
<td>0.944 (0.037)</td>
<td>0.903**</td>
<td>0.872***</td>
<td>0.863***</td>
<td>0.860***</td>
</tr>
<tr>
<td>No. Schools in 2 mi (Receiver)</td>
<td>1.018 (0.21)</td>
<td>1.010 (0.021)</td>
<td>1.001 (0.017)</td>
<td>1.000 (0.018)</td>
<td>1.001 (0.017)</td>
<td>1.002 (0.017)</td>
</tr>
<tr>
<td>School Performance Score (Diff.)</td>
<td>0.960***</td>
<td>0.957***</td>
<td>0.956***</td>
<td>0.976***</td>
<td>0.968***</td>
<td>0.966***</td>
</tr>
<tr>
<td>Both Failing</td>
<td>0.444***</td>
<td>0.656 (0.188)</td>
<td>0.658 (0.172)</td>
<td>0.492**</td>
<td>0.860 (0.268)</td>
<td>0.722 (0.216)</td>
</tr>
<tr>
<td>Principal Characteristics</td>
<td></td>
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</tr>
<tr>
<td>Years (Sender)</td>
<td>0.856 (0.098)</td>
<td>1.191***</td>
<td>1.079 (0.039)</td>
<td>1.074 (0.059)</td>
<td>1.267 (0.197)</td>
<td>1.181 (0.188)</td>
</tr>
<tr>
<td>Years (Receiver)</td>
<td>0.808 (0.409)</td>
<td>0.580 (0.342)</td>
<td>0.914 (0.186)</td>
<td>0.839 (0.193)</td>
<td>0.447 (0.269)</td>
<td>0.349* (0.215)</td>
</tr>
<tr>
<td>African American (Sender)</td>
<td>0.556** (0.146)</td>
<td>0.144*** (0.074)</td>
<td>0.135*** (0.078)</td>
<td>0.176*** (0.095)</td>
<td>0.110*** (0.058)</td>
<td>0.153*** (0.076)</td>
</tr>
<tr>
<td>African American (Receiver)</td>
<td>1.184 (0.324)</td>
<td>0.972 (0.207)</td>
<td>1.173 (0.260)</td>
<td>1.424 (0.330)</td>
<td>1.366 (0.282)</td>
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<tr>
<td>Female (Sender)</td>
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<tr>
<td>Female (Receiver)</td>
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<tr>
<td>Years Open (Sender)</td>
<td>0.987 (0.021)</td>
<td>0.993 (0.007)</td>
<td>0.993 (0.007)</td>
<td>0.986 (0.020)</td>
<td>0.987 (0.020)</td>
<td>0.989 (0.007)</td>
</tr>
<tr>
<td>Years Open (Receiver)</td>
<td></td>
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</tr>
<tr>
<td>Pre-Katrina (Sender)</td>
<td>0.958 (0.662)</td>
<td>0.699 (0.181)</td>
<td>0.634 (0.448)</td>
<td>0.538** (0.151)</td>
<td>1.271 (1.025)</td>
<td>1.189 (0.980)</td>
</tr>
<tr>
<td>Pre-Katrina (Receiver)</td>
<td>0.771*** (1/030)</td>
<td>0.477 (1.941)</td>
<td>0.419 (0.351)</td>
<td>0.094** (0.095)</td>
<td>0.404* (0.214)</td>
<td>0.439* (0.218)</td>
</tr>
<tr>
<td>OPSB (Sender)</td>
<td>0.577 (0.420)</td>
<td>3.771*** (1/030)</td>
<td>0.419 (0.351)</td>
<td>0.094** (0.095)</td>
<td>0.404* (0.214)</td>
<td>0.310 (0.272)</td>
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<td>OPSB (Receiver)</td>
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<tr>
<td>Charter Networks</td>
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</tr>
<tr>
<td>Network A (Sender)</td>
<td>0.809 (0.834)</td>
<td>0.301 (0.304)</td>
<td>0.443 (0.391)</td>
<td>0.332 (0.305)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Coefficients are odds-ratios. Only schools that have been in operation for two years receive an SPS score.

*p<.10 **p<.05 ***p<.01

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<table>
<thead>
<tr>
<th>Network A (Receiver)</th>
<th>2.548*** (0.924)</th>
<th>2.541** (0.972)</th>
<th>3.540*** (1.315)</th>
<th>3.863*** (1.410)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network B (Sender)</td>
<td>2.754 (2.987)</td>
<td>2.704 (2.752)</td>
<td>7.305* (7.848)</td>
<td>2.831</td>
</tr>
<tr>
<td>Network B (Receiver)</td>
<td>2.136** (0.825)</td>
<td>2.265** (0.899)</td>
<td>1.748 (0.797)</td>
<td>2.670**</td>
</tr>
<tr>
<td>Network C (Sender)</td>
<td>0.266 (0.294)</td>
<td>0.408 (0.481)</td>
<td>1.231 (2.430)</td>
<td>1.943</td>
</tr>
<tr>
<td>Network C (Receiver)</td>
<td>0.826 (0.391)</td>
<td>0.677 (0.317)</td>
<td>0.063*** (0.065)</td>
<td>0.026***</td>
</tr>
<tr>
<td>Network D (Sender)</td>
<td>0.142** (0.130)</td>
<td>0.096*** (0.084)</td>
<td>0.175 (0.189)</td>
<td>0.042***</td>
</tr>
<tr>
<td>Network D (Receiver)</td>
<td>0.873 (0.254)</td>
<td>0.759 (0.247)</td>
<td>0.536 (0.239)</td>
<td>1.041</td>
</tr>
<tr>
<td>Selective Enrollment (Sender)</td>
<td>1.690 (1.772)</td>
<td>3.683 (6.458)</td>
<td>8.640 (18.157)</td>
<td>12.366</td>
</tr>
<tr>
<td>Selective Enrollment (Receiver)</td>
<td>2.208** (0.771)</td>
<td>10.699*** (8.512)</td>
<td>13.715*** (11.785)</td>
<td>17.104***</td>
</tr>
<tr>
<td>Diversity Index (Diff.)</td>
<td>0.003*** (0.002)</td>
<td>0.002*** (0.001)</td>
<td>0.002*** (0.002)</td>
<td>0.000</td>
</tr>
<tr>
<td>Diversity (Sender)</td>
<td>0.004 (0.030)</td>
<td>0.026 (0.024)</td>
<td>12.061</td>
<td></td>
</tr>
<tr>
<td>Diversity (Receiver)</td>
<td>0.123 (0.327)</td>
<td>0.925 (2.673)</td>
<td>31.270</td>
<td></td>
</tr>
<tr>
<td>FARL (Sender)</td>
<td>0.969 (0.033)</td>
<td>0.978 (0.372)</td>
<td>0.955</td>
<td></td>
</tr>
<tr>
<td>FARL (Receiver)</td>
<td>0.999 (0.014)</td>
<td>1.000 (0.015)</td>
<td>0.033</td>
<td></td>
</tr>
<tr>
<td>African American % (Sender)</td>
<td>1.209* (0.135)</td>
<td>1.244* (0.140)</td>
<td>1.341**</td>
<td></td>
</tr>
<tr>
<td>African American % (Receiver)</td>
<td>1.039 (0.040)</td>
<td>0.969 (0.040)</td>
<td>0.038</td>
<td></td>
</tr>
<tr>
<td>Caucasian % (Sender)</td>
<td>1.155** (0.080)</td>
<td>1.147* (0.092)</td>
<td>1.245***</td>
<td></td>
</tr>
<tr>
<td>Caucasian % (Receiver)</td>
<td>1.024 (0.028)</td>
<td>0.964 (0.032)</td>
<td>0.103</td>
<td></td>
</tr>
<tr>
<td>Extracurricular / School Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Ed Inclusion (Sender)</td>
<td>1.943 (3.135)</td>
<td>0.5660 (8.935)</td>
<td>0.114** (0.096)</td>
<td></td>
</tr>
<tr>
<td>Special Ed Inclusion (Receiver)</td>
<td></td>
<td></td>
<td>0.054*** (0.042)</td>
<td></td>
</tr>
<tr>
<td>Extended School Day (Sender)</td>
<td>4.141 (3.740)</td>
<td>6.063** (5.417)</td>
<td>0.443** (0.168)</td>
<td></td>
</tr>
<tr>
<td>Extended School Day (Receiver)</td>
<td>0.367 (3.196)</td>
<td>0.362*** (2.281)</td>
<td>0.117 (2.040)</td>
<td></td>
</tr>
<tr>
<td>Extended School Year (Sender)</td>
<td>0.774 (0.471)</td>
<td>1.170 (0.598)</td>
<td>1.170 (0.598)</td>
<td></td>
</tr>
<tr>
<td>Extended School Year (Receiver)</td>
<td>0.332 (0.431)</td>
<td>0.789 (1.014)</td>
<td>2.150 (1.061)</td>
<td></td>
</tr>
<tr>
<td>Uniforms (Sender)</td>
<td>1.983 (1.018)</td>
<td>2.150 (1.061)</td>
<td>1.965 (1.879)</td>
<td></td>
</tr>
<tr>
<td>Uniforms (Receiver)</td>
<td>0.965 (1.886)</td>
<td>0.650 (0.238)</td>
<td>0.096* (0.126)</td>
<td></td>
</tr>
<tr>
<td>Arts Programs (Sender)</td>
<td>0.567 (0.229)</td>
<td>2.343 (1.591)</td>
<td>15.642*** (8.255)</td>
<td></td>
</tr>
<tr>
<td>Arts Programs (Receiver)</td>
<td>2.084 (1.410)</td>
<td>1.347 (0.375)</td>
<td>10.514**</td>
<td></td>
</tr>
<tr>
<td>Team Sports (Sender)</td>
<td>1.428 (0.400)</td>
<td>1.347 (0.375)</td>
<td>15.642*** (8.255)</td>
<td></td>
</tr>
<tr>
<td>Team Sports (Receiver)</td>
<td>0.270 (0.349)</td>
<td>2.343 (1.591)</td>
<td>10.514**</td>
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</tr>
<tr>
<td>Free Transportation (Sender)</td>
<td>9.081*** (5.029)</td>
<td>15.642*** (8.255)</td>
<td>9.929*** (5.029)</td>
<td></td>
</tr>
<tr>
<td>Free Transportation (Receiver)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marching Band (Sender)</td>
<td>9.081*** (5.029)</td>
<td>15.642*** (8.255)</td>
<td>9.929*** (5.029)</td>
<td></td>
</tr>
<tr>
<td>Marching Band (Receiver)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
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<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>Total Student Transfers (Outgoing) 2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Student Transfers (Outgoing) 2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Random Effects</td>
<td>Sender</td>
<td>Receiver</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>3.780 (3.606)</td>
<td>8.407** (8.474)</td>
<td>22.781*** (27.179)</td>
<td>0.001 (0.004)</td>
</tr>
<tr>
<td>Log Likelihood</td>
<td>-1259.4808</td>
<td>-1070.1728</td>
<td>-851.0994</td>
<td>-762.838</td>
</tr>
<tr>
<td>N</td>
<td>2895</td>
<td>2423</td>
<td>2166</td>
<td>1826</td>
</tr>
</tbody>
</table>

*p<.10  **p<.05  ***p<.01
Note: Coefficients are odds-ratios. SEs are in parentheses. Only schools that have been in operation for two years receive an SPS score.
## Appendix D: New Orleans Education Agencies

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BESE</td>
<td>Board of Elementary and Secondary Education</td>
<td>The Louisiana school board, made up of members elected statewide, which oversees all schools in the state. One representative is from Orleans Parish. BESE also directly charters schools.</td>
</tr>
<tr>
<td>NSNO</td>
<td>New Schools for New Orleans</td>
<td>A non-profit organization that provides support to charter schools and has received federal dollars to do so. Also active in advocating for the New Orleans reforms at the local, state, and national levels.</td>
</tr>
<tr>
<td>OPSB</td>
<td>Orleans Parish School Board</td>
<td>The traditional, locally elected school board in New Orleans, which oversees only a handful of non-failing schools since 2005.</td>
</tr>
<tr>
<td>RSD</td>
<td>Recovery School District</td>
<td>The entity created by the state in 2003 to take over failing schools and improve them. While statewide, most of the RSD schools in the year of the study were located in New Orleans.</td>
</tr>
</tbody>
</table>
References


Harris, D. (2013, October). The post-Katrina New Orleans school reforms: Implications for national school reform and the role of government. Lecture conducted from University of Michigan, Ann Arbor, MI.


