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Charters Chief Steps Down

By [BARBARA MARTINEZ](#)

Victory Schools Inc., a for-profit charter-school operator, has hired away New York City's charter-schools chief and is considering converting into a nonprofit.

Michael Duffy, the director of the Department of Education's Charter School Office, will join Victory, according to representatives for both the DOE and the company. Victory helps manage 16 charter schools with 7,000 students in New York, Philadelphia and Chicago.

Mr. Duffy, whose title hasn't yet been decided, is widely credited for accelerating charter-school growth in the city. He couldn't be reached for comment.

The future of Victory has been the subject of interest since the spring, when the New York legislature passed a law that essentially prevents for-profit charter schools from growing. The law, which also doubled the number of charter schools allowed in the state, said no more than 10% of the state's charter schools can be for-profit.

Victory operates nine such schools in the state.

The company is considering becoming a nonprofit charter operator, but no final decision has been made, according to a person familiar with Victory's plans.

Victory was created in 1999 by private equity manager Steven Klinsky and helped start the state's first charter school, the Sisulu-Walker Charter School in Harlem. In general, charter operators charge a school's board a per-pupil amount, somewhere between \$1,000 and \$3,000 to help manage charter schools. Some of Victory's schools have been touted for high academic performance, including failing schools that Victory has worked to turn around.

But the company has also hit some bumps. At times, it has provided loans, with what critics charge are outsized interest rates, to the schools it helps manage. Victory has said it only loans schools money when the schools are unable to get financing anywhere else and that the interest rates reflect the risk that Victory is taking.

This past spring, the trustees of the State University of New York in Albany, which approve and regulate charters, voted to shut down Victory's New Covenant Charter School in Albany. Victory had taken over management of the school in 2006, and test scores improved, but not enough to satisfy SUNY's standards. In the end, the company lost its high-profile effort to keep the school open.

Victory is a privately held company, and its profits are not disclosed. Many observers, however, think for-profit charter operators in general, and Victory, in particular, are not very profitable at all. Still, in fighting for new

charter-school regulations in Albany this year, the teachers' unions were successful in convincing legislators that profitability and taxpayer financed charter schools, don't go well together.

"Michael is joining Victory because he shares our steadfast commitment to students and our vision of creating outstanding schools," James Stovall, the chief executive of Victory, said in a statement. A spokesman for the DOE said that its work on charter schools "is nationally recognized, and Michael has played an important part in that success." He said that a national search for Mr. Duffy's replacement will ensue.

The DOE's charter office has at times been criticized for not being forceful enough in holding charter schools accountable on performance. But some dismissed such gripes. "It's a huge loss for Joel Klein," said Jeanne Allen, president of the Center for Education Reform, a Washington, D.C., a pro-charter school advocacy group. "I think Michael Duffy has done more to execute the chancellor's interest in growing public education in a variety of forms than anyone else."

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