



**RESEARCH for *ACTION***  
**AN OCCASIONAL PAPER**

# **Learning from Philadelphia's School Reform:**

## **What Do the Research Findings Show So Far?**

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## Learning from Philadelphia's School Reform

Research for Action (RFA) is leading *Learning from Philadelphia's School Reform*, a comprehensive, four-year study of Philadelphia's complex and radical school reform effort. RFA researchers are working with colleagues from the University of Pennsylvania, Montclair State University, Swarthmore College, and the Consortium on Chicago School Research to examine the impact of the state takeover, the efficacy of a diverse provider model, the success of district-level leadership in managing a complex set of reforms, the engagement of civic and community groups with district policy and school improvement, and the key factors influencing student outcomes under various school conditions and school management models.

*Learning from Philadelphia's School Reform* includes a multi-faceted, vigorous public awareness component that engages leaders and citizens in the process of educational change, and informs and guides the national debate on school reform. The project disseminates information broadly through public speaking, the RFA website, and reports, research briefs, and journal articles featuring clear, timely, and credible analysis of the real impact of school improvement efforts.

The project is supported with lead funding from the William Penn Foundation and related grants from Carnegie Corporation of New York, The Charles Stewart Mott Foundation, The Pew Charitable Trusts, Surdna Foundation, the Spencer Foundation, and others.



Research for Action (RFA) is a Philadelphia-based, non-profit organization engaged in education research and evaluation. Founded in 1992, RFA works with public school districts, educational institutions, and community organizations to improve the educational opportunities for those traditionally disadvantaged by race/ethnicity, class, gender, language/cultural difference, and ability/disability.

Research for Action is funded through grants from foundations and contracts for services from a range of organizations, including the School District of Philadelphia. For more information about RFA, please go to our website, [www.researchforaction.org](http://www.researchforaction.org).

## Mission Statement

Through research and action, Research for Action seeks to improve the education opportunities and outcomes of urban youth by strengthening public schools and enriching the civic and community dialogue about public education. We share our research with educators, parent and community leaders, students, and policy makers with the goals of building a shared critique of educational inequality and strategizing about school reform that is socially just.

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# Learning from Philadelphia's School Reform: What Do the Research Findings Show So Far?

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An Occasional Paper

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*For researchers seeking to examine the effects of the school and district interventions spelled out in the 2002 federal No Child Left Behind (NCLB) legislation, there is no better place to look than Philadelphia's public school system. The district, the nation's ninth largest with 182,000 pupils, has become a veritable research and development test-bed for the range of far-reaching initiatives made available under the law to turn around low-performing schools and districts. In Philadelphia's case, NCLB reinforced pre-existing state legislation that widened state prerogatives to intervene in distressed districts.*

## Background

NCLB specifies a range of graduated interventions, ranging from mild to moderate to strong, that can be applied by states to districts and to schools that are chronically in need of improvement. Some of the strongest steps that can be taken include a state takeover of a district, the imposition of a mandatory curriculum on a school, the "reconstitution" (replacement) of a school's staff, the outsourcing of a school's management to non-profit organizations and for-profit Education Management Organizations (EMOs), the conversion of a district school to a public charter school, or the implementation of some other major change such as the conversion of a school to an autonomous "independent" or "contract" school within the district (Brady, 2003).

Beginning with the Commonwealth of Pennsylvania's takeover of the School District of Philadelphia in December 2001, the Philadelphia public schools have experienced, to varying degrees, the strong interventions outlined above. These actions occurred simultaneously with the passage of NCLB, and were based on two pieces of state legislation supported by Governor Tom Ridge: Act 48, passed in 1998, that allowed the state to take over districts with serious fiscal and/or academic problems and to institute a broad range of radical interventions; and Act 16, enacted in 2000, another takeover bill aimed at 11 districts with low levels of student academic performance (Boyd & Christman, 2003; Maranto, 2005). The options for interventions in these bills were similar to those that were subsequently laid out in NCLB. It is noteworthy that Pennsylvania's Secretary of Education, Eugene W. Hickok, played a major role in the passage of these state laws before moving to the U.S. Department of Education in 2001 to serve as the chief point person on No Child Left Behind,

first as under secretary and then as deputy secretary of the agency.

When the state invoked its power to take over governance of Philadelphia's school system, the governor declared the district to be academically and fiscally distressed. Indeed, despite the vigorous reform efforts of Superintendent David W. Hornbeck between 1994 and 2000 that had led to higher test scores in the elementary grades, indicators of students' academic achievement were still discouragingly low. On the fiscal side, Hornbeck's budgets were chronically out of balance, a factor that he legitimately attributed to the state's persistent underfunding of urban and rural schools. A debilitating conflict developed between Hornbeck and the governor and legislature who, for their part, perceived Philadelphia leaders as asking for more money without demonstrating sound management practices. This escalating discord along with the evident problems in district finances and student performance led to the takeover (Boyd & Christman, 2003; Maranto, 2005; Travers, 2003). In taking this step, legislators amended the Pennsylvania School Code to give the district's new five-member governance unit, the School Reform Commission (SRC), sweeping powers to change district policies and procedures.

Philadelphia Mayor John Street and community and student groups mounted strong opposition to several aspects of the state takeover: the awarding of a \$2.7 million contract in 2001 to a for-profit firm, Edison Schools, Inc., for a three-month evaluation of Philadelphia schools; the subsequent proposal by Edison and state leaders to hire Edison to manage the district's central office; and state leaders' recommendation that Edison manage 60 to 100 schools. In the end, city and state leaders negotiated an agreement for a "friendly takeover" of the school district. Under this agreement, the mayor was given the authority to appoint two of the five members of the SRC, the proposal to give Edison district-wide management authority was dropped, and the district was promised more money by both the city (\$45 million) and the state (\$75 million) (Travers, 2003).

The governor appointed business executive James E. Nevels to a seven-year term as chair of the SRC, and other members were appointed a few weeks later.<sup>1</sup> The SRC was empowered to make radical

<sup>1</sup>The two mayoral appointees serve three-year terms; the other two gubernatorial appointees serve a five and a seven year term.

changes in district operations by the state laws described above and also by NCLB which was signed into law just as the SRC assumed control of the district. In contrast to political leaders in many cities and states, both SRC members and the Vallas administration have embraced the spirit of NCLB and have taken very seriously the enforcement of its regulations. They have seized the opportunity presented by these new state and federal laws to implement radical changes in district operations.

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A majority of SRC members voted in the spring of 2002 to implement a complex “diverse provider model” (Hill, Campbell & Harvey, 2000), one that reflected former Governors Tom Ridge and Mark Schweiker’s faith in the ability of market forces to reinvigorate public education. The SRC outsourced the management of 46 of the district’s 264 schools to seven different external organizations. Although Edison was awarded 20 schools, this number was substantially lower than that originally envisioned by the state, a result of continuing protests by grassroots and advocacy groups through the spring of 2002 (Bulkley, Mundell & Riffer, 2004; Travers, 2003). The organizations chosen to manage or partner with schools included:

- three for-profit EMO firms: Edison Schools, Inc.; Victory Schools; and Chancellor Beacon Academies (each allocated approximately \$850 extra per pupil);
- two universities: Temple University and the University of Pennsylvania (each given \$450 extra per pupil);<sup>2</sup>
- two locally based non-profits: Universal Companies, a community development organization, and Foundations, Inc., a reform support organization (each given approximately \$650 extra per pupil).

In addition, in this first stage of the reform, the SRC voted to establish a separate Office of Restructured Schools (ORS), and placed 21 low-performing “Restructured” schools under its jurisdiction. These schools were given an additional \$550 per pupil to implement (and pilot) the district’s core curriculum and a host of other reforms. Another four schools were designated to convert to independent charter schools, and 16 more (“the Sweet 16”) were given additional resources to continue their successful change efforts. In all, 86 of the district’s lowest-performing elementary and middle schools were assigned to an intervention treatment of some sort. (High schools were not included in this round of the reform.) Ironically, although the ideological underpinnings of the state takeover were grounded in state leaders’ support for school choice and competition, students and parents were not given a choice about which model or school they would prefer to attend (Gold, Christman, Bulkley & Useem, 2005).

Three months after the SRC had launched the diverse provider model and the restructuring initiative, it hired Paul Vallas, the former CEO of the Chicago Public Schools, as the district’s new CEO. Vallas implemented far-reaching changes for all district-run schools over a three-year period, beginning with efforts to tighten discipline and safety, a major concern of teachers and political leaders. He also plunged into the arena of classroom instructional change more quickly than he did in Chicago, partly because Philadelphia was already further down the road of reform than was the case when he took the helm in Chicago. As one central office administrator put it to us:

Vallas brought a set of expectations and core strategies from Chicago. But the products of those strategies have been different here in Philadelphia because of the difference in our history and expertise and the people here. In terms of history, we developed standards under [Superintendent] Hornbeck and, in fact, were ahead of the state in this, and we put curriculum frameworks in place.

Indeed, many of Vallas’ centralized reforms have been aimed at the heart of teaching and learning: smaller classes in the early grades; a mandatory core curriculum in four major subjects; six-week formative Benchmark tests assessing student mastery of the curriculum (adapted from the Edison model); related professional development for teachers; extended learning time for struggling students after

<sup>2</sup>After the first year, the SRC adjusted the amount of additional funding per pupil given to the providers. The two for-profit firms and the two local non-profits now get \$750 per pupil.

school, on Saturdays, and in summer school; and review and support from central office intervention/assistance teams for low-performing schools. Vallas also began dismantling middle schools in favor of K-8 schools, a process that will be virtually complete by 2008. Like many other districts, his team introduced a sophisticated Instructional Management System (IMS) for teachers that enables them to use technology to access detailed information on their students, the curriculum, lesson plans, and curriculum resources (Gehring, 2005).

Vallas initiated many of the drastic changes in internal district management envisioned by Ridge and Schweiker in the state's takeover of the district. As he had in Chicago, Vallas balanced the district's projected expenses with its revenues through aggressive fundraising and cost cutting, and he developed a five-year plan to bring fiscal stability to the system. Vallas and his team benefited from additional state dollars, including the release of the \$75 million—to support privatization efforts—authorized for the district at the time of the state takeover. These moves, along with his “three rules” of approaching the legislature—“don't ask for anything they can't afford to give you; don't ask for anything that other people aren't asking for; and don't ask for things that you don't deserve”—have enabled him to establish credibility and a warmer relationship with state leaders than was the case of his predecessor (Webb, 2004, p. 1; Snyder, 2004a).

In addition, Vallas began an overhaul of the district's Office of Human Resources, focusing intensely on modernizing and upgrading efforts to hire and retain qualified teachers. He also expanded the numbers and types of contractual relationships with fee-for-service vendors in core instructional areas such as professional development and curriculum. Drawing on his Chicago experience, he mounted a much-needed ambitious program of

**[Vallas] also expanded the numbers and types of contractual relationships with fee-for-service vendors in core instructional areas such as professional development and curriculum.**

school construction and renovation. He won support from the teachers' union by adopting a zero tolerance policy for student behavioral infractions and by expanding the number of disciplinary schools.

Another wave of

reform in the Vallas administration emerged during 2004-05. These initiatives include plans for the creation of 28 smaller high schools alongside the depopulation of large comprehensive high schools; the integration of the city's 55 public charter schools into a broad strategy of district school development; an increase in the number of formal partnerships with external companies and non-profit groups to manage or work with schools; and the creation of an extensive set of accelerated options and magnet schools across the district. Several of these initiatives will bring more school and program choice to the district, a feature notably absent in the first round of reform under the state takeover. Further, the administration is escalating its programs to train and support current and aspiring principals

Vallas and his team have also created a district-run Creative Action and Results Region (CAR) in order to focus on providing intensive customized support for 10 of the schools that have not met federal and state standards of progress in six years, an initiative modeled on the Chancellor's District in New York City. They chose to disband the Office of Restructured Schools, assigning its 19 schools (down from the original 21) back to their geographic regions or placing them in the new CAR district, placements that were based on their performance.

More than three and a half years into this radical experiment in district governance and school reform, some stock-taking about its initial results is in order. As education leaders around the country grapple with the prospect of applying strong remedies to the more than 1,000 schools identified as needing “corrective action,” they might look to Philadelphia to get a sense of their options and of some short-term lessons learned. With this goal in mind, this paper synthesizes findings from a broad-based research project about the effectiveness of Philadelphia's reform. The project thus far has looked at the reform from four different angles: governance of the district and of schools; the stability and qualifications of the teacher workforce; civic engagement and accountability; and student achievement outcomes.

## Data and Methods

A collaborating group of scholars from five institutions, led by Research for Action in Philadelphia, has been gathering and analyzing data since the

inception of Philadelphia's reform in 2001 through a multi-pronged research and public awareness project, *Learning from Philadelphia's School Reform*. The project will continue through 2007. We have completed papers and reports on governance, teacher quality, and civic engagement, each of which details the data and research methods used for that piece of the work.<sup>3</sup>

We have used a mixed method approach in this research effort. Our qualitative data gathering thus far includes interviews with approximately 45 administrators inside the district over a three-year period, including 3-4 interviews during the 2002-03 school year with each of 20 principals in schools assigned to external managers, ORS, or whose schools had received additional resources from the SRC for reform efforts; interviews with 27 civic leaders (some twice) and with the locally based directors of six external school management groups. We have conducted focus groups with the district's 61 New Teacher Coaches, with 21 of its 30 regional science and math coaches in grades K-8, and with 12 principals who had completed the district's new principal leadership academy. We have observed most meetings of the SRC as well as a number of important gatherings related to district governance, including those run by youth, grassroots and civic groups. In addition, we have undertaken an extensive review of documents from media, district, and other sources. Finally, we have been participant observers of three district-run groups connected to teacher quality and human resource issues.

On the quantitative side, we have analyzed an extensive longitudinal district-wide data set of all teachers in the district in our effort to assess the impact of efforts to recruit and retain qualified teachers, and we have conducted surveys of new teachers over a three-year period. In collaboration with researchers at the Consortium for Chicago School Research, we have begun analyzing annual TerraNova student test score data from the spring of 2003 to the spring of 2005. We will conduct value-added analyses of student achievement, comparing sub-groups of schools, during 2006 and 2007. This analysis will be informed by a background study that identified characteristics of the TerraNova test and the Pennsylvania System of School Assessment (PSSA) tests, the two standardized tests of student achievement that are being used regularly by the district (Easton, 2005).

<sup>3</sup>These reports are all available on RFA's website: [www.researchforaction.org](http://www.researchforaction.org).

## Findings to Date

### Governance

#### *The School Reform Commission*

The replacement of Philadelphia's mayoral-appointed school board with a powerful School Reform Commission made up of three appointees of former Republican Governor Mark Schweiker and two appointees of current Democratic Mayor John Street has had several positive effects. The absence of a contentious and narrowly focused school board means that CEO Vallas has had the freedom to direct his attention to solving district problems without the distractions of board divisions and interventions that so often bedevil urban superintendents. SRC members give the appearance of working well together, vote unanimously on most matters, set a professional tone at their meetings, and work hard at their [unpaid] jobs as commissioners. Disagreements have, for the most part, been kept behind closed doors. As the 2004-05 school year came to an end, however, divisions between the three commissioners appointed by the governor and the two appointed by the mayor emerged on occasion, including divergent stands on whether to award two additional schools to Edison.

Chairman James Nevels, founder of an investment firm, has emerged as a key figure in the rollout of the reform, putting substantial effort into the design of its goals and working energetically to cultivate support from civic and community leaders. He continually articulates the goals of the SRC's Declaration of Education that include specific objectives targeted at raising academic achievement, promoting equity in personnel and services, and running an efficient support operation.

Further, because the SRC has extraordinary power conferred on it by the state takeover legislation and by NCLB, it can move with alacrity and boldness, thereby accelerating experiments with reform strategies. Ironically, although the state takeover took away teachers' right to strike, the SRC and Vallas have established

**Because the SRC has extraordinary power... it can move with alacrity and boldness, thereby accelerating experiments with reform strategies.**

effective working relationships with the Philadelphia Federation of Teachers (PFT), particularly since the renegotiation of its four-year contract with the district in the fall of 2004. This combination of comparative political tranquility alongside aggressive implementation of sweeping change has fulfilled the hopes of the SRC's initial supporters and has pleasantly surprised many of its early opponents. The SRC's appointment of Vallas—whose performance has been well received by business, civic, and academic leaders—is regarded as another feather in its cap.

All this is not to say that the actions of the SRC and Vallas are free of controversy or have been proven effective. The wisdom and efficacy of the diverse provider model and the outsourcing of many educational services to private firms, particularly to Edison Schools, Inc., remain a point of contention both within the SRC and district offices as well as among community and advocacy groups. The turbulence surrounding contracting decisions, however, has subsided. When the SRC voted 3-2 to give Edison two additional schools in May 2005 (with the two mayoral appointees voting in opposition) not a single member of the public stood up to object during the open comment period of the meeting.

### *The "Hybrid Model" of School Governance*

The waning of vocal public dissatisfaction with outsourcing has made it easier for the district to expand the diverse provider model in the second and third years of the reform and to outsource other core educational functions. By the end of the 2004-2005 school year, the SRC had voted to:

- contract with for-profit national firms to run all of the system's seven disciplinary schools;
- outsource special small schools for over-age adolescent students to one for-profit and two non-profit entities;

**These and other decisions by the SRC and Vallas have led to a "blurring of the boundaries" between the public and private sectors in the area of school management and other services.**

- contract with a for-profit national company to run an extended day program for up to 1400 6th grade students in 10 schools;
- delegate management of one of the district's comprehensive high schools to a local non-profit, Foundations, Inc.;
- contract with four for-profit companies to assist with transition of 12 high schools into small high schools;
- sign agreements with six different "big name" partners (Microsoft, the Franklin Institute, the University of Pennsylvania, the National Constitution Center, the College Board, Philadelphia Citizens for Children and Youth) to develop and run new or restructured high schools in conjunction with the district;
- convert a middle school to a charter high school managed by an external non-profit group;
- contract with a national company to write a standardized high school curriculum in core subjects and with a second national firm to write the science curriculum for the primary grades.

These and other decisions by the SRC and Vallas have led to a "blurring of the boundaries" between the public and private sectors in the area of school management and other services. The contracting out of school governance and other educational services has attracted increasing attention of scholars (Hannaway, 1999; Henig, Holyoke, Lacireno-Paquet & Moser, 2003; Hill, Pierce & Guthrie, 1997; Levin & Belfield, 2003; Murphy, 1996; Richards, Shore & Sawicky, 1996; Rufos-Lignos & Richards, 2003; Wohlstetter, Malloy, Smith & Hentschke, 2004). At this point, the new "hybrid model" or "joint venture" involving cross-sectoral relationships in education is most fully developed in Philadelphia (Gold, Christman, Bulkley & Useem, 2005; Snyder and Mezzacappa, 2005; Whittle, 2005).

The introduction of the hybrid public/private approach in Philadelphia can, in part, be attributed to the belief of former Governors Ridge and Schweiker and their appointees on the SRC that competition among private providers would spur educational innovation and improve management

while simultaneously giving parents more options. It is also a pragmatic response by district leaders to the performance pressures of NCLB. In the view of Vallas and the SRC, the privatization of educational functions is a way to accelerate reform by bringing in much-needed managerial and technological expertise, new ideas, an entrepreneurial spirit, and material resources. The model being rolled out in Philadelphia not only dovetails with the rationale that market forces can bring change more quickly and efficiently, but also fits the hardnosed assumptions underlying NCLB that low performing schools often need to be “rescued” by external entities who may bring the will and skill that is often missing in those schools (Brady, 2003).

Vallas himself, whose career has been entirely in the public sector, appears to be the ultimate pragmatist. On the day of his appointment as CEO, he declared, “I’m for what works whether it’s private or non-private.” It should be noted that in some instances, Vallas has fought to keep educational functions within the public bureaucracy, most notably in his effort to fend off private providers of NCLB-funded after-school “supplemental education services” for struggling students. With an eye on his budget, he tried (unsuccessfully) to buck federal mandates that required districts to pay for privately provided services—some of them relatively expensive—preferring instead to have after-school programs run by the district. It is also noteworthy that the new CAR region set up for 10 of the lowest-performing schools is, at this point, slated to be run by the district.

### *Internal District Management of the Diverse Provider Model*

Philadelphia’s groundbreaking experience with the administration of a diverse provider “hybrid” model already offers some important lessons for districts that are choosing to outsource low-performing schools to external management groups as a form of corrective action under NCLB. In certain respects, Philadelphia has done a good job in creating conditions where this kind of “joint venture” in public/private management can flourish. In other respects, the district has to contend with the downsides that can accompany the outsourcing of public services.

### *What Works*

The district has created an environment of constructive collaboration with the external managers (often referred to in a shorthand way as “partners” or “providers” by district officials and the managers themselves). The partners and other observers we interviewed attribute this to several factors. First, Vallas and the SRC actively supported the work of the external organizations. A central office administrator overseeing the partnerships claimed, “This is not going to fail because we got in your way.” Vallas and the SRC constantly articulated the value of the original partnerships and energetically pursued new collaborative opportunities. As one EMO leader put it, “[without this leadership], it could easily have been derailed. Otherwise, it could have failed in the first year.”

Second, the district created a single point of contact—the Office of Development—that cleared away bureaucratic obstacles faced by the providers. The Office of Human Resources worked hard as well to facilitate the provider organizations’ efforts to staff their schools. This troubleshooting and overall support created the relational glue that made it possible for the providers to work in a large bureaucratic system and to become, in the words of both district and EMO officials, “part of the fabric of the district.” As one high-placed official in the district told us, “It was hard for the EMOs to believe that we weren’t out to get them, but eventually they did [believe that] and most come to us for advice.” Starting with the 2005-06 school year, the district created a special sub-district for the partner-run schools.

Third, the agreement among district and partners to keep discussions about ongoing work behind closed doors meant that partner groups could make mistakes and learn from them without seeing the details played out in public. No obvious wedges have been driven among the partners. The district appears to have assiduously avoided making invidious comparisons among the providers in a public way.

Fourth, the Office of Development and other parts of the bureaucracy developed an openness to outside groups. As one insider put it, “[The openness]

**The district has created an environment of constructive collaboration with the external managers.**

is a real shift, because the district was always very tight and very closed and very vain about their own stuff ... , you know ‘nobody can do it better than we can kind of thing.’ ... It is a huge shift on the district’s part to be able to embrace and engage these outside entities as partners.” The fact that key staffers in the Office of Development were not only open but very competent was extremely important. One university partner said simply, “People matter.”

Lastly, the district’s insistence on specific standards for accountability for performance by the partners clarified their relationship. “We know what we are accountable for,” said one EMO director. Partnerships are formalized through contracts that are approved by the SRC and that have specific performance goals. After the first year of the diverse provider model, the district terminated its contract with Chancellor Beacon Academies, a for-profit EMO, for non-performance in the five schools to which it had been assigned.

### *What’s Been Difficult*

#### Confusion about roles and responsibilities:

Uncertainty about roles and responsibilities exists because the outsourced schools still have limited autonomy. When the SRC contracted with the external organizations in 2002, they established a system of “thin management” that left certain administrative responsibilities in the hands of the district but delegated others to the provider groups. The two universities chose to be “partners” rather than school “managers,” a role that gave them less authority in school governance than the other groups. They had to rely more on persuasion rather than on the exercise of overt power in implementing their instructional program and professional development with the teachers and principals in their schools. It should be noted, however, that partnerships being created in 2005 are increasingly giving more authority to the provider.

Under the system of “thin management” that applied to the first set of partnerships, the district retained authority over school budgeting, the management of facilities, school safety, food services, special education regulations, the overall school calendar, the code of conduct for students and teachers, and the evaluation processes for employees. School staffing followed the regulations established by the district and the Philadelphia Federation of Teachers (PFT). The external

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providers exercised authority over professional development activities and the curriculum, as long as the latter was aligned with the district’s curriculum frameworks and state assessments.

Providers were free to adopt all or part of the district’s core curriculum and materials. Principals

were hired by the district but providers played a major role in their selection.

Principals report to and are evaluated by two sets of administrators—the provider and their regional district superintendent. This has proved to be a “gray area” in the division of responsibilities from the start of the reform effort and it still remains a point of confusion (Bulkley, Mundell & Riffer, 2004). As one provider put it, “There is no rule book that says who does what.” An EMO manager commented on the problem of principals reporting to “two masters:”

Is there ambiguity? Yes, there’s still ambiguity. Who do the principals report to? Do they report to the district? Do they report to us? And I tell them all the time, ‘You report to us!’ And I know they get paid by the district, but we have a job to do and I just say, ‘You report to us.’ I’m meeting with them about their school, about progress with a full agenda [tomorrow], but yet they’re still pulled in that other direction too. And it’s very hard to have two bosses.

Accountability: While the district has written accountability measures into the contracts with external school managers, one informant for this study who was familiar with contracts in other cities characterized the Philadelphia contracts as somewhat “vague.” Several central office administrators we interviewed felt that a system of close and comprehensive monitoring of performance was not in place. The district’s method of accountability of its contractors appears to rely less on a labor intensive strategy of enforcing strict adherence to performance indicators and more on developing trusting relationships with these partners (Gold,

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Christman, Bulkley & Useem, 2005). According to economist Elliot Sclar (2000), this phenomenon is typical of relationships between public agencies and private service providers.

Paradoxically, he argues, the trust that is built up over time can in turn make it more difficult to hold the contractor accountable or even to terminate a contract.

The SRC and district administrators have not yet articulated a policy about what to do when schools managed by a single provider vary widely in the student learning gains. In the case of Temple University, the district decided to remove two schools from its purview because of insufficient progress but then reversed its decision when the university and leaders in the schools' community pressed hard to keep Temple as a partner. The two schools, however, will also be included in the system's CAR sub-district. The decision to terminate Chancellor Beacon Academies at the end of its first year was not a good test case of accountability in action since the firm's delivery of service across the board was so obviously deficient.

The writing and monitoring of contracts is also challenging for the district because so few of its administrators are experienced and skilled in that area. Goldsmith and Eggers (2004) have argued persuasively that as public agencies outsource more and more of their work, they must hire a new cadre of specialists in contract management.

Cost: Managers of companies and public administrators often claim that outsourcing makes sense when the work can be done at less expense by outside firms who work in competitive markets. In the case of school management, however, that argument does not apply. The two EMOs and two of the non-profits get an additional \$750 per pupil annually (university partners get less), far more, say, than is commonly given to federally funded Comprehensive School Reform organizations. Leaders of the partner organizations note, correctly, that reform costs money and cannot be done on the current per-pupil expenditure in an under-funded

district. Transactional costs—legal and administrative expenses associated with contracting out services—add to the bill.

Further, costs are not held down by a competitive market. Few organizations have a track record in turning around high-poverty urban schools, and they are not, at this point, eager to take on a large number of schools in a district with a history of low performance. In Philadelphia, the providers have developed a collaborative relationship, facilitated in part by regular meetings run by the Office of Development. They are not competing with one another for an expanded market share. Instead, competition during the first three years of the reform took the form of not wanting to be the laggard among the partner groups in test scores.

The district's primary rationale for privatization of school management in Philadelphia is that it brings in leadership talent, entrepreneurial skills, and innovative ideas—all in short supply in the district—in order to speed up reform. As Vallas put it at a district-sponsored conference on partnerships:

Partnerships help address leadership gaps. ... The issue is not really financial. The key struggle is leadership. Who will manage the process of schools converting to high schools? We need to give management partners the responsibility of managing the creation of new high schools. ... We can't wait 5 to 10 years. ... We need to institutionalize change now, and that's where private providers and the diversified management model allow us to accelerate the change.

The difficulty for the district of assessing costs versus benefits will come to the fore in 2007 when the five-year contracts of the for-profit EMOs expire. How much of a gain in student performance will be necessary in order to justify the additional costs of paying for the providers? What decision should be made if the gains among provider's schools are uneven or no higher than gains at some of the district-run schools? Can continuation of contractors with uneven performance be justified in other ways such as acting as a spur to innovation and competition across the district?

### Teacher Quality

One of the signature initiatives of the SRC and the Vallas administration has been the effort to

improve the recruitment and retention of teachers, an endeavor that was prompted in part by the NCLB mandate that all children be taught by a “highly qualified” teacher by June 2006. Prior administrations, led by Superintendents Constance Clayton and David Hornbeck, had not given this issue priority in their own ambitious reform programs. At the time Vallas arrived in Philadelphia in 2002, fewer than half of new teachers were staying in the district after three years on the job, and only 46 percent of the new teachers were certified (Neild, Useem, Travers & Lesnick, 2003; Neild, Useem & Farley, 2005). To his credit, Vallas quickly grasped the seriousness of the deteriorating staffing situation and the importance of compliance with the NCLB rules. He chose a capable team that put in place aggressive strategies to recruit and retain able new teachers and worked to change rigid staffing policies. Civic leaders became active in the district-sponsored Campaign for Human Capital, an entity that charted the course of the Human Resource reforms (Thomas & Akinola, 2004).

The number of teachers applying for jobs in the district rose by 44 percent between 2002 and 2004, a response to a marketing campaign, new financial incentives, a streamlined application process, better follow-up with applicants, and cultivation of relationships with local teacher education programs. Retention of new teachers improved as well due to the use of new teacher coaches, better training and accountability measures for principals in the area of teacher retention, support from the new core curriculum, and a more intensive induction program. The percentage of new teachers who completed their first year of teaching rose from 73 percent in 2002-03 to 91 percent in 2003-04 and rose again to 93 percent in 2004-05. The percentage of all the district’s teachers who were certified began to rise slightly in the fall of 2003 to 90 percent, reversing a downward trend (Useem & Neild, 2005).

Another key effort was developing six alternative certification programs aimed at training uncertified new teachers working on emergency permits. Approximately 500 of the more than 1,000 new teachers hired by the district each year during the last two years participated in one of these alternate route certification programs. Use of these programs—still a stopgap but superior to the former system of hiring “apprentice teachers” who were not part of any organized alternate route program—

helped account for a plummeting school-year vacancy rate.

Most importantly, the SRC and Vallas negotiated a new four-year contract with the Philadelphia Federation of Teachers (PFT) in the fall of 2004

that made serious inroads on one of the most cherished perquisites of veteran teachers—the automatic right to transfer among schools based on seniority. The contract established school-based hiring of all new teachers, a practice that had been strenuously opposed by the PFT and long wished for by school reformers (Neild et al., 2003; Useem & Farley, 2004). Philadelphia had a cumbersome centralized system of assigning new teachers to schools in which applicants and schools had no chance to review one another in advance. The hiring of new teachers occurred late in the summer and into the fall, in part because transfers had to be processed first when vacancies were filled. These antiquated processes led to attrition in applicant pools over a hiring season, and to dissatisfaction among many new teachers who were placed in schools that were a poor match for their interests and skills.

Knowing that it faced a possible teachers’ job action on the issue of school-based hiring and transfer rights, the SRC worked hard during 2004 to win civic support for its stance on these questions. In this campaign, its members could point to the pressure from NCLB on teacher quality issues as part of the rationale for its position. In the end, a union that had been weakened by the state takeover—the PFT’s right to strike had been taken away in that legislation—made significant concessions. The contract that emerged laid out a complicated set of hiring and transfer rules, but the agreement represented an historic change in the system’s policies for hiring and assigning teachers to schools (Neild, Useem, & Farley, 2005). At the same time, the district began an expedited and modernized hiring process. Remarkably, a new spirit of district-PFT collaboration has marked the implementation of this contract.

Major challenges remain. Inequities exist in the distribution of qualified teachers across schools. As

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in most districts, the neediest schools have the least experienced and the least-credentialed teachers. The incentives to attract teachers to these schools remain anemic. The district faces a serious shortage of

certified special education teachers, and there is a concern that many of the current seventh and eighth grade teachers will not meet the new “highly qualified” standard set by NCLB and the state by the June 2006 deadline. The upsurge of teacher turnover in schools managed by external organizations has not yet fully subsided (Neild et al., 2005).

Still, the forces set in motion by the state legislation that was a precursor to NCLB and by NCLB itself have clearly made a difference in Philadelphia’s effort to stabilize and upgrade its teaching staff.

### Parent Involvement and Public Engagement

One of the assumptions underlying NCLB is that once parents and the public receive detailed information on student performance and teacher qualifications at their schools, they will put pressure on the schools to improve. Like many other districts, Philadelphia has put detailed school profiles on line. These profiles are linked to an informative state website that gives information on test scores and AYP status, including disaggregated scores by subgroup. In addition, the district is in the process of piloting parental access through the internet to the district’s Instructional Management System (IMS) that would give parents extensive ongoing information about their child’s school progress. Philadelphia has complied with NCLB’s requirements that a printed “report card” of school indicators be sent to parents and that they be notified if their child has been taught by a teacher who is not highly qualified for four consecutive weeks.

NCLB gives parents the option of choosing to transfer their children from schools that have had three consecutive years of low performance. In

Philadelphia, as in many other districts, few parents have chosen that route—only 135 students transferred under this provision for 2004-05 school year. Parents were deterred from this option in part because of the paucity of available slots at better-performing schools and the lack of district-provided transportation. For 2005-06, the number of transfers will doubtless rise because 1,000 openings will be available in receiving schools that have made academic progress.

Under the law, parents can request that their children receive “supplemental education services” in the form of after-school or weekend tutoring or extra-help classes. In Philadelphia, the district runs its own after-school program (The Power Hour), and the district approved the applications of the parents of 4,300 children who applied for services from private vendors as well.

Parental and community involvement in shaping school and system policy is evident on selected issues. A coalition of advocacy and student groups and community organizations led a vigorous and successful protest against the state’s original plan to let Edison manage central office and as many as 60 schools. Some of these same groups are now demanding inclusion in the planning process for the district’s \$1.5 billion effort to build new schools and renovate others. A local foundation has funded a process—led by the University of Pennsylvania’s Penn Praxis in collaboration with the *Philadelphia Inquirer*—to seek citizen input into the design and location of new schools. Two student organizations and their allies have been especially active in trying to influence the development of new small high schools in their region of the city.

Several grassroots advocacy groups that include parents have mounted campaigns on an ongoing basis on specific issues such as the equitable distribution of qualified teachers. The *Philadelphia Public School Notebook*, an advocacy newspaper written for parents, practitioners, and community leaders, plays an important role in publishing detailed information about the status of the reforms. The paper distributes free copies to 52,000 readers around the city four times a year and has a monthly electronic news bulletin as well.

Civic leaders have also been involved in the reform. The Philadelphia Education Fund (PEF), a well-established intermediary organization, coordinates the Philadelphia Education First Compact, a group

of leaders from non-profit institutions, advocacy groups, and some business organizations who meet once a month to get updates on the reform from district leaders and other sources and to act as informal monitors of the SRC and the administration. A Compact sub-committee pressed the district to change the teachers' union contract to require school-based selection of teachers and to trim teachers' seniority-based transfer rights. A broad-based Teacher Equity Campaign, organized and led by Philadelphia Citizens for Children and Youth and the Philadelphia Student Union, advocated for a more equitable distribution of qualified teachers across all schools in addition to pushing for site selection. PEF also organized gatherings and brought in nationally known speakers to push for the creation of small high schools.

District leaders themselves have mounted a vigorous effort to communicate with civic elites—political, university, religious, and business leaders—on a regular basis and to draw on their talents and material resources to help solve pressing problems. The district's Campaign for Human Capital, a Vallas initiative, included business and other civic leaders in a successful effort to overhaul teacher recruitment and retention efforts (Thomas & Akinola, 2004). Campaign leaders were also a force behind changing the teachers' union contract's provisions on teacher hiring and transfer. The district has also tried to garner donations through its formation of a 501(c)3, The Children's First Fund, and other fund-raising efforts.

The district's outreach efforts have extended beyond civic elites to local neighborhood agencies and associations. Vallas' initiatives with churches and other faith-based groups in particular gained traction during the 2004-05 school year, prompted in part by concerns for children's safety. In the fall of 2004, he asked religious leaders to work more closely with schools by becoming active in areas such as youth counseling efforts, "safe corridors" around schools, and after-school activities, including youth choirs and prayer clubs. Although criticized by national organizations for being "dangerously close" to crossing the line between church and state (Snyder, 2004b), Vallas defends these efforts on the grounds that the mobilization of faith-based institutions can provide needed services and can reduce the isolation of schools in their own communities. Religious groups have responded to this direct request by organizing a number of support activities including providing vans to transport children to schools outside of their neighbor-

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hoods as part of the NCLB school choice plan. Both Vallas and Nevels frequently attend gatherings and services of faith communities. Nevels alone has visited more than 100 churches, synagogues, and mosques since his appointment as SRC chair.

Vallas has also included community organizations and

advocacy groups in the reform by awarding them contracts for services to the district, a practice he followed as well in Chicago. This "participation through contracts," described by Cucchiara, Gold, Simon, Riffer, and Sues (2005), typically involves services in the areas of after-school programs, truancy, safety, parent training, community health or arts education. Vallas sometimes incorporates community leaders into the reform by hiring them as district employees, again similar to his management style in Chicago.

This strategy of hiring community leaders and giving contracts to a multiplicity of citywide and neighborhood non-profit organizations can be viewed either as a means to incorporate potential critics or as a mechanism to move the reform agenda forward by including diverse and knowledgeable parents and activists into the effort—or perhaps both. It is too early to tell whether these practices will help speed up and deepen the district's reforms or whether they will diminish the capacity of the city's civic and community leaders to monitor and hold the district accountable for decisions made by Vallas and the SRC.

### *The Limits of Involvement and Influence*

Despite vigorous efforts by Vallas and other district leaders to build ties to public stakeholders, parents, and community groups and even civic leaders do not appear to have substantial input into major decisions of the SRC or the Vallas administrative team. For whatever reason, the district has not made its decision making transparent enough to the public to make meaningful civic and community participation possible. The public played no role, for example, in the district's decisions about

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the assignment of schools to external managers nor in its rationale for selecting particular private firms as “transition managers” for the development of new high schools. The SRC allows citizens to speak for a few minutes each during a

public comment period at its meetings, but it has not set up regular communication vehicles that would allow more substantive citizen input.

The relatively small role of grassroots groups in school development differs from that of Chicago, New York, and some other cities where community groups have vied through a formal RFP process to become partners in the planning and development of new schools. One reason for this appears to be Vallas’ rush to implement change quickly. His sense of urgency, part of his appeal to civic leaders and others, undercuts a participatory and deliberative process to develop new schools or to initiate other changes. Scholars of civic capacity, as well as our own work on civic engagement, argue that the long-term sustainability of change requires buy-in over time from those most affected by the reforms (Stone, 2005; Christman & Rhodes, 2002).

NCLB’s assumption that parents and others in the community will push for changes in their local schools once they are armed with more information and new options does not yet appear to be borne out in Philadelphia. At the school level, only 154 out of 264 schools have elected Local Parent Councils and only 137 have viable Home and School Associations (Churchill, 2005). In most of the schools whose management has been assigned by the SRC to external organizations, parents have not insisted on playing a role in the initial decision or in decisions about the renewal or termination of the contracts. Parents are more likely to be active in cases where the district recommends closure of their children’s school. When the district tried to remove two schools from Temple University’s purview, community leaders rallied to maintain that tie.

Parents have, however, been quietly opting out of neighborhood schools by enrolling their children

in the growing number of public charter schools. As of Fall 2005, 55 charter schools enroll 24,000 children.

Overall, then, public engagement in Philadelphia’s school reform at this point is a curious mix of both involvement and exclusion—involvement in that civic and community groups and their leaders have partnered with the district in designing and carrying out aspects of the reform; and exclusion in the sense that the SRC and the Vallas administration have kept tight control over major decisions. At a meeting of the Philadelphia Education First Compact, a long-time education advocate noted a peculiar feature of the situation:

In the original rhetoric of the takeover and Vallas’ hiring, there was an emphasis on ‘rescue’—something and someone was needed to ‘save’ Philadelphia’s schools. This rhetoric and mindset continues, which is problematic for accountability: when you are being rescued, you don’t get a say in how you want to be rescued.

### Student Test Score Results

Student achievement in the elementary and middle grades, as measured by two standardized tests, has improved since the onset of the reform in 2002. District-wide scores on the Pennsylvania System of School Assessment (PSSA) over the first three years of the reform have increased in the tested grades (5th and 8th) at the elementary and middle levels (Table 1 in Appendix). From 2002 to 2005, the percentages of students scoring in the proficient and advanced categories in reading increased by 14-15 percentage points for 5th and 8th graders. In mathematics, gains have been more impressive: 5th graders’ scores jumped almost 27 percentage points over the three-year period while 8th graders increased more than 21 points. Scores for 11th graders, however, whose experience with the reforms began only in 2004-05, remained virtually unchanged over that period. The Council of Great City Schools has touted Philadelphia’s gains in its 2005 report that summarized the improvement status of large urban districts (Casserly, 2005).

Despite the improvement in PSSA test scores in the fifth and eighth grades, district officials have been quick to note that absolute score levels remain comparatively low, and that much more work would be needed to close achievement gaps

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with students in suburban districts. The percentage of students scoring in the proficient and advanced categories in the three tested grades in reading ranged from a low of 30 percent of 11th graders to a high of 39 percent of the

8th graders. In math, the percentages ranged from just 23 percent of 11th graders scoring at those levels to—the bright spot—45 percent of 5th graders doing so (up from about 19 percent in 2002).

The number of School District of Philadelphia schools meeting all of their NCLB-mandated Adequate Yearly Progress (AYP) targets rose from 22 in 2002 to 58 in 2003 to 160 in 2004. It should be noted that the state relaxed the criteria for meeting some AYP targets during 2003-04: 30 of the 160 schools that met all of their AYP targets in 2004 would not have done so without these relaxed criteria. As of this writing, AYP results for the 2004-05 school year had not been released.

The results from another set of standardized tests—the nationally normed TerraNova exams—in grades 3-10 in four subjects between 2002 and 2005 show increases in district performance as well, although score trends vary among subjects and grades. If the scores from the fall 2002 administration of the test are used as a baseline, gains in the elementary and middle grades are substantial, particularly in mathematics (School District of Philadelphia, 2005). If the spring 2003 baseline is used—as we do in our analyses described below—gains are modest.<sup>4</sup> As with the PSSA scores, overall levels of achievement remain comparatively low. In the spring of 2005, approximately 38 to 42 percent of the students in grades 3-10 scored at or above national averages in reading, language, and math.

Vallas and his team have attributed improved test scores to the new core curriculum that is aligned to state standards and assessments, teachers' use of six-week Benchmark tests that chart students' progress during the year, professional development for teachers, and longer instructional blocks of time for language arts and math both during the school day and after school. He also credited the work of district School Assistance Teams that worked with low-performing schools on a Guided Self Study that assisted their school improvement efforts. Researchers at Johns Hopkins University who have conducted a preliminary analysis of math test score gains of two cohorts of students (comparing their 5th and 8th grade scores) attribute the gains to “increased coherence and coordination of curricula, increased focus on student outcomes, and increased resources for low-performing schools” (Mac Iver and Mac Iver, 2005, p. 13). Their early analyses also show that the conversion of middle schools to K-8 schools is having a positive effect on 8th grade student achievement as well.

### *School Sub-group Variations*

As researchers, we are interested in longitudinal trends and sub-group variations in student test-score data. We are especially interested in the patterns of achievement demonstrated by the original 86 low-performing schools that received additional resources or aggressive interventions. Do these schools show gains in achievement at a higher rate than other district schools? Do some interventions—including those spearheaded by different school management organizations—appear to be much more effective in raising scores than others?

With this in mind, we analyzed test-score data from three separate administrations of the TerraNova examinations for the 5th and 8th grades between 2003 and 2005.<sup>5</sup> The School District of Philadelphia made these data available to the Research for Action team. (The newly released 2005 PSSA test score data will be analyzed in the coming months.) The preliminary analyses of the data for this paper were conducted by John Easton and Steve Ponisciak at the Consortium on Chicago School Research.

Easton and Ponisciak compared the performance of the 86 lowest-performing schools with that of

<sup>4</sup>TerraNova tests were first administered in the fall of 2002, just after the new wave of reforms had begun. Because of the hasty implementation of these tests and the fact that they differed in format and time of year from other administrations of the tests, we chose only to use data from the spring administrations for our longitudinal comparisons. According to the district's Accountability Review Council (ARC), the Fall 2002 tests were given for diagnostic purposes at the beginning of the reform (School District of Philadelphia, 2005).

<sup>5</sup>We chose the 5th and 8th grades because these are the grades that are also tested by the PSSA and are used by the state to make a determination of whether the school has made Adequate Yearly Progress (AYP).

other district schools, using TerraNova data from three different time points—Spring 2003, Spring 2004, and Spring 2005. In doing so, they compared test score trends of four sub-groups of these 86 schools against each other and also against the rest of the district’s schools. The sub-groups of the 86 schools include: 19 schools run by the Office of Restructured Schools (ORS); 41 schools run by school management providers, including both for-profit and non-profit organizations; and 15 of the 16 schools (dubbed the “Sweet 16”) that received extra financial resources to continue their school improvement efforts.<sup>6</sup> In assigning schools to sub-groups, only those schools that had stayed with the same provider or intervention treatment from 2002-2005 were classified as ORS, Sweet 16, or in the school management provider group in the analysis. The 11 schools that migrated from one provider or intervention to another during that period were labeled “drifters” in our analysis.<sup>7</sup>

As we approached this analysis, we regarded the ORS schools as a useful natural comparison group to those run by external managers and partners since they were similar to the outsourced schools in demographics and achievement indicators. Like the externally managed schools, they also received additional resources (\$550 per pupil), albeit a lower amount, partly because they had no overhead expense and received certain services from the district.

Charts 1-8 (Appendix) show the percentage of students in grades 5 and 8 scoring at or above national norms on the TerraNova math and reading tests over time and the percentage of students scoring in the bottom national quartile. These data reveal complex patterns. The 86 schools did not show significantly different trends in scores on the TerraNova exams than other district schools. The data are suggestive that in the case of 8th grade math, the low-performing schools showed greater gains than the rest of the district’s schools, with the schools run by external managers and the Sweet 16 schools showing the most substantial gains over the two-year period studied. Overall, however, using a rigorous standard of statistical significance (.01 level), our analyses found no significant differences in gains in student scores or decreases in the percentage of students in the bottom quartile by

**Overall, our analyses found no significant differences in gains in student scores or decreases in the percentage of students in the bottom quartile by intervention strategy.**

intervention strategy. A reading of the charts reveals that no one strategy to date stands out as being especially effective.

District-provided tables from PSSA data for grades 5 and 8 combined from 2002 to 2005, broken down by manager (Table 2 in Appendix), show

that the ORS schools registered greater gains than the externally managed schools on the PSSA tests in both reading and math. (The 2005 PSSA data are not yet available to external researchers for further analyses as of this writing.) Schools partnered with Penn demonstrated the next-highest score gains in reading, while both Penn and Edison were runners-up to ORS schools in math improvement over the three-year period.

MacIver and MacIver (2005) at Johns Hopkins University have conducted preliminary analyses of gains in students’ mathematics achievement in high-poverty schools between 5th and 8th grade, following two student cohorts, one that experienced the new reforms in both 7th and 8th grades and another that was exposed to the changes only as 8th graders during 2002-03, the first year of the reform. While they documented substantial gains overall in PSSA 8th grade math achievement in 2004—following the first year of implementation of the core curriculum in math—they found that “the math achievement gains displayed by students between the spring of 5th grade and the spring of 8th grade were not greater in EMO-managed than in district-managed schools” (p. 11). In other analyses, where they broke out scores from Edison-managed schools, they found “a somewhat more positive impact” for Edison but this effect did not reach statistical significance. They will add 2005 PSSA data to their subsequent analyses.

At this point, then, it is still difficult for district leaders to make judgments about providers’ effectiveness. As with most school intervention efforts, results vary from school to school and grade to grade even within the same reform model. A definitive cost-benefit analysis of the district’s investment in outsourcing the management of some of

<sup>6</sup>Comparisons of the Terra Nova results were not made among the different management providers, because the number of schools assigned to some providers was too small.

<sup>7</sup>Two of these schools closed in 2003; the initial analysis includes the data for all 11 schools in 2003 and only 9 schools in 2004 and 2005. Future analyses will examine testing data for only the 9 schools.

its lowest-performing schools is still premature. District researchers and Research for Action are both planning to conduct longitudinal value-added analyses of student performance. These studies will give a much better picture of student growth than simply comparing test scores of different cohorts of students in the same grade from year to year. As it is now, policy makers have trouble formulating sensible comparisons of outcomes among schools being run by different managers.

The difficulty in finding convincing trends in the data—with the possible exception of the ORS results—along with the challenge of weighing costs and benefits of outsourcing as a strategy is illustrated by the comments of two members of the School Reform Commission addressing a resolution to award two more schools to Edison in May 2005. One of the two SRC members opposing the resolution, Sandra Dungee Glenn, put it this way:

I am against giving two schools to Edison. I got a report from the Chief Academic Officer and I think there is insufficient data to draw valid conclusions about overall performance on EMOs so far. ... I see a very mixed performance, in my view. ... Our Restructured schools do better on most of those indicators than the Edison schools. And in some subject areas in some schools, other providers do better. We need a bigger overall review of the EMO experiment. I am not sure they are accelerating school improvement more than other groups. Edison is not so outstanding that they should get two more schools.

James Gallagher, one of the three SRC members voting in support of contracting with Edison for additional schools countered:

We inherited a district that was failing its students. ... We still have a culture of failure. We need to chase [after] additional EMOs and charters and new ideas. We inherited a monopoly that did not work, and in many ways is not working. Edison has done rather well. Keep in mind that we gave Edison the most difficult schools. ... We must be open to innovation and to every outsider who wants to help us. We have a long way to go.

## Summing Up

The current wave of reform in Philadelphia bears the imprint of NCLB's press for immediate action aimed at improving low-performing schools and districts. The law, along with Pennsylvania's state takeover legislation that was a precursor to NCLB, increased the arsenal of radical options available to state and city political and educational leaders who oversee public schools in the Commonwealth. They have used these options in Philadelphia. Not only did the state execute the largest takeover to date of any US school district, but its new governance mechanism, the School Reform Commission, has set up the nation's most extensive experiment with the privatization of schools and the outsourcing of educational services to private corporations.

It is important to note here that the reform-oriented administration of Superintendent David W. Hornbeck worked hard from 1994 to 2000 to establish academic standards, a new accountability framework, and the beginnings of a core curriculum. But his efforts, particularly the use of a performance index to measure school progress, met with considerable internal opposition. An arbitration board defeated his attempts to reconstitute two low-performing schools. Hornbeck and his team operated without the benefit of NCLB pressures for academic improvement and the accompanying intervention tools now available to CEO Vallas and the SRC. Moreover, Hornbeck had to answer to a School Board, a more fractious body than the SRC.

The legal running room allowed by the legislation along with the new governance structure has enabled CEO Paul Vallas to undertake a host of interventions, many of them aimed directly at improving instruction in the classroom. The inter-

**The legal running room allowed by the legislation along with the new governance structure has enabled CEO Paul Vallas to undertake a host of interventions...**

action of Vallas' legendary "hyperactive passion" with the immediacy of NCLB pressures on schools to make Adequate Yearly Progress has created a climate of good will that fuels the rapidity of change.

Thus far, a good deal has been accomplished. Test scores

**The verdict is still out as to whether the outsourcing of school management and other educational services will accelerate the pace of school improvement to a degree that justifies the additional costs.**

through the eighth grade have improved, with gains in math being particularly notable. The budget is balanced and no longer a political football. The district and teachers union have established a *détente*, even as the union's contract has been changed

in ways that allow for greater control over staffing decisions at the building level. There have been positive strides in the recruitment and retention of qualified teachers. Vallas has implemented a new system for managing instruction—a core curriculum and associated Benchmark tests and longer blocks of time for literacy and math along with extended time for learning after school and in the summer for struggling students. Pre-school programming has expanded. Vallas' plan to convert middle schools to K-8 schools is well underway as is the creation of many new small high schools and “high performance” learning programs that are intended to lift the still-abysmal outcomes for high school students. Charter schools are now integrated into the district's school development plan. The most ambitious school construction and renovation program in decades has begun. Many of these activities have been assisted by an array of external partners and vendors.

A fall 2005 editorial in the *Philadelphia Inquirer*, talked about “the caffeinated pace of change” and how the district was becoming a “model of success,” quite different from “the bad old days of the 1990s.” The editorial noted that the original plan of Governors Ridge and Schweiker that would have turned management of the district's central office over to for-profit firms had “thankfully, faded from view,” and that Vallas “had put a whole new twist on school choice with his other partnerships” (*Philadelphia Inquirer*, September 7, 2005, p. 18).

Overt opposition by community and advocacy groups to the outsourcing of school management and other educational services to for-profit firms appears to have fallen off although there are rumblings among them that Vallas is “signing away

too much too fast” (Snyder and Mezzacappa, 2005). Civic and grassroots groups, along with some district insiders, are raising questions about whether contractors' performance is adequately scrutinized and shared with the public. Community stakeholders are also becoming more insistent that district leaders make a greater effort to share data and to include them in discussions of important policy decisions.

Data on student achievement in the elementary and middle grades and on other indicators are positive but it is still too early to judge the effectiveness of the state takeover, the diverse provider model, and the Vallas-initiated interventions. The verdict is still out as to whether the outsourcing of school management and other educational services will accelerate the pace of school improvement to a degree that justifies the additional costs. Earlier reform efforts led to progress as well, but sustained dramatic improvement in student outcomes did not materialize. Further, it is important to bear in mind that the current initiatives are rolling out, as before, in a district that is severely challenged by racial segregation, under-funding, and a rising rate of concentrated poverty.

Researchers have not yet documented how the reforms are playing out at the school level, including how well teachers are being trained for and using the core curriculum, Benchmark tests, and the longer blocks of time in literacy and math. Researchers and policymakers also lack information on the degree to which teachers are forming bonds of collaboration and relational trust in their buildings, a factor that is key to reform. Teachers' capacity within a school to form collegial professional communities depends heavily on the support and skill of building principals, but it is too soon to evaluate the degree of success of the district's newly intensified efforts to train and support school leaders. The degree to which teachers and administrators are willing or able to respond to new performance pressures and interventions—and possible “reform overload”—remains undocumented.

As is the case with any serious change process, some reforms will fall away over time. At this juncture, however, the district may quickly be passing “a point of no return” in implementing a set of far-reaching changes. Within a two or three-year period, the system may look very different than it did at the time of the state takeover at the end of 2001. If so, NCLB's pressures and options will have played a pivotal role in enabling those changes.

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## Appendix

**Table 1**  
**School District of Philadelphia**  
**District-wide PSSA Results for Grades 5, 8, and 11**  
**Percentage of Students Scoring Advanced or Proficient**  
**Spring 2002 to Spring 2005**

Grade	2002	2003	2004	2005	Change in Percentage Points 2002-05
<b>Reading</b>					
5	20.8%	23.4%	31.6%	35.0%	14.2
8	24.1%	30.4%	41.2%	39.4%	15.3
11	28.7%	30.1%	27.0%	30.5%	1.8
<b>Mathematics</b>					
5	18.7%	23.1%	30.7%	45.4%	26.7
8	17.9%	19.7%	30.9%	39.2%	21.3
11	23.6%	21.6%	22.9%	22.9%	-0.7

**Table 2**  
**School District of Philadelphia**  
**PSSA Results for Grades 5 and 8 Combined:**  
**Percentage of Students Scoring Advanced and Proficient**  
**in Schools Managed by External Providers**  
**or by Office of Restructured Schools (ORS)**  
**Spring 2002 to Spring 2005**

### Reading

EMO/Partner or Restructured Status					Change in Percentage Points 2002-05
	2002	2003	2004	2005	
Restructured (ORS)	11.9%	20.0%	28.0%	29.3%	17.4
Edison	10.5%	10.1%	20.7%	21.7%	11.2
Universal	8.6%	7.7%	25.0%	19.2%	10.6
Victory	10.8%	14.6%	24.0%	23.9%	13.1
Foundations	13.5%	17.5%	19.4%	22.5%	9.0
Temple	9.8%	10.0%	15.7%	16.0%	6.2
Penn	13.1%	15.6%	22.3%	27.2%	14.1

### Mathematics

EMO/Partner or Restructured Status					Change in Percentage Points 2002-05
	2002	2003	2004	2005	
Restructured (ORS)	6.7%	15.1%	19.2%	36.0%	29.3
Edison	6.3%	6.9%	16.6%	27.4%	21.1
Universal	9.2%	5.5%	15.3%	19.4%	10.2
Victory	5.5%	7.1%	16.7%	21.3%	15.8
Foundations	8.7%	13.4	15.1%	27.8%	19.1
Temple	5.1%	6.1%	9.8%	17.2%	12.1
Penn	9.5%	15.4%	13.2%	30.6%	21.1

**Table 3**  
**Number of Schools with “Met AYP”\* Status, 2003-2004**

Intervention Strategy	Number of Schools
Education Management Organization	5
Office of Restructured Schools	3
“Sweet 16”	4
“Drifters”	3
Rest of the District	43

\*Note: “Met AYP” is defined as a school meeting its AYP targets consistently over time.

#### Explanation of Intervention Strategies

The “Original 86 Lowest Performing Schools” were identified by the School Reform Commission after the state takeover and targeted for intervention. The table above and the graphs that follow list intervention strategies which are described in the following paragraphs. The number of schools for each intervention strategy in the TerraNova graphs below represent those schools which have been consistently managed under that management structure for the past three years. The “Drifter” category was created to include those schools that have operated under at least two different management structures over the past three years or were closed.

*School Management Providers:* Forty-one schools operated by Educational Management Organizations: Edison Schools, Inc., Victory Schools, Inc., Universal Companies, Foundations, Inc. and two universities: the University of Pennsylvania, and Temple University. School Management Providers received additional per pupil funding between \$450 and \$881. (Original number - 46 schools)

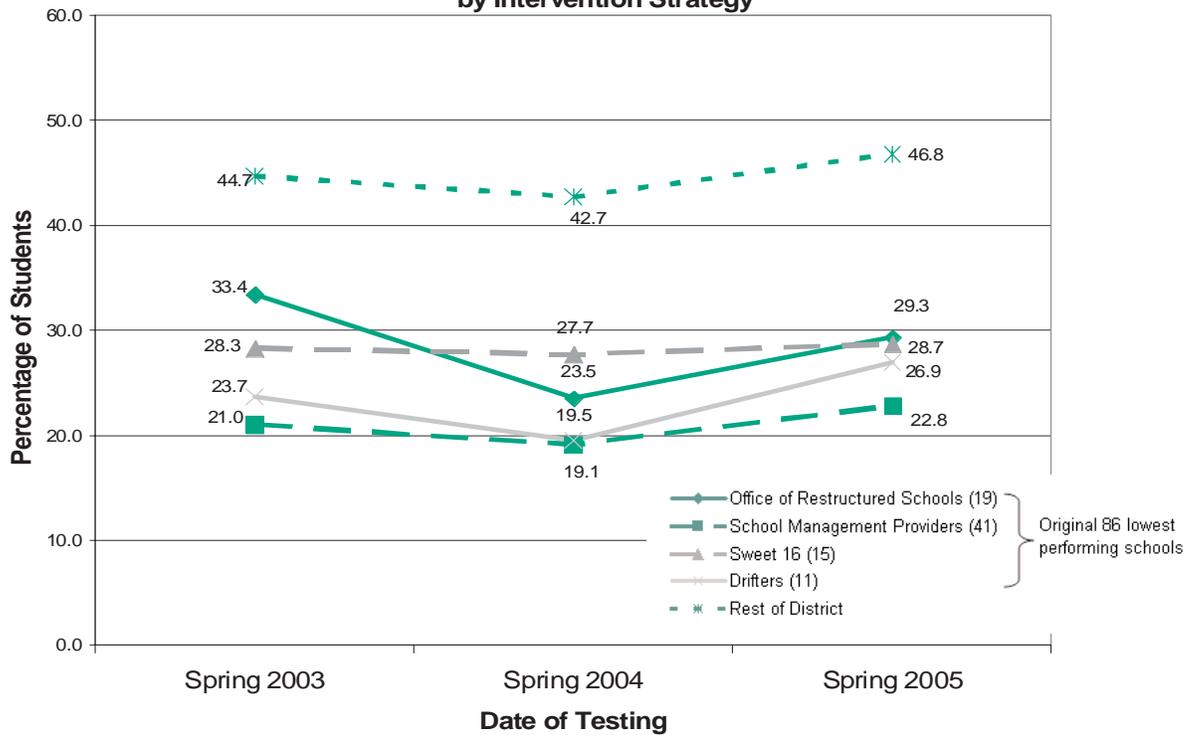
*Office of Restructured Schools:* Nineteen schools managed by the school district's newly created Office of Restructured Schools that received an additional \$550 per pupil funding. (Original number - 21 schools)

*“Sweet 16”:* Fifteen schools designated to receive an additional \$550 per pupil funding during 2002-03 (and reduced amounts in later years) but no change in management structure. (Original number - 16 schools)

*“Drifters”:* Eleven schools which we have designated as “drifters” because they have been operating under at least two different management structures since the reform began. This includes three schools originally designated as transitional charters. Additional funding was inconsistent if it occurred at all. Two of the “drifters” schools closed in 2003. The initial analysis includes the data for all 11 schools in 2003 and only 9 schools in 2004 and 2005. Future analyses will examine testing data for only the 9 schools.

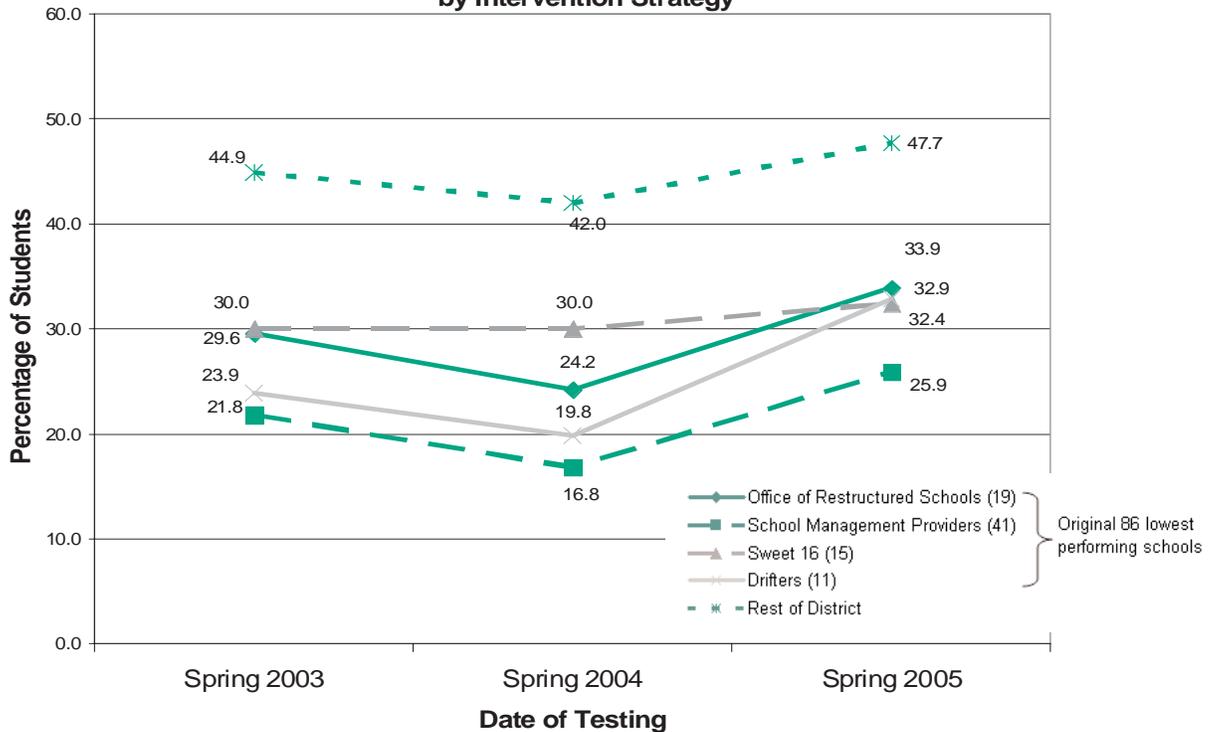
**Chart 1**

**School District of Philadelphia  
TerraNova 5th Grade Reading Scores  
Percentage of Students Scoring At or Above National Norms  
by Intervention Strategy**

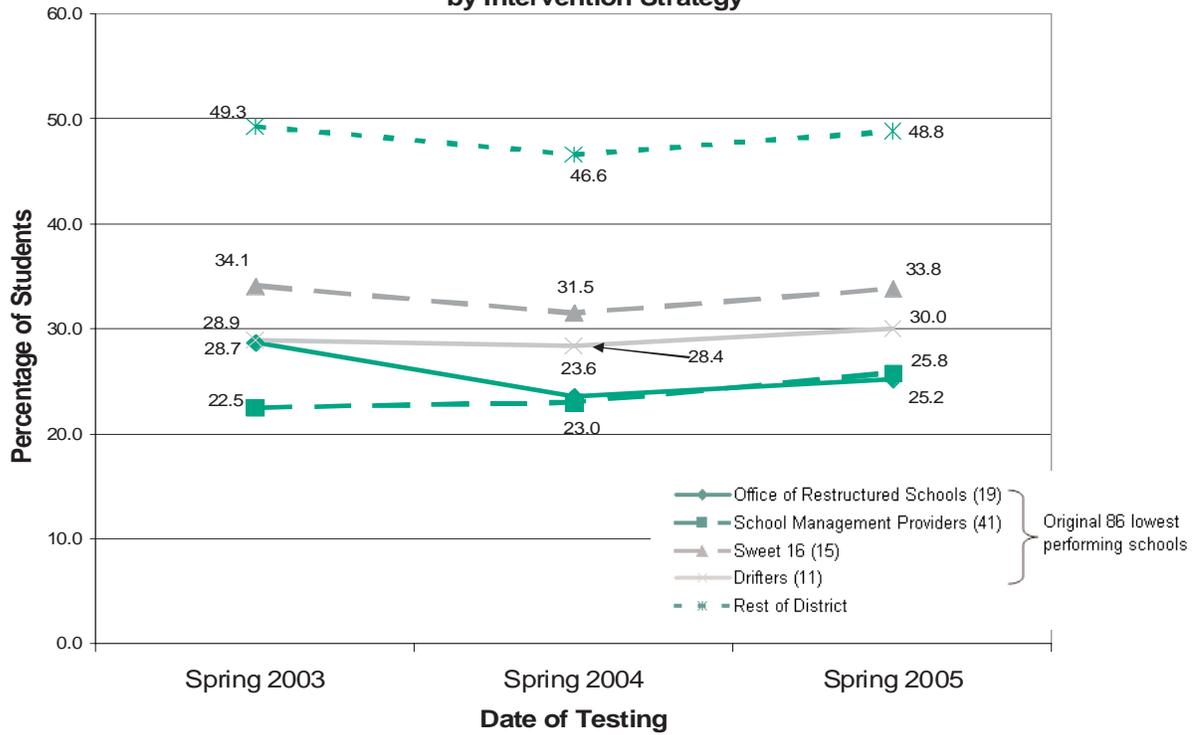


**Chart 2**

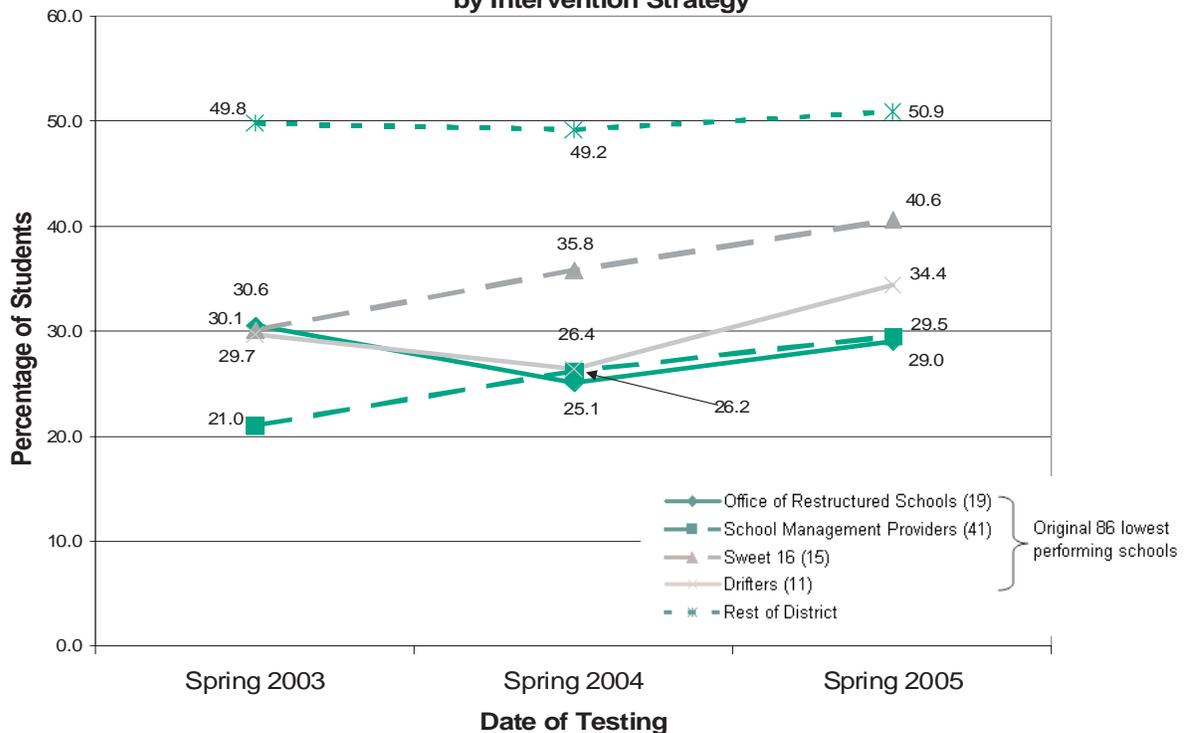
**School District of Philadelphia  
TerraNova 5th Grade Math Scores  
Percentage of Students Scoring At or Above National Norms  
by Intervention Strategy**



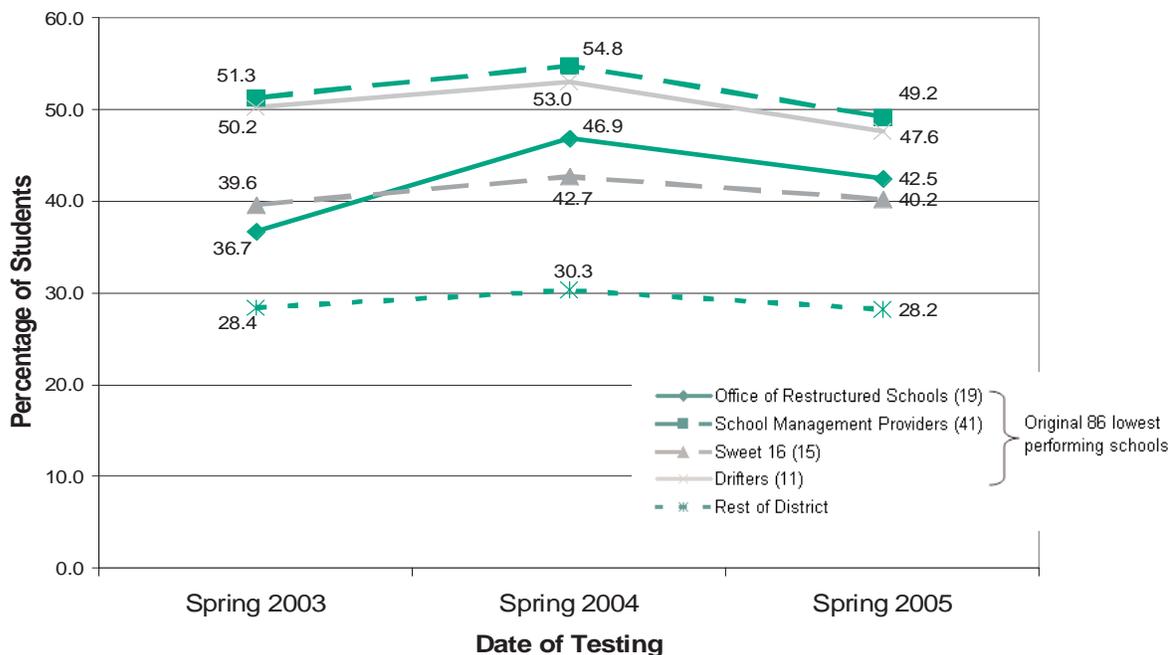
**Chart 3**  
**School District of Philadelphia**  
**TerraNova 8th Grade Reading Scores**  
**Percentage of Students Scoring At or Above National Norms**  
**by Intervention Strategy**



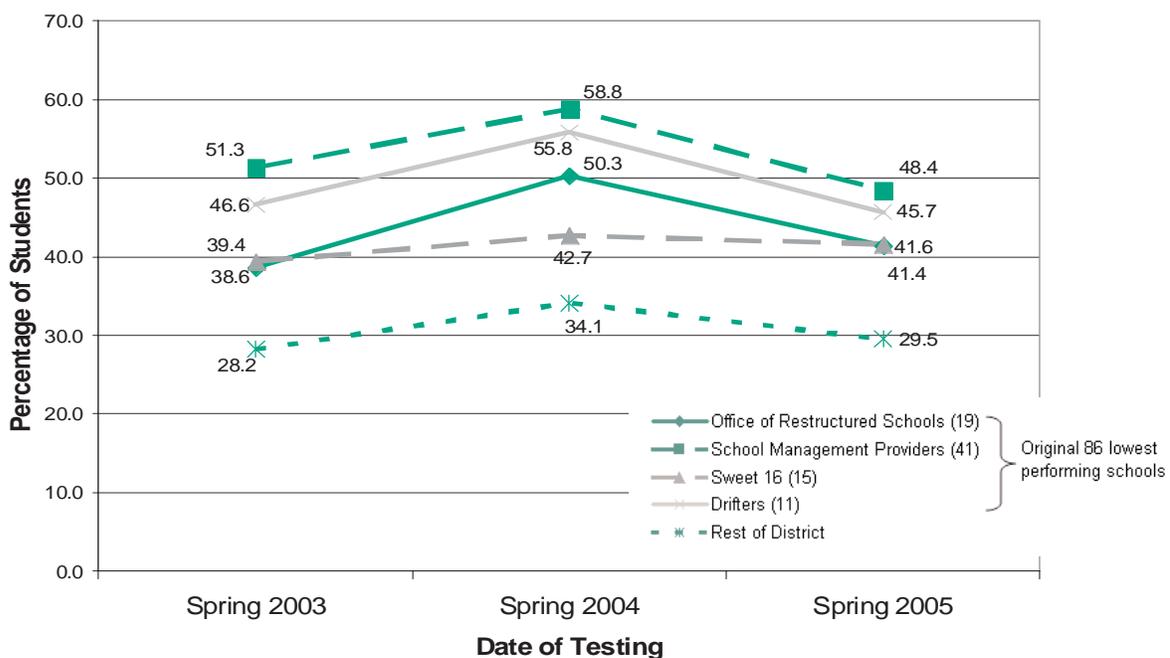
**Chart 4**  
**School District of Philadelphia**  
**TerraNova 8th Grade Math Scores**  
**Percentage of Students Scoring At or Above National Norms**  
**by Intervention Strategy**



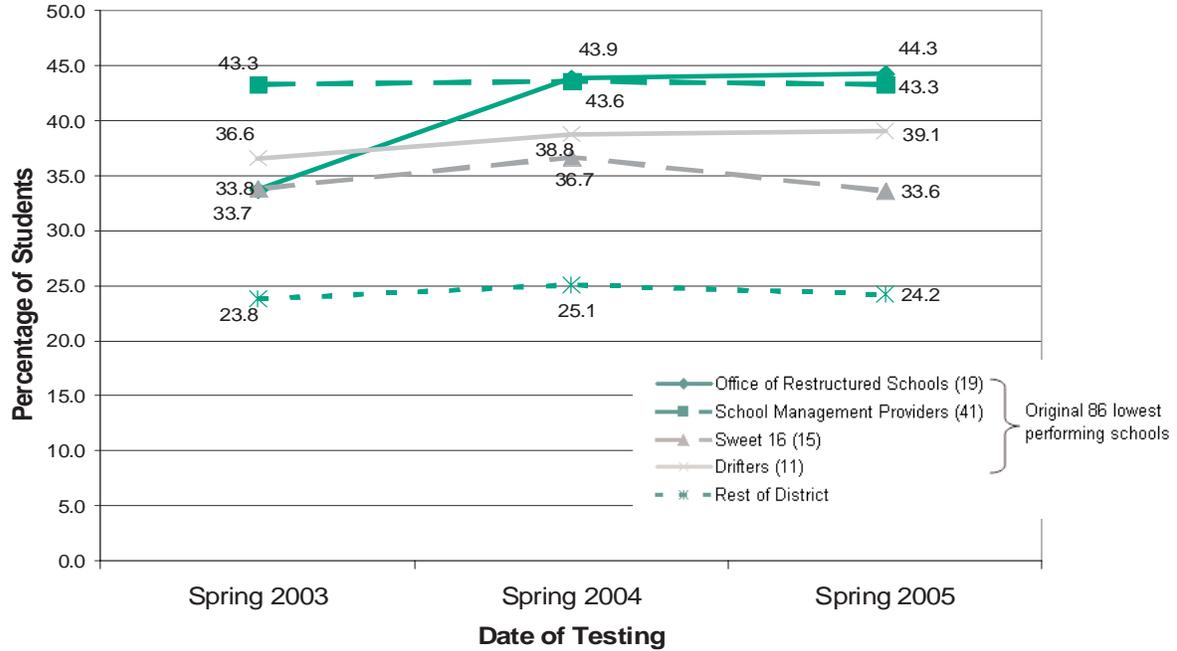
**Chart 5**  
**School District of Philadelphia**  
**TerraNova 5th Grade Reading Scores**  
**Percentage of Students Scoring in Bottom National Quartile**  
**by Intervention Strategy**



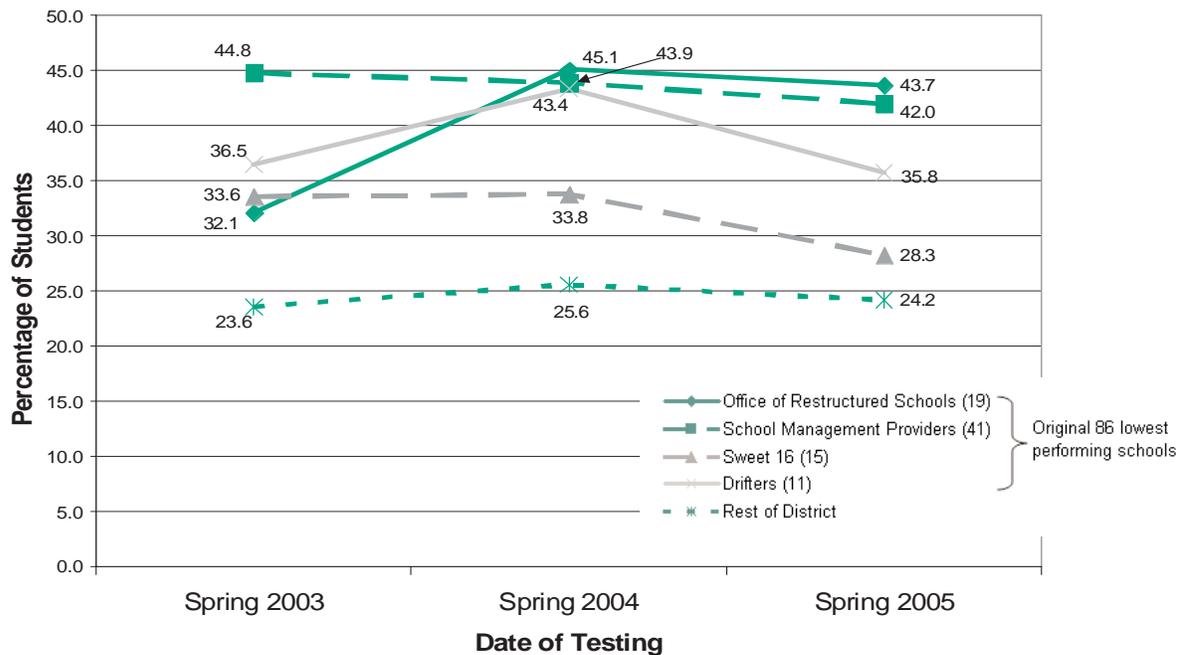
**Chart 6**  
**School District of Philadelphia**  
**TerraNova 5th Grade Math Scores**  
**Percentage of Students Scoring in Bottom National Quartile**  
**by Intervention Strategy**



**Chart 7**  
**School District of Philadelphia**  
**TerraNova 8th Grade Reading Scores**  
**Percentage of Students Scoring in Bottom National Quartile**  
**by Intervention Strategy**



**Chart 8**  
**School District of Philadelphia**  
**TerraNova 8th Grade Math Scores**  
**Percentage of Students Scoring in Bottom National Quartile**  
**by Intervention Strategy**







## About the Author

Elizabeth Useem is a senior research consultant to Research for Action and a research director for *Learning from Philadelphia's School Reform*. She served as director of research and evaluation at the Philadelphia Education Fund, a non-profit local education fund, from 1993-2004. She has written extensively on teacher quality issues, comprehensive school reform, business-education relationships, and mathematics education. Previously, she was director of teacher education at Bryn Mawr College and Haverford College and associate professor of sociology at the University of Massachusetts at Boston.

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