



For Immediate Release: April 10, 2007

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Schools Managed by Private Providers Lift Student Test Scores in Philadelphia

Findings Differ from Those Recently Reported by RAND Corporation

Students who attended privately-managed Philadelphia schools made larger test-score gains on the Pennsylvania State System of Assessment (PSSA) between 5th and 8th grade than did other students in these grades in the Philadelphia school district as a whole, according to a new study prepared by Paul E. Peterson, director of the Program of Education Policy and Governance (PEPG) at the Kennedy School of Government at Harvard University. They also performed better than students at schools managed by the school district's own Office of Restructured Schools (ORS).

"A key charge to private providers was to increase student performance on the PSSA—the test by which the school district is assessed under the federal law, No Child Left Behind," said Peterson. "When looked at through this lens, the privately-managed schools performed better than the district's own schools."

Results from the PEPG study differ from those reported in February 2007 by a team of scholars associated with the RAND Corporation and Research for Action, a policy-oriented research group in Philadelphia. That study found students at privately-managed schools learning no more than other students in the school district.

The Philadelphia School Reform Commission is scheduled to make decisions on the private management of schools in the district in the near future.

Using publicly available data on student test-score performance between 2002 and 2006, Peterson tracked the test performance of two groups or cohorts of 5th graders at elementary and middle schools to see whether, by the 8th grade, those attending schools under private management learned more than students in the district as a whole, as indicated by their performance on the PSSA, which is used for accountability purposes under the federal law, No Child Left Behind. Peterson also compared the students' achievement with that of students in ORS-managed schools.

"Gains during the middle years of schooling are of special significance," Peterson said, "because on nationwide tests, those are the very years when many students are seen to be losing ground."

Pennsylvania reports the changes in the percentage of students performing on the PSSA at four different levels: 1) below basic, 2) basic proficiency, 3) full proficiency and 4) advanced.

The study shows that the percentage of students reading at or above the basic level in the cohort moving from 5th to 8th grade between 2003 and 2006 improved by 25 percentage points at the privately-managed schools. The comparable gain at ORS schools was 15 percentage points and, for district schools as a whole, 17 percentage points. The percentage of students from the same cohort performing at or above basic levels in math at the schools under private management improved by 23 percentage points. The comparable gains at ORS schools were 12 percentage points and, for the district as a whole, 15 percentage points.

For the cohort of students moving from 5th to 8th grade over the immediately preceding 2002-05 period, there were also larger increases in the percentages of students performing at or above the basic level at the schools that were privately

managed, as compared to the district as a whole. Additionally, the students in this cohort at privately-managed schools outpaced those at ORS schools in math but trailed in reading.

In bringing students up to full levels of proficiency, the privately-managed schools did as well as, but not clearly better than, schools district-wide. As compared to the ORS schools, they made larger gains in math and similar gains in reading. "In interpreting these results, it should be kept in mind that students at the privately-managed schools started out at a particularly low level, and they had to improve by a larger margin in order to reach full proficiency levels," said Peterson.

In the summer of 2002, the State of Pennsylvania directed the School District of Philadelphia to undertake substantial restructuring of its lowest performing schools under the overall direction of a School Reform Commission (SRC). The schools were contracted out to for-profit management organizations, to non-profit organizations, or assigned to be restructured by the ORS, a then-newly created special office within the school district itself.

At the elementary and middle school level, a high-stakes version of the PSSA was given only to students in 5th and 8th grades during the period under review, making it impossible to track changes in student performance on the PSSA at other grade levels. All privately-managed and ORS schools for which cohorts of students could be tracked over a three-year period were included in the analysis. The number of privately-managed and ORS schools tracked in the first cohort was 16 and 4, respectively. Those numbers increased to 19 and 8 for the second cohort.

Peterson points out that the RAND study was not the quasi-experiment it purports to be, and it fails to adjust adequately for student background characteristics and peer-group effects. Nor did the RAND study focus exclusively on the PSSA, says Peterson, the curriculum-aligned test for which schools were being held accountable. Instead, it included a mix of results from three different tests that differ from one another in important ways.

Whether or not competition stimulated a rise in district-wide performance could not be ascertained. Philadelphia test scores have risen substantially, but the data are not available to ascertain whether those gains exceed gains achieved in other, comparable school districts. RAND's attempt to address this question compares schools that have strikingly different student populations, Peterson pointed out. It was also not possible to conduct a cost-benefit analysis, because the School District of Philadelphia does not make available information on per pupil expenditures by school. Statements about cost-effectiveness in the RAND study lack the supporting evidence on expenditures per pupil, Peterson said.

Restructuring schools is becoming an increasingly salient national issue, as the six year deadline mandated under the federal law, No Child Left Behind (NCLB), looms ever closer. The law, enacted in January 2002, requires that states restructure schools if they fail for six years running to make Adequate Yearly Progress (AYP) toward full proficiency on the part of all students by the year 2014. According to the legislation, restructuring may entail the transformation of the school into a charter school, the shift of management to a private entity (either for-profit or non-profit), or a number of other options.

Support for this research was provided by the Lynde and Harry Bradley Foundation, the John M. Olin Foundation, and Edison Schools. The report and an accompanying executive summary, as well as profiles of Paul E. Peterson and information on the Program on Education Policy and Governance, are available at:

<http://www.ksg.harvard.edu/pepg/research.htm>

Peterson will host a webinar for members of the media at 1 p.m. Tuesday, April 10, to discuss his findings and answer questions. To register for the webinar, please go to: http://www.ksg.harvard.edu/pepg/Other_Events.htm

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