Learning from Philadelphia's School Reform: The Impact of NCLB and Related State Legislation

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Research for Action

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 176,000 pupils, has become a veritable research and development test-bed for judging NCLB's effectiveness in improving urban schools. In Philadelphia's case, NCLB reinforced pre-existing state legislation that widened state prerogatives to intervene in distressed districts. Unlike a number of other state and district leaders, Philadelphia's education leaders have embraced both the spirit and substance of the requirements and options laid out in NCLB. At a regional NCLB "summit" held in Philadelphia in April 2006, US Secretary of Education Margaret Spellings applauded the district's "great results" and "long-standing support for No Child Left Behind" (Snyder, 2006).

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" or reorganization of a school's staff, the outsourcing of a school's management to non-profit organizations and for-profit Education Management Organizations (EMOs), or the conversion of a district school to a public charter school (Brady, 2003). Policymakers in the district, pushed initially by state leaders, have drawn freely from this broad mix of policy tools to attack the problem of persistently low student achievement.

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 46, 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. 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. NCLB complemented and reinforced the state legislation.

No single reform strategy has guided policy in Philadelphia since the state takeover. Instead, state and local education leaders have relied on the three broad classes of policy instruments outlined by Hannaway and Woodroffe (2003): market-based mechanisms, accountability and incentive structures, and school capacity building. In doing so, they a) adopted a multi-pronged strategy of creating of a diverse "portfolio" of types of schools; b) applied top-down pressure to schools by implementing NCLB's accountability system; and c) implemented a number of initiatives—e.g. more qualified teachers, a core curriculum, smaller classes in the early grades—to build schools' capacity for self-

improvement. The fact that Philadelphia, an under-funded district serving largely poor and minority students, has deployed so many policy tools from the NCLB arsenal makes it a particularly rich case study of the law's impact.

The Background

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 under-funding 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 state's takeover of the district (Boyd & Christman, 2003; Maranto, 2005; Travers, 2003). State leaders did so despite evidence elsewhere that such interventions, while effective in improving administrative and fiscal controls, typically did not improve student achievement (Wong and Shen, 2003; Ziebarth, 2004). 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.[1] The SRC was empowered to make radical 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 the SRC members and the district administration have embraced the spirit of NCLB and have

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[1] The two mayoral appointees serve three-year terms; the other two gubernatorial appointees serve a five and a seven year term.

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.

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 and that reflected one of philosophical strands underlying NCLB. 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 the 46 low-performing 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);[2]

- 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.)

Although the ideological underpinnings of the state takeover were grounded in Governor Ridge's and Governor Schweiker's belief in school choice and competition, students and parents were not given a choice about which model or school they would prefer to attend Market forces were at work, though, in the expansion of public charter schools—supported for all members of the SRC—and the SRC's propensity to outsource an array of central office functions to private firms or non-profit organizations (Bulkley & Gold, 2006; Christman, Gold & Herald, 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 accepted and expanded on the market-based

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[2] 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 were allocated $750 per pupil.

tools initiated by the SRC—the privatization of school management, increased outsourcing of central office work, and aggressive growth of charter schools. By the end of the 2005-06 school year, about a third of the city' 325 public schools were under some form of private management, either as public charter schools or schools whose management had been contracted out to external groups. He integrated charter school growth with a broad strategy of school development and construction. Vallas and the SRC increased the number of formal partnerships with external companies and non-profit groups to manage or work with schools and created an extensive set of accelerated options and magnet schools across the district. The number of special admission high schools went from 13 to 22, and more than 60 accelerated learning programs have been introduced citywide, thus expanding choice options in the system, a feature notably absent in the first round of reform by the SRC under the state takeover.

Vallas, however, has not relied heavily on market-based interventions to increase student achievement. Instead, his primary efforts in this regard have gone into building schools' capacity to improve student instruction and the overall climate for learning. He immediately took steps, for example, to tighten discipline and safety, a major concern of the teachers' union and political leaders, by adopting a zero tolerance policy for student behavioral infractions and by expanding the number of disciplinary schools. 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: expanded pre-school instruction; smaller classes in the early grades; a mandatory core curriculum in four major subjects; more plentiful supplies of texts and other curricular materials; longer daily periods of instruction in literacy and math; six-week formative Benchmark tests assessing student mastery of the curriculum (adapted from the Edison model); professional development for teachers related to the core curriculum;[3] extended learning time for struggling students after school, on Saturdays, and in summer school;[4] and review and support from central office intervention/assistance teams for low-performing schools. His team introduced a sophisticated Instructional Management System (IMS) for teachers, enabling them to use technology to access detailed information on their students, the curriculum, lesson plans, and curriculum resources (Gehring, 2005). Further, the administration escalated its programs to train and support current and aspiring principals.

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[3] In 2005-06, the district provided 100 hours of professional development for teachers, most of them during the school day.
[4] Low-performing students are required to attend after-school extended day programs (32,000 students in grades 1-9), Saturday classes, and summer school (63,000 students).

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, an area of school support that had not been a high priority in previous administrations. This NCLB-proscribed effort—described in more detail later in this chapter—has proven to be a vital capacity-building initiative, particularly in high-need schools subject to high vacancy rates. In addition, an empowered SRC succeeded in negotiating a contract with the teachers' union that allowed for school-based selection of new teachers and a weakening of veteran teachers' automatic right to transfer to other schools.

Vallas also moved quickly to create more optimal school climates and instructional environments by converting most middle schools, long considered the most problematic school type in the city, to K-8 schools, a process that will be virtually complete by 2008.[5] The administration has also taken steps to depopulate large comprehensive high schools, replacing them with smaller district and charter schools, part of a long-needed $1.8 billion program of school construction and renovation. The district has also invested substantially in expanding and upgrading high school sports, bands, and extracurricular activities.[6]

In an attempt to provide intensive customized support for the system's most distressed schools, Vallas and his team created a district-run CEO Region in 2005 for 10 of the schools that had not met federal and state standards of progress in the prior six years, an initiative modeled on the Chancellor's District in New York City. At the same time, they disbanded the Office of Restructured Schools (ORS), assigning its 19 schools (down from the original 21) back to their geographic regions or placing them in the CEO Region.

Efforts by the SRC and the Vallas administration to "turn the district around" relied not just on creating market-based choice options and on investing in an array of school supports but relied also on top down-pressures to hold school leaders and staffs accountable for results. Like school personnel across the country, Philadelphia's school-based administrators have experienced unrelenting pressure from the accountability system spelled out in NCLB and related state guidelines. NCLB requires that schools make Adequate Yearly Progress (AYP)—a system based on students' standardized test scores, student attendance, and graduation rates (for high schools). District leaders created other measures to assess student and school performance as well: six-week formative Benchmark assessments in literacy, math, and science (monthly for Edison-run schools) broken down by classroom and teacher; a "SchoolStat" system of multiple school indicators of climate and achievement displayed monthly by regional administrators at meetings with their principals; and School Assistance Teams that

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[5] The number of middle schools is in the process of declining from 42 to 15. The number of K-8 schools will steadily increase to 115 by 2008.

[6] When Vallas arrived, there were 39 high schools. According to the district, that number is expected to jump to 70 by 2008. The high schools will be smaller, averaging fewer than 800 students compared to 1500 in 2002. The district projects that more than half the new high schools will enroll fewer than 500 students. Since 2002, 23 new small high schools have been created, enrolling between 300-500 students.

monitored the performance of low-performing schools and provided support for their improvement efforts. Schools that persistently fail to improve are, as NCLB requires, placed in Corrective Action II status and subject to a range of radical interventions to ratchet up their performance.

Funding for the overall reform effort was facilitated by increased resources and changes in fiscal operations. As he had in Chicago, Vallas balanced the district's projected expenses with its revenues through aggressive fundraising, cost cutting, and reallocation of resources, 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. They also relied on a $300 million bond issue that covered an inherited deficit plus a portion of pressing operational expenses between 2002 and 2006. Unlike his predecessor, Vallas made a point of not complaining publicly about lack of sufficient funds to pay for the reforms. This stance, 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 rapport with state leaders (Webb, 2004, p. 1; Snyder, 2004) although it irritated advocates for a more equitable state funding system. These advocates had seen the election of Philadelphia's Democratic Mayor, Ed Rendell, as Governor of Pennsylvania in 2002 as a chance to press the case for equity in the legislature.

More than four years into this radical experiment in district governance and school reform that is consonant with the principals and tools of NCLB, 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; parental involvement and public engagement; and the impact of the reforms on student achievement.

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.[7]

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

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[7] These reports are all available on RFA's website: www.researchforaction.org.

district over a four-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 analyzed annual TerraNova student test score data from the spring of 2003 to the spring of 2005, 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). RFA is currently collaborating with researchers at the RAND Corporation who are conducting a "value-added" analysis of student achievement under the reform, using both PSSA and TerraNova data.

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 among them—reported to be fierce at times—have largely been kept behind closed doors.

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. Although the state takeover took away teachers' right to strike, the SRC and Vallas have established 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 the SRC's 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 (Bulkley & Gold, 2006; Christman, Gold & Herald, 2005). 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;

- 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 the transition of 12 high schools into small high schools;

- sign agreements with five different "big name" partners (Microsoft, the Franklin Institute, the University of Pennsylvania, the National Constitution Center, the College Board) to develop and run new or restructured high schools in conjunction with the district and to establish a small high school with peace-oriented studies in partnership with the Philadelphia Citizens for Children and Youth (PCCY);

- 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 (Gold, Christman, Bulkley & Useem, 2005). 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 (Christman et al., 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.

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 (Christman, Gold & Herald, 2005).

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— the EMO Region—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] 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.

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, the evaluation processes for employee, and decisions about re-configurations of grades (e.g. adding or losing grades) or school closings. School staffing followed the regulations established by the district and the Philadelphia Federation of Teachers (PFT). The external 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 (Christman et al. 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, have been included in the system's CEO Region. The decision to terminate Chancellor Beacon Academies at the end of its first year was not a good test case of rigorous accountability in action since the firm's delivery of service across the board was so visibly 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 late 2006 when the SRC decides whether or not to renew the five-year contracts of the EMOs. They will be faced with a number of questions: 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 of 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? The SRC's decision will take place within a context of competing political pressures, since the EMOs are expected to draw on political alliances as they press for renewal of their contracts.

Teacher Quality

One of the most critical ways in which the SRC and the Vallas administration have tried to boost schools' capacity to improve instruction has been their combined effort to improve the recruitment and retention of teachers. This endeavor has been fueled 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 the new teachers were certified and fewer than half were staying in the district after three years on the job (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 dramatically between 2002 and 2004 and has stabilized at a high number, 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. The percentage of all the district's teachers who are fully certified has risen from 88 percent in 2002-03 to 94 percent in 2005-06, and the percentage of fully certified new teachers rose from 49 percent to 89 percent between 2004-05 and 2005-06 (School District of Philadelphia, 2006; Useem & Neild, 2005). 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. New teachers are now much more likely to stay all the way through their first year on the job. Only 73 percent in 2002-03 completed their first year compared to 93 percent in 2004-05. Vacancies have plummeted. In the spring of 2006, only 20 to 30 classroom vacancies existed out of a teaching staff of more than 11,000 teachers.

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 between 2003 and 2005 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 the dramatic decline in the number of classroom vacancies.

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 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 several hundred of the current seventh and eighth grade teachers will not meet the new "highly qualified" standard set by NCLB and the state. A shortage of minority teachers exists as well, a situation the district has begun to address through a concerted campaign. 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

NCLB specified a range of specific ways in which school districts and individual schools were to provide parents with increased information about their school and its teachers, the option of tutoring services or school transfer if their children were in failing schools, and enhanced opportunities to become involved in crafting plans to improve the performance of their school if it was designated as persistently low performing. One of the assumptions underlying NCLB is that informed and empowered parents will put pressure on the schools to improve, thus adding another component to NCLB's overall push for greater accountability. In addition to bolstering accountability pressures, greater parent involvement in developing school improvement plans was also meant to deepen school's capacity for change. The law's inclusion of a market-based option for parents—

transferring their child to another school—injected an element of competition that was also meant to encourage low-performing schools to ratchet up their performance.

Philadelphia has, for the most part, complied with NCLB rules that parents be notified about key indicators for their children's schools. A detailed school "report card" is mailed to parents. And like many other districts, Philadelphia has put detailed school profiles on line. These profiles are linked to a state website that gives information on test scores and AYP status, including disaggregated scores by sub-group. In addition, parents in most schools have access through the internet to the district's Instructional Management System (IMS) that gives them extensive information about their child's school progress. Schools also mail annual letters to parents letting them know of their right under NCLB to find out the qualifications of their children's teachers. Principals are required to send additional letters as needed to comply with the law's requirement that parents be notified if their child has been taught by a non-"highly qualified" teacher for four consecutive weeks. Enforcement of this rule, however, is not stringent.

NCLB gives parents the option of choosing to transfer their children from schools that have had three consecutive years of low performance, and Philadelphia has complied. But as in many other districts, few parents have chosen that route—only 394 students transferred under this provision for 2005-06 school year. Parents have been deterred from this option in part because of the paucity of available slots at better-performing schools and the lack of district-provided transportation.

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 for about 32,000 children (The Power Hour), and in 2005-06, it approved the applications of 1788 children whose parents applied for tutoring services from private vendors.

At the school level, the district appears not to have complied with NCLB's requirement that parents in schools that are persistently low performing (Corrective Action II status) play a meaningful role in developing "restructuring" plans for the schools. The Education Law Center in Philadelphia filed a complaint with the Pennsylvania Department of Education (PDE) in April 2006 alleging that "the district has no consistent system for *involving parents in creating [restructuring] plans*" (Rieser, 2006). Lawyers at the Center argued that despite NCLB's mandate that the district create structures of parental participation and actively reach out to all parents in schools designated for restructuring—numbering 97 in 2006—the system has failed to do so since the inception of the reform in 2002. Selected schools have been outsourced to private management, converted to public charter schools, divided in half (in the case of one high school), lost significant extra funding (e.g. the elimination of the Office of Restructured Schools sub-district), been assigned to the CEO Region for special intervention, or had significant changes in grade configuration. The Education Law Center contends that parents were not systematically involved in making any of these radical restructuring decisions nor have they been included in drawing up plans for the future restructuring that is required under NCLB for failing schools.

Parents have not only been kept out of school improvement planning, but community and parent groups have also been marginal to decisions about the development of new high

schools. By contrast, grassroots groups and partner organizations in Chicago, New York, and some other cities have vied through a formal RFP process to become collaborators in the planning and development of new schools. One reason for the lack of public input appears to be Vallas' and the SRC's rush to implement change quickly. Their sense of urgency, part of their appeal to civic leaders and others, undercuts a participatory and deliberative process to develop new schools or to initiate other changes. The tradeoff involved in this approach is that long-term sustainability of change requires buy-in over time from those most affected by the reforms (Stone, 2005; Christman & Rhodes, 2002).

It should be noted that there has not been a groundswell of activism among parents demanding to be included in important decisions about school restructuring. 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 enrolled about 26,000 children. The district anticipates that the number of charter schools will rise to 60 by fall 2007. Several existing charters are expanding enrollment, often by adding grades.

At the district policy level, parent and community groups and even civic leaders do not participate in a regular and visible way in proposed policy changes in the school district (Gold, Cucchiara, Simon & Riffer, 2005). For whatever reason, the Vallas administration and the SRC have not made their decision making transparent enough to the public to make meaningful civic and community participation possible. 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. In 2006, the district's high school office—responding to criticism that parents, teachers, students and others had been excluded from input—began an outreach effort to diverse stakeholders in an attempt to involve them in the planning for high school reforms.

Although excluded from formal policymaking venues, civic, parent, and community groups have been drawn into the reform by the district in a variety of ways. District leaders have mounted a vigorous effort to communicate with civic elites, colleges and universities, and community groups on a regular basis to draw on their talents and material resources to help solve pressing problems. For example, at Vallas' initiative, faith-based organizations work closely with schools in areas such as youth counseling efforts, "safe corridors" around schools, and after-school activities, including youth choirs and prayer clubs. District partnerships with institutions of higher education have proliferated.

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" typically involves services in the areas of after-school programs, truancy, safety, parent training, community health or arts education (Gold et al., 2005). 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.

Overall, then, parent involvement and public engagement in Philadelphia's school reform at this point is a curious mix of both participation 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 and have ignored NCLB's mandate that parents be meaningfully involved in devising improvement plans for failing schools. 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 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 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 results from another set of standardized tests—the nationally normed TerraNova exams—in grades 3-10 in four subjects between 2002 and 2005 show improvements 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, 2005a). If the spring 2003 baseline is used—as we do in the sub-group analyses described below—gains are notable but less robust.[8] 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. In a fall 2005 administration of the test to grades 3-8, between 43 and 46 percent of students scored at grade level depending on the subject area (School District of Philadelphia, 2005b).

The number of School District of Philadelphia schools meeting all of their NCLB-mandated Adequate Yearly Progress (AYP) targets, using PSSA test score data and other mandated indicators, rose from 22 in 2002 to 132 in early 2006 despite progressively more stringent standards for meeting that target. The SRC-appointed Accountability Review Council, a seven-member independent review board mandated by the state takeover legislation, warned in its 2006 report that the district would have greater difficulty in future years meeting AYP targets because of projected growth in the number of schools with sub-groups (particularly Special Education students) whose scores will be subject to AYP targets.

Some progress has also been made in closing achievement gaps among student sub-groups —those belonging to racial and ethnic minorities, students with disabilities, English language learners, and economically disadvantaged students. The Accountability Review Council's report (2006) noted that between 2002 and 2005, all sub-groups registered gains in the percentage of students scoring advanced and proficient on the PSSA tests. Latino and Black students made some progress in closing the gap in math with white and Asian students, Latino students made similar progress in reading, but the gap between Blacks and whites widened a bit in reading.

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, after school, and during the summer. 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 analyzed math test score gains between 5th and 8th grades attribute the gains to

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[8] TerraNova tests were first administered in the fall of 2002, just after some of the new wave of reforms had begun. Because the test was meant to be for diagnostic purposes (Accountability Review Council, 2005) and because they differed in format and in time of year from other administrations of the tests, we chose only to use data from the spring administrations for our longitudinal comparisons. Some researchers are wary of fall-administration tests because of the falloff in learning among low-income students during the summer compared to their more advantaged counterparts.

"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; Mac Iver and Mac Iver, 2006).

High school graduation rates have also improved—from 60.6 percent in 2002 to 68.6 percent in 2004, a gain the district attributes to "credit recovery" efforts, an increase in the number of alternative schools and special programs for over-age students, and a transitional program for students returning from incarceration (Socolar, 2005).

Test Score Results by Intervention Type

As researchers, the Research for Action team is interested in longitudinal trends and sub-group variations in student test-score data. It is 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, Research for Action asked John Easton and Steve Ponisciak at the Consortium on Chicago School Research to analyze student test scores using 5th and 8th grade test-score data from TerraNova examinations between 2003 and 2005.[9] The School District of Philadelphia made these data available to the research team.

Easton and Ponisciak compared scores in the 86 lowest-performing schools with that of other district schools, using TerraNova data from three different time points—Spring 2003, Spring 2004, and Spring 2005. They also compared test scores among the 86 schools, grouping them in one of four categories. These categories 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.[10] In assigning schools to these 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.[11]

The ORS schools served 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.

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[9] 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 schools as made Adequate Yearly Progress (AYP).

[10] Comparisons of the TerraNova results were not made among the different management providers because the number of schools assigned to some providers was so small.

[11] 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.

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. Students at 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, students in the low-performing schools showed greater gains than students in 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), these analyses found no significant differences in student scores or decreases in the percentage of students in the bottom quartile by intervention strategy. A reading of the charts reveals that no one strategy stands out as being especially effective.

Using different test scores—PSSA, not TerraNova—and methodologies, Mac Iver and Mac Iver (2006) came to conclusions similar to those of Easton and Ponisciak. They conducted a "value added" analysis of student learning gains in math, using 5th and 8th grade PSSA scores. They looked at test score growth of three cohorts of students who attended high-poverty schools with an 8th grade: Cohort 1 began 5th grade in 1999-00 and then experienced one year of EMO or district-led reforms in math during 2002-03 as 8th graders; Cohort 2 experienced the reforms during both 7th and 8th grades (2002-03 and 2003-04); and Cohort 3 students were taught under the new reform regime during 6th, 7th, and 8th grades (2002-03 through 2004-05). The researchers found that students in Edison-managed schools did not significantly outperform students in district-managed high-poverty schools. Growth among students in non-Edison EMO schools was significantly lower than the gain in district-run schools, with the exception of Cohort 3 students in New K-8 schools run by Temple University who showed significant growth in math as 8th graders in 2005.

Researchers at the RAND Corporation, in collaboration with RFA, are also conducting value-added analyses of student gains between 5th and 8th grade, combining scores from both the PSSA and TerraNova tests and comparing outcomes by provider. While their results have not yet been released, preliminary analyses show that their findings will not differ significantly from those reported by Easton and Ponisciak and by Mac Iver and Mac Iver. *[Note to reader: these results will be included by the time the book goes to publication.]*

The district itself has summarized PSSA scores for grades 5 and 8 for the years 2002 through 2005, broken down by provider (Table 2 in Appendix). These data show that the students in ORS schools registered greater gains than those in externally managed schools on the PSSA tests in both reading and math. Students attending 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. A report from the Accountability Review Council (2006) concluded that EMO test-score gains were "steady but uneven" and warranted further study.

The fact that no one provider group has been outstandingly effective in raising student achievement poses a challenge to members of the SRC who must calculate the costs and benefits of the diverse provider model as they consider its continuation. Their varying perspectives are illustrated by the comments of two members of the School Reform Commission as they weighed a decision on whether 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.

These comments foreshadow the debate that is likely to take place when EMO contracts come up for renewal during the 2006-07 year.

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 group, 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 NCLB along with the new governance structure has enabled CEO Paul Vallas and the SRC to undertake a host of interventions drawn from three sets of policy tools, all encouraged by NCLB: market-oriented solutions encouraging parent choice such as the expansion of charter schools and magnet programs; top-down pressure and sanctions through an NCLB-mandated accountability regime; and bottom up support in building schools' capacity to deliver sound instruction by, for example, improving the quality and stability of the teacher workforce. The interaction of Vallas' legendary "hyperactive passion," the steady leadership of the SRC, and the immediacy of NCLB pressures for schools to make Adequate Yearly Progress has created a climate favorable to rapid change.

Thus far, a good deal has been accomplished. Test scores through the eighth grade have improved, with gains in math being particularly notable, attributed in part to the 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. Although high school PSSA test scores have yet to improve, graduation rates have increased. 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. The recruitment and retention of qualified teachers has improved markedly. Pre-school programming has expanded. The conversion of most middle schools to K-8 schools is well underway as is the creation of smaller high schools, new magnet high schools, and an array of enriched or accelerated learning programs in neighborhood schools. Charter schools are now integrated into the district's school development plan. The most ambitious school construction and renovation program in decades has begun. The budget is balanced although worries about the growing debt burden are surfacing along with the pain of increased fiscal austerity.

Civic support for the reforms thus far was reflected in a fall 2005 editorial in the *Philadelphia Inquirer* which 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).

While overt opposition by community and advocacy groups to the outsourcing of school management declined quickly after Vallas' arrival, 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—both school managers and vendors working with the broader system—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. The Education Law Center's formal complaint to the state about the district's failure to include parents in developing plans for school improvement is illustrative of a more skeptical stance developing among selected civic and community organizations.

By 2008, the year the SRC has designated as a target for meeting important performance goals, researchers will have assembled comprehensive evidence about the effectiveness of the state takeover and the Vallas-initiated reforms. Several research groups—the district, RFA, and Johns Hopkins—will shortly be reporting on 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. Information on the degree to which teachers are forming bonds of collaboration and relational trust in their buildings, a key to school improvement, will become available as well. The district has also commissioned an external evaluation of its efforts to improve the quality of school principals' leadership. These and other studies along with sophisticated value-added analyses of student learning gains should make it possible for the SRC, state leaders, and public stakeholders to make an informed assessment of the effectiveness of the wave of change in Philadelphia schools that began with the 2001 state takeover.

Although it is always risky to state that improvements in an urban school district will be long-lasting, it does appear at this point that Philadelphia's public school leaders may now be passing "a point of no return" in institutionalizing a set of far-reaching changes. Their bold actions—including the elimination of most middle schools, the deliberate depopulation of large high schools, the growth of greater school choice through charter schools and magnets, the creation of greater curricular coherence, the extended learning time for struggling students, the upgrade in teacher quality, the enhancement of pre-school education—hold the prospect of staying in place for a reasonable stretch of time. Without the pressures and options created by NCLB, efforts for change would quite likely have been more anemic, more contentious, and slower paced. Barring a fiscal crisis, by 2008 Philadelphia's schools will look very different in some crucial ways than they did in 2001.

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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
Reading						
	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
Math						
	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 in Office Of Restructured Schools (ORS) Region
Spring 2002 to Spring 2005

Reading

EMO/Partner or Restructured Status	2002	2003	2004	2005	Percentage point change 2002-05
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	2002	2003	2004	2005	Percentage point change 2002-05
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.

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 "drifter" 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
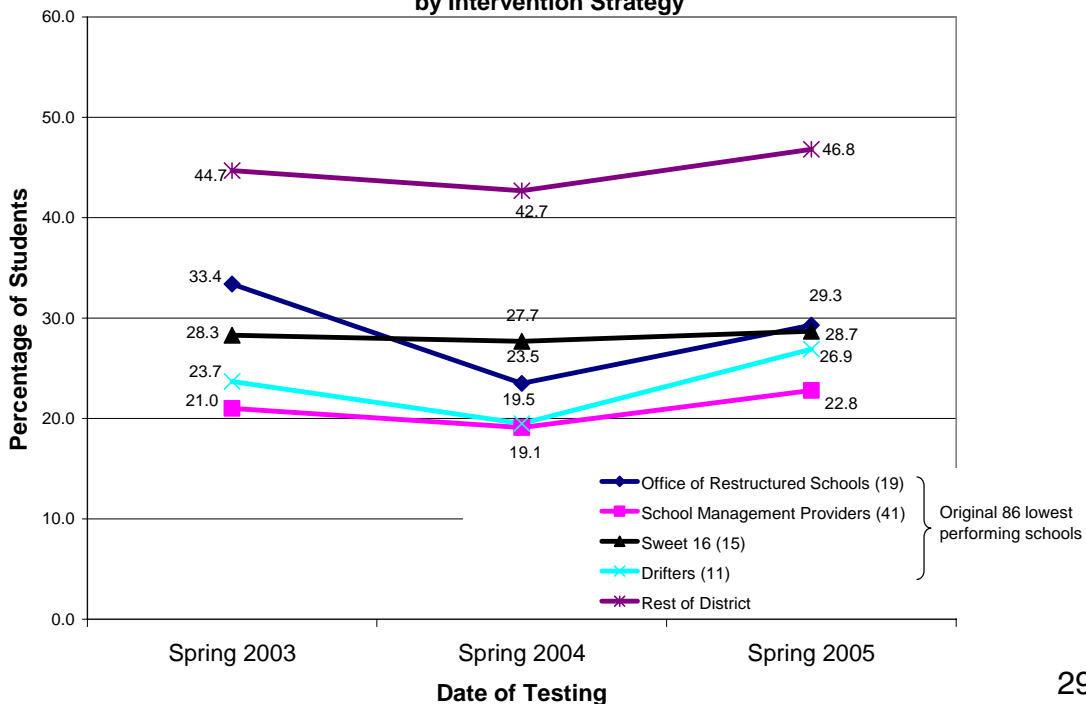**by Intervention Strategy**

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Chart 2

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

Legend:
- Office of Restructured Schools (19)
- School Management Providers (41)
- Sweet 16 (15)
- Drifters (11)
- Rest of District

Original 86 lowest performing schools

X-axis: Date of Testing (Spring 2003, Spring 2004, Spring 2005)
Y-axis: Percentage of Students

Data labels:
- 44.9, 42.0, 47.7 (Rest of District)
- 30.0, 30.0, 33.9 / 32.9 / 32.4 (Sweet 16 / Office of Restructured Schools)
- 29.6, 24.2 (Office of Restructured Schools)
- 23.9, 19.8 (Drifters)
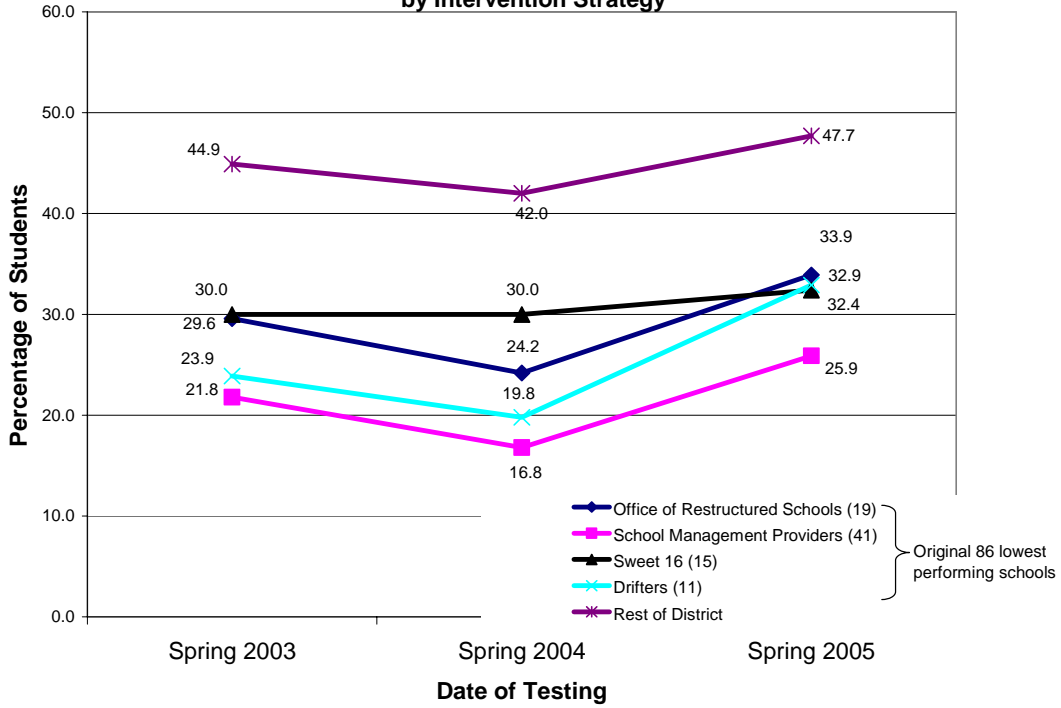- 21.8, 16.8, 25.9 (School Management Providers)

Chart 3

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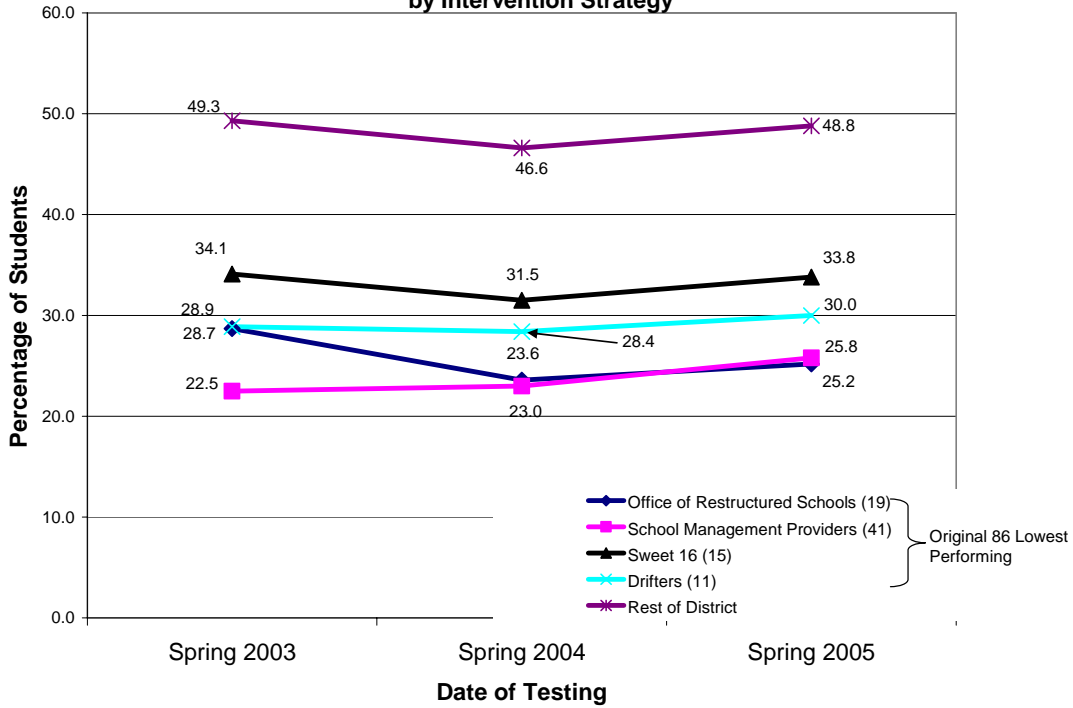**Percentage of Students Scoring At or Above National Norms**
by Intervention Strategy

Legend:
- Office of Restructured Schools (19)
- School Management Providers (41)
- Sweet 16 (15)
- Drifters (11)
- Rest of District

Original 86 Lowest Performing

Data values: 49.3, 46.6, 48.8 (Rest of District); 34.1, 31.5, 33.8 (Sweet 16); 28.9, 28.4, 30.0; 28.7, 23.6, 25.2; 22.5, 23.0, 25.8

Y-axis: Percentage of Students
X-axis: Date of Testing (Spring 2003, Spring 2004, Spring 2005)

Chart 4

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

Legend:
- Office of Restructured Schools (19)
- School Management Providers (41)
- Sweet 16 (15)
- Drifters (11)
- Rest of District

Original 86 lowest perfroming schools

Data values: 49.8, 49.2, 50.9 (Rest of District); 40.6, 35.8 (Sweet 16); 30.6, 30.1, 29.7; 26.4, 26.2, 25.1; 34.4, 29.5, 29.0; 21.0

Y-axis: Percentage of Students
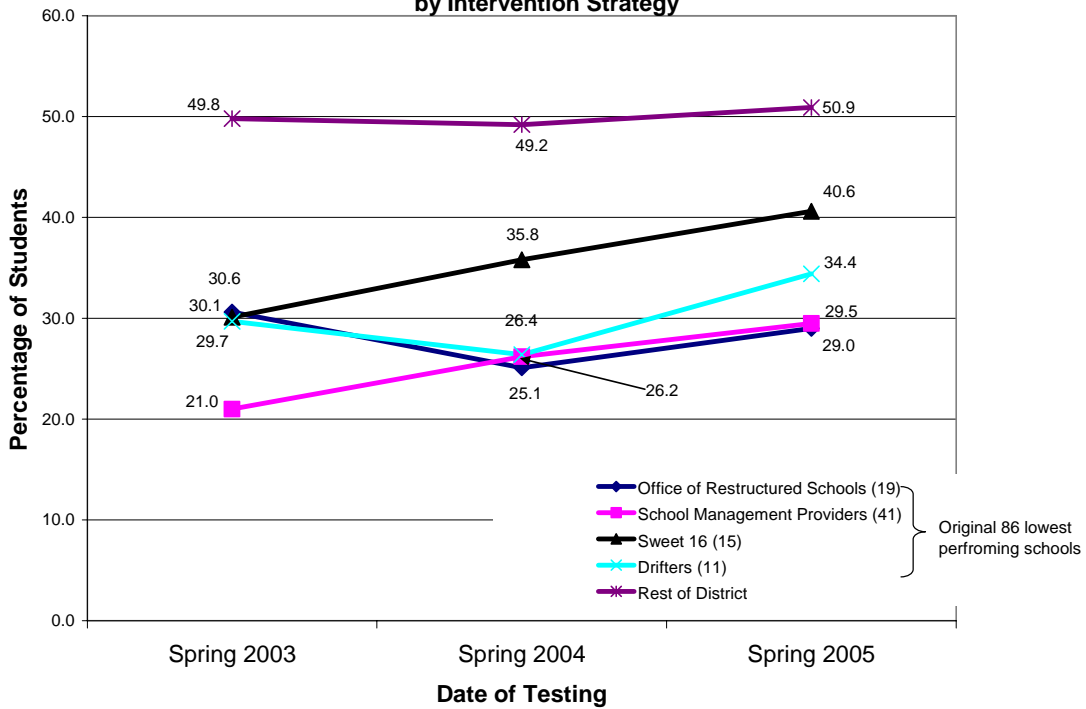X-axis: Date of Testing (Spring 2003, Spring 2004, Spring 2005)

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Chart 5

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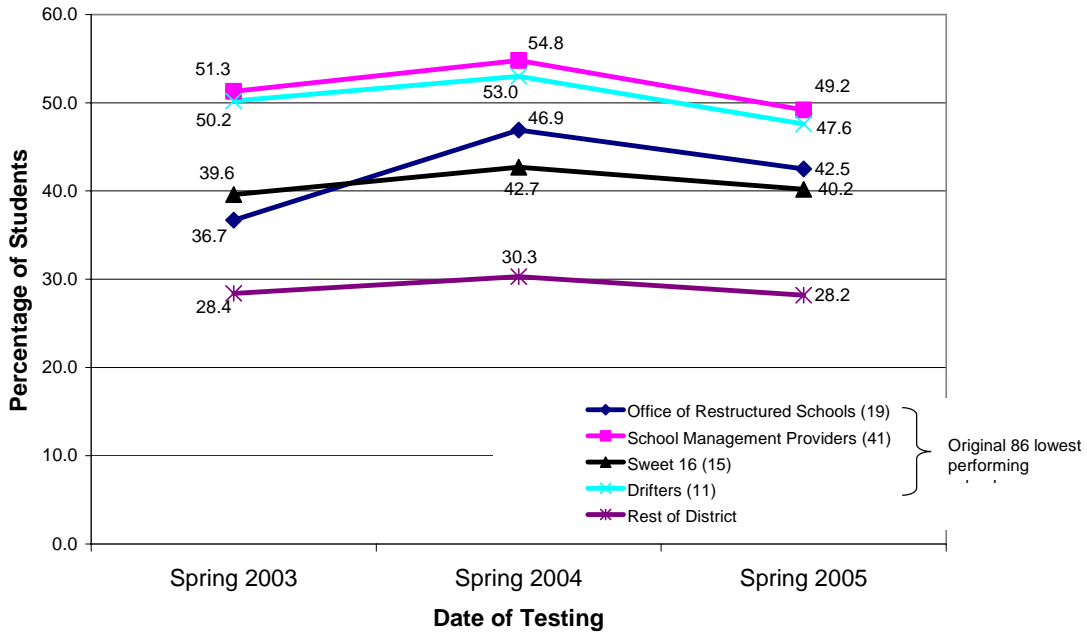by Intervention Strategy**

Chart 6

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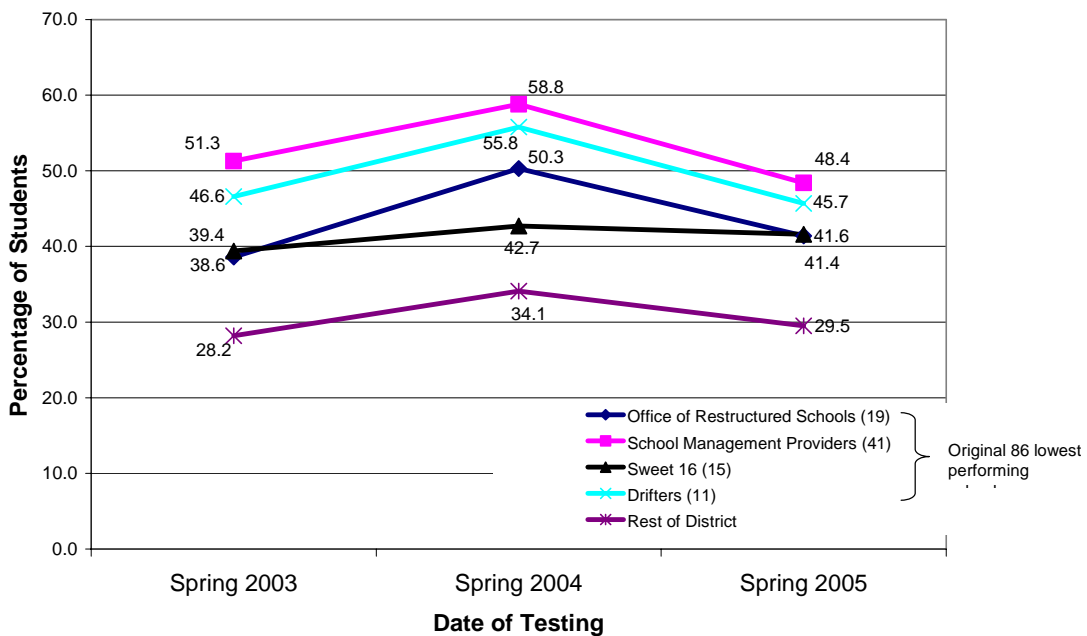Percentage of Students Scoring in Bottom National Quartile
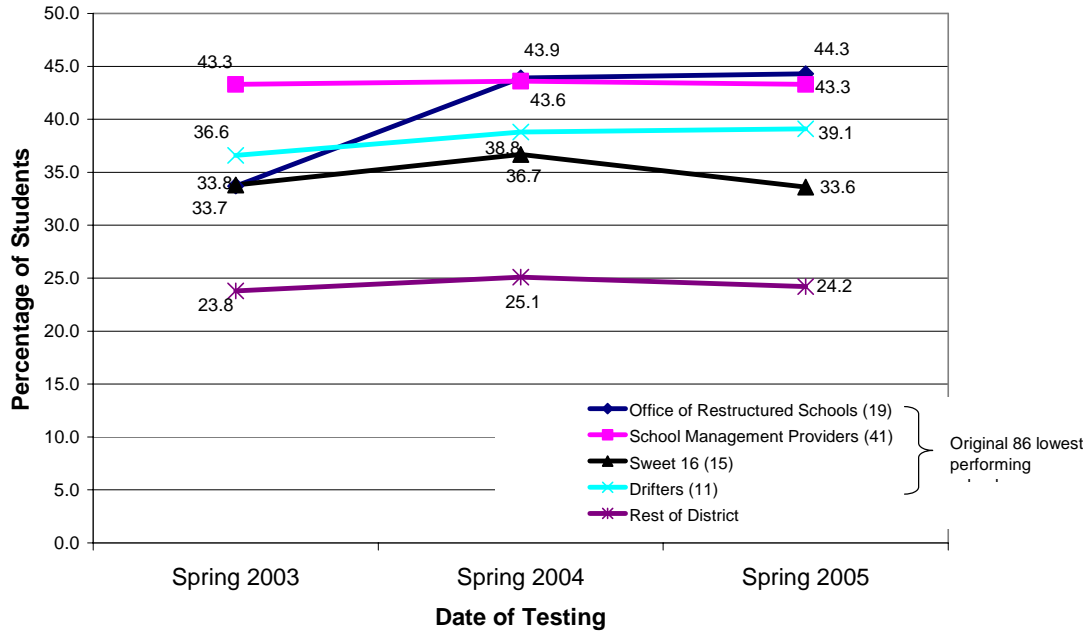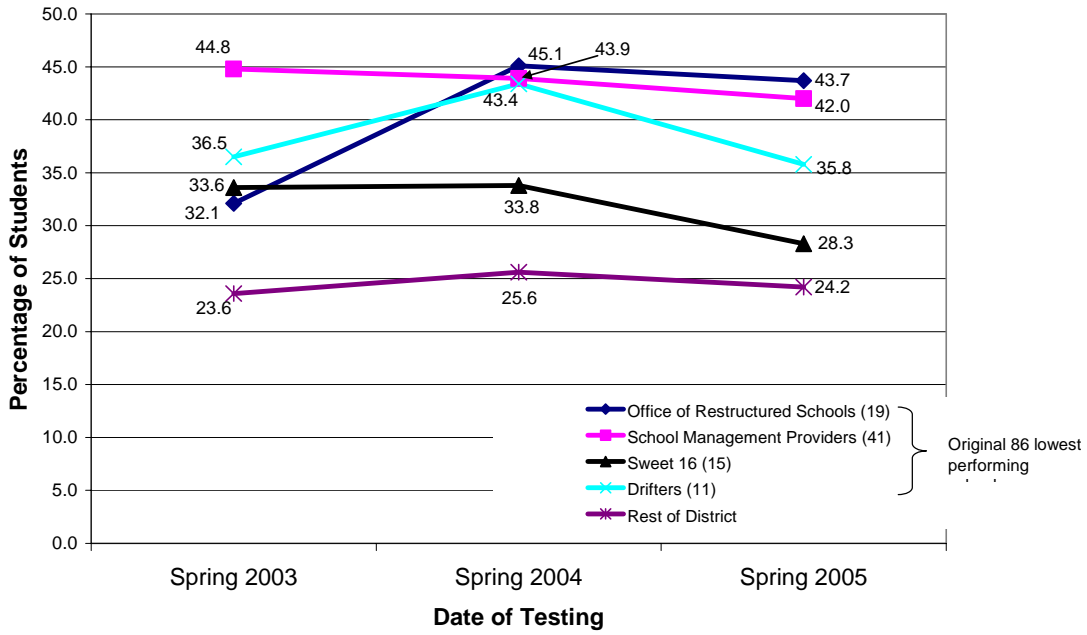by Intervention Strategy**

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Chart 7

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

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

Chart 8