



Summary of a forum co-hosted by

**Ford Foundation
Carnegie Corporation of New York
William Penn Foundation**

**Private Sector Involvement in Urban School Reform
Emerging Themes**

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Presenters:

Research for Action
with
Center for the Study of Privatization
Consortium on Chicago School Research
Institute for Education and Social Policy of New York University

Increasingly, the private sector (both for-profit and non-profit) is providing resources and alternative delivery models for urban public schools. Beyond vouchers, we are witnessing new efforts to turn schools over to private management, expansion of quasi-independent charter schools, and new hybrid partnerships between public schools and private agencies. Nowhere is the engagement of private sector alternatives more extensive than in Philadelphia, which, in the aftermath of a 2001 state takeover, now has 44 schools managed by private companies or non-profit organizations. This does not include an additional 24 restructured schools, 51 charter schools, and 10 special admission schools.

Research for Action (RFA), a Philadelphia-based non-profit education research group has been monitoring the effects of these changes in the Philadelphia schools. RFA presented findings on the impact of privatization to date at a meeting at the Ford Foundation co-hosted by the William Penn Foundation, Carnegie Corporation of New York, and Ford on October 8, 2004. RFA was joined at this event by representatives of the Institute for Education and Social Policy of New York University, the Consortium on Chicago School Research, and the Center for the Study of Privatization at Teachers College, Columbia University, for a multi-city analysis of the changing role of the private sector in urban public education. Following is a brief summary of the major themes that emerged from this event.

Private sector involvement in urban public education is increasing.

Public sector bureaucracies – particularly in urban settings – have been increasingly turning their attention toward the private sector to help overcome dramatic resource and capacity gaps in everything from management and service delivery to upgrading the skills and knowledge of school professionals. Increased private sector involvement has been encouraged, in no small degree, by an increasing demand for educational services and the new accountability measures built into the federal *No Child Left Behind* Act (NCLB). The placement of persistently low-performing schools into the hands of outside providers is an underlying principle of NCLB and is based on the as yet untested assumption that these providers will be better able to operate these schools and improve student achievement. In addition, parents are seeking both increased and improved school system services as well as extra services including tutoring, after-school programming, and test

preparation. Scholars examining urban school improvement efforts nationwide and in three of the nation's largest cities – Philadelphia, Chicago, and New York – anticipate that private sector involvement will continue to increase in urban public education future. In fact, what is happening in Philadelphia – and to some extent Chicago, New York and other cities – is likely to happen nationwide.

Increased private sector involvement challenges districts and central offices to assume new roles and functions. Changes in bureaucratic culture may also be an outcome.

Districts are increasingly being called upon to manage diverse portfolios of school management models. As districts try to adapt, their central offices must develop the capacity to define and meet their new responsibilities.

In Philadelphia, the district now manages a multiple provider model in which a variety of external entities (both for-profit and non-profit) have management roles in poorly performing schools that were identified during the state takeover of the system. As a result, the central office has taken on the critical job of deciding which options should be used in which schools. Indeed, the central office has re-positioned itself (rather than parents and students) as the primary consumer in the city's educational marketplace. In addition to seeking external providers to manage schools, the district is utilizing external providers for a variety of educational services, including professional development, curriculum development, data management, and tutorial services. A shift is taking place in the culture of the central office from primarily bureaucratic to partially entrepreneurial.

New York City has undergone a comprehensive restructuring of its school system under a corporate model in which both the city's mayor and segments of its corporate sector play critical roles. Increasingly, New York's school district has come to work with both external providers of educational services and a host of external partners that are helping to plan, design, and manage new schools throughout the city. This strategy includes partnerships with non-profit agencies to leverage resources of the community and to build a broader and deeper base of stakeholders.

In Chicago, a sizeable number of schools have operated under different partnership arrangements over the past ten years. As the district struggled to adapt to the new roles and responsibilities that these arrangements demanded, both the central office and schools suffered from a lack of clarity regarding autonomy, accountability, and authority. Instructional guidance for struggling schools often remained inadequate.

Despite the rhetoric of school choice, it is not yet clear if private sector involvement will result in increased school options for all students and their families.

In Philadelphia, New York, and Chicago alike, proponents of private sector involvement have consistently argued that these new management models will mean that more students and families will have better options in where to attend school.

Philadelphia's diverse provider model has not resulted in increased choice for students and families. Providers are selected by the district and assigned to schools without public involvement. As in many other urban districts, Philadelphia students who attend low-performing schools largely have the same limited options they had prior to NCLB. Then, and now, their options are special admission magnet schools and charter schools that have long waiting lists.

In contrast, it appears that increased choice has indeed occurred in New York, with the district moving from 120 to 300 high schools – most of them small, and all of them schools of choice – in 10 years.

The emerging relationships between the private sector and district central offices are limiting opportunities for public participation in key decisions regarding school management and school accountability.

Despite the scale and the importance of changes that are occurring in how schools are managed and operated, the space for public input in decision-making is very limited. In all three cities, much of the planning and decision-making has been done by education professionals at the state level or in central offices, private sector representatives, and outside consultants. There has not been much public dialogue about the role that citizens want the private sector to play in their schools or public participation in specific decisions about school management models. Likewise, citizens have had limited input into decisions about what criteria will be used to judge the effectiveness of private sector involvement. While there has been some community resistance of private sector involvement in all three cities, it is unclear whether there will be community and civic participation in determining if the private sector is doing an effective job.

In response to these trends, place-based research organizations like Research for Action, the Institute for Education and Social Policy, and the Consortium on Chicago School Research are focusing their attention on meeting the knowledge needs of their local communities as well as informing the national dialogue.

Research organizations are increasingly building the critical capacities to provide civic and community groups with the knowledge they need to enter decision-making processes about private sector involvement in public education. Given the heated ideological climate in which these trends are playing out, studies must be methodologically rigorous. The current environment also demands that research organizations adopt multi-disciplinary approaches that include the perspectives of economists, political scientists, and business and organizational management experts. Their designs must be flexible enough to follow the important stories in their communities and take into account the complexities of local context. At the same time, these organizations should collaborate on cross-city analyses so that general principles can be distilled from experiences in different cities. These organizations are building their capacity to provide "real-time" analyses that bring greater knowledge in a timely fashion to policymakers and the public alike. Such approaches will allow research organizations to play meaningful roles in both shaping reforms and encouraging and supporting public engagement.



*For more information on RFA's research on privatization see its **Learning from Philadelphia's School Reform** project on the RFA website. **Learning ...** is a research and public awareness project assessing the current reform efforts in Philadelphia public schools. RFA is leading a team of well-known scholars to develop a broad-based research agenda for the benefit of educators, policymakers, funders, and the community.*

www.researchforaction.org 215-823-2500
3701 Chestnut Street, Philadelphia, PA 19104

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