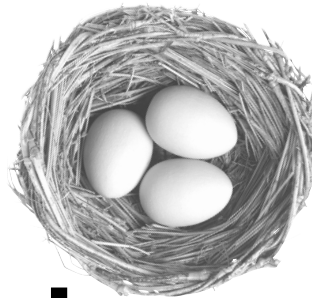


Fifth  
Annual Report on  
School Performance  
2001–2002



Edison  
Schools

In the summer of 2000, RAND began an independent evaluation of Edison Schools, examining student achievement outcomes as well as the implementation of Edison's academic program in a variety of its schools around the country. When that evaluation is complete in 2004, RAND will release a public report indicating the findings, whether favorable or unfavorable to Edison. RAND does not yet have results to report from its ongoing study.

When Edison contracted with RAND, it sought not only an independent evaluation with published results at the conclusion of the study, but also professional review of Edison's annual report on the academic performance of its schools. Prior to publication, RAND staff examined the data and the text of Edison's *Fifth Annual Report on Student Performance*. RAND staff provided Edison with comments on Edison's analysis and discussion of the data, and Edison revised its report in response to those comments. Where possible, for all tests that are part of statewide accountability systems, RAND staff have confirmed that the achievement data reported for Edison's schools are consistent with data from state sources or from test publishers. Similarly, RAND staff confirmed that the figures Edison reports for the states and districts where it works are consistent with publicly available data. Time constraints precluded a systematic check of the comparison schools analysis (which involved over 1,100 schools).

Edison's report provides a descriptive summary of the publicly available achievement data. The RAND evaluation, to be completed over the next year and a half, will employ methods that go beyond what can be accomplished in an annual report.

RAND

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# EXECUTIVE SUMMARY

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**T**he mission of Edison Schools is to provide a world-class education for every child. Since 1995, Edison has and continues to pursue this goal by partnering with communities across the country. Big cities, small towns, charter boards, administrators, parents, and concerned citizens have embraced the Edison School Design, resulting in innovative schools that make a difference in the lives, opportunities, and futures of young people, educators, and entire school communities.

As of the 2002–2003 school year, Edison operates 150 public schools in more than 45 cities and 23 states. As this system has grown, so too has Edison's record of performance in opening schools; implementing a comprehensive school design; satisfying parents, teachers, and partners; and, most importantly, raising student achievement. Because our newest schools have just opened and have yet to post new achievement results, this report highlights the performance of schools that were open through the 2001–2002 school year. The record is a strong one:

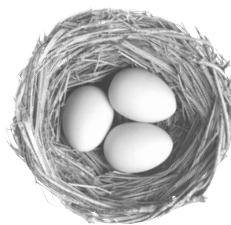
- Eighty-four percent of Edison schools are achieving at higher levels now than when they opened or became Edison schools. In raw numbers this represents 79 out of a total of 94 sites: a clear indicator of Edison's ability to help schools move forward consistently.
- On criterion-referenced tests—tests that gauge the ability of students to achieve specified standards, and increasingly the type of test being used by states to hold schools accountable—Edison schools have, from 1995 to 2002, increased the percentage of students achieving standards by an average of 4.0 percentage points *every year*.
- On norm-referenced tests—tests that gauge the achievement of students relative to their peers nationwide—Edison schools have, from 1995 to 2002, increased the national percentile rank of its students by an average of 4.4 percentiles *every year*.
- Edison schools not only have a strong record of helping more students each year achieve state standards; they have sharply reduced the numbers of students failing state tests altogether. From 1995 to 2002, Edison schools reduced the failure rate on criterion-referenced tests by an average of 3.6 percentage points *every year*.
- Edison's average annual rates of gain are several times the rates of gain in comparable public schools in the districts in which Edison works. Comparing the gain rates of Edison schools to over 1,100 schools with similar levels of economic disadvantage and ethnicity shows Edison schools out-gaining comparable schools by two to three points per year. These differences are statistically significant.
- Edison schools are successfully serving increasing percentages of African-American students. The average percentage of African-American

students in Edison schools has increased from approximately 40 percent during the 1995–1996 school year to 58 percent in 2001–2002. The average annual gain rates of Edison schools with predominantly African-American students (90 percent or higher) are 4.7 percentage points on criterion-referenced tests and 4.4 percentiles on norm-referenced tests, respectively. These gain rates are similar to our national averages and several times the gain rates of the districts and states in which our predominantly African-American schools are located—strong evidence that students in these Edison schools are beginning to bridge the racial achievement gap.

- Edison is also succeeding with schools that have failed to succeed in the past. Edison has been asked to work in a number of schools that, under federal *No Child Left Behind* legislation, “need improvement” based on their inability to make adequate yearly

progress. After becoming Edison schools, these chronically failing schools have posted average annual gain rates of 5.8 percentage points and 4.3 percentiles on criterion- and norm-referenced tests, respectively—several times state and local norms.

- Edison parents are satisfied with our schools; in fact their levels of satisfaction have been well above national averages for seven consecutive years. On average, 85 percent of Edison parents rate their school an “A” or a “B,” with “A” being the most popular grade. Nearly twice as many Edison parents rated their school an “A” as did parents nationwide in a similar survey.
- Edison teachers are satisfied with their careers as Edison teachers. On average, 86 percent of Edison teachers rated their level of career satisfaction as an “A” or “B,” with “A” being the most popular grade.



Edison  
Schools

## ABOUT THIS REPORT

The purpose of this report, the fifth in an annual series, is to provide a consolidated public record of the performance of Edison schools. Edison agrees, in every contract, to provide each local partner exhaustive annual information about the operation and outcomes of its local partnership school(s). Edison is also required by charter school laws to report thoroughly on its partnership schools. In addition, Edison is strictly accountable to its local partners for the implementation of its school design; the satisfaction of parents, students, and school staff; and the improvement of student achievement.

But it is not only obligation to our partners that motivates us to carefully document the performance of Edison schools. As the nation's largest private provider of public education—Edison now serves more than 110,000 public school students through management of schools for school districts, charter schools, summer and after-school programs, and achievement management solutions for school systems—Edison Schools is a significant force in a broader movement to improve public education. It is our responsibility to take part in the larger dialogue on public education. As the nation's experience with choice and charters grows, we believe it is vital that the public understand how that experience is changing schooling, teaching, and learning. Roughly one-third of Edison schools are charters, some under contract to independent charter boards and some under contract to local school districts. The other two-thirds of Edison schools are under direct contract with school districts. All Edison schools are schools of choice, some enrolled fully on this basis and some giving preference to neighborhood children before others can choose to attend. With this experience,

Edison Schools can provide ample information about the effects of both charters and choice on American education.

To provide as complete a record as possible, this report includes student performance information on every Edison school under Edison management as of the end of the 2001–2002 school year. The information is distilled from end-of-year reports that Edison is obligated by contract to provide to its partners and that are documents of public record. The achievement data is also publicly available on the websites of most state departments of education. We note our data sources on each individual school profile page adjacent to the relevant charts.

The school profiles report the achievement history of each school from the year the school came under Edison's management through the 2001–2002 school year. This historical data permits the analysis of various achievement trends that are presented in this report. The trends include schools that posted test scores for at least two points in time. Most schools that opened in 2001 do not yet have trends, though a few have fall and spring scores for their first year or scores from the year prior to Edison that permit a valid trend to be calculated. The rules for calculating achievement trends and selecting schools for inclusion in the various analyses in this report are detailed in the Appendices.

## KEY INITIATIVES 2002–2003

In addition to sustained growth in the number of schools and students we serve, Edison has recently launched several new programs and initiatives designed to strengthen our business practices, our technology program, our training of teachers, the

way we evaluate the progress of our students and our schools, and the services we hope to extend to school districts across the country. A brief summary of each of those initiatives follows.

- \* In 2000, Edison commissioned the RAND Corporation to provide an ongoing analysis of Edison's performance in schools. RAND's evaluation is focusing on student achievement but also is examining key elements of our school design: professional development, teacher and principal recruitment, promotion and compensation, and national achievement management systems. RAND's evaluation will be examining achievement data for all Edison schools to provide an objective analysis of the progress Edison students are making. RAND is also conducting intensive case studies in a number of Edison schools to help explain achievement results. In addition, RAND consulted on the development of this annual report and reviewed the data and methods on which it is based (an official statement of its role can be found at the front of this report).

RAND began work on all elements of its analysis in the summer of 2000, with the study originally contracted to span the course of three years. During the 2001–2002 school year, Edison and RAND mutually agreed to extend the study by another year in order to gather and analyze an additional year of achievement data, as well as to better capture the systemic changes and responses Edison makes to better serve its schools and students. As RAND's work continues, it will enable us—and others interested in school reform—to have an independent look at student achievement data as well as school design issues. The study—now scheduled to be released in the summer of 2004—will also pro-

vide perspective on how potentially to improve assessment and achievement planning systems that are vital to school success.

- \* More than 2,000 teachers were trained last summer at the **Edison Teaching Academies**, intensive weeklong professional development conferences for all new instructional staff at Edison schools. Edison Teaching Academies provide school staff at new Edison schools and new teachers at existing Edison schools with the opportunity to understand the Edison School Design, prepare for their teaching responsibilities, and build relationships with Edison teachers from other schools in their region. Curriculum training at Edison Teaching Academies provides teachers and other professionals with everything they need to get started, from classroom management to instruction in the various content areas. The Academies also offer novice teacher training for teachers new to the profession and tailored training and preparation for school curriculum coordinators. Six Edison Teaching Academies were held last summer with an additional make-up session held this past October. Edison Teaching Academies ensure that Edison Schools provide high-quality, pre-service training to teachers across the country.

In addition to this pre-service professional development, Edison organized three regional conferences during the fall of 2002 to provide intensive workshops around the alignment of Edison curricula to individual state standards. These **Edison Achievement Academies** were focused on mapping bridges between Edison curricula and state standards, and drafting action plans around closing any gaps that might exist. Sessions were state-specific and covered

topics including alignment, embedding, threading, data analysis, accommodations, and roles and responsibilities. These sessions allowed teachers to develop their schools' comprehensive Student Achievement Plans to a degree of specificity that did not exist previously and better prepared teachers to design more appropriate lesson plans around their states' standards.

- \* Since 1999, Edison has invested substantial resources into developing a world-class assessment tool that would provide teachers the standards-based data necessary for adjusting instruction to best meet the diverse needs of their students on an ongoing basis. The result of this significant investment of time, funding, experience, and expertise is the **Edison Benchmark Assessments**, a comprehensive online system for students in grades 2–10 in reading, mathematics, writing, and language arts. The assessments take the form of short tests that mirror standardized criterion- and norm-referenced tests. From 2000–2002, Edison administered more than one million online assessments, resulting in critical data that enabled teachers and principals to adjust their instructional plans to meet the needs of their students.

For the 2002–2003 school year, Edison has improved further on its revolutionary assessment system in two significant ways. First, state-specific Benchmarks were launched this fall in five locales—California; Illinois; Michigan; Pennsylvania; and Washington, D.C.—with content correlated to the end-of-year standards of their particular state curriculum and assessment frameworks. Additional state-specific content will be added in the fall of 2003. Second, Edison has incorporated a proprietary split-ASP technology

model that frees our Benchmark system from the bandwidth dependency characteristic of other online assessment engines by placing a local server in each school connected to the school's network. These two improvements—brought about in response to the feedback from our students and faculty—ensure that Edison teachers are equipped with 21st-century tools to assist them in raising student achievement.

- \* In addition to gathering data, one of the keys to driving student achievement is managing that data so that one can make informed, data-driven decisions. With that in mind, Edison has developed a proprietary **Achievement Management System** (AMS) that seamlessly compiles various types of data into pre-created and dynamic reports, enabling schools the ability to track the academic and operational data crucial to running successful schools. The first component of **Edison's Achievement Management System** is the *Edison Monthly Achievement Profile (MAP)*, an assessment tracking system used by Edison since 2000. The MAP provides a snapshot of critical school data, such as Benchmark results, quality of instruction, meeting of individual student needs, teaching materials, and professional development as determined by school staff and Edison headquarters staff each month.

The second component of the Edison AMS is a *High Stakes Test Analysis* tool scheduled to launch during the fall of 2003. This system will be able to aggregate and disaggregate a school's national, state, and local test data along with previously stand-alone student management data (i.e. attendance, demographics, etc.) to generate custom reports based on performances of



any individual or group over time. This ability is especially critical due to the reporting requirements mandated by the landmark federal legislation, *No Child Left Behind (NCLB)*.

The last component of the Edison AMS is an updated version of the *Edison Student Learning Contract (SLC)*, Edison's version of a student report card. Edison's Student Learning Contracts are annotated quarterly reports focused on each child's performance against Edison's high academic standards or state and local standards. The key aspect of the Student Learning Contract is an in-depth listing of short-term and long-term goals that are agreed to and signed off on by the student, parent, and teacher, creating a home-school bridge focused on each student's individual needs. The revised SLC will launch in the fall of 2003.

- \* In spring 2002, Edison officially launched its Affiliates division as a way to provide small- and mid-sized districts with access to Edison's Achievement Management Systems. This offering will include the Monthly Achievement Profile, Student Learning Contract, Edison Benchmark Assessments, Achievement Advisor role, and professional development programs, while the district remains responsible for the implementation of these systems and the ongoing management of its schools. This new product offering allows Edison to provide its services to a broader range of students, teachers, and administrators than is possible through managed schools partnerships.

The Affiliates model utilizes Edison's R&D investments and expertise in driving student achievement and organizes them in a way that is more easily adoptable by small school

districts. The Affiliates program got off to a fast start with the signing of two contracts, which began in January of 2003 in Sheridan, Colorado, and Cumberland County, Virginia. The broad interest shown by districts across the country is an encouraging sign that Edison's experience in managing schools and in developing innovative tools will continue to benefit students across the country.

- \* In January of 2003, Edison announced a historic partnership with Essex County Learning Services, the second largest school district in the United Kingdom, to complete development of a new educational design. The design, which has been developed over the past year by a joint team of educators from Essex and Edison, will be available to schools throughout Essex County. Based on Edison's U.S. experience, the new design will offer an integrated approach and system of support to dramatically improve student performance and teacher instruction. This partnership not only represents the first international venture for Edison Schools, but it is also the first for any U.S.-based Education Management Organization. The first UK-Edison partnership schools are scheduled to open in fall of 2003.
- \* While managing and supporting schools for the past seven years, Edison has gained experience developing services and programs that go beyond the Edison School Design. Such services include after-school programs, summer school programs, and supplemental services. Since the summer of 2000, Edison has been partnering with school districts in Missouri to provide summer school programs. As of

summer 2003, Edison will manage summer school programs in approximately 65 districts serving more than 40,000 students. Edison will begin offering summer school, after school, and supplemental services to interested districts across the country—programs that districts striving to meet NCLB goals may be increasingly interested in utilizing.

## EVALUATING EDISON SCHOOLS

At the beginning of every Edison Schools partnership, Edison makes several commitments to the communities with which it partners.

- \* We equip every school with all new instructional materials and state-of-the art technology for teachers and classrooms. The technology is frequently provided for student homes as well, with appropriate training organized for parents. We also provide principals and teachers with four to six weeks of pre-opening training—and ample ongoing support—all to ensure that Edison school-wide reforms get off to the strongest possible start.
- \* We implement all—or nearly all—of our comprehensive school design, which features a supportive organization based on academies, houses, and teams; a longer school day and year; a rich, liberal arts curriculum guided by rigorous standards and supported by research-based instruction that is closely aligned with assessment; a tool-based technology program providing constant and easy access; a professional environment for teachers offering ample daily time for preparation and professional development, a career ladder, and improved compensa-

tion; a high level of parent and community involvement; and a national system of educational, operational, and financial supports.

- \* We are strictly accountable for improved student achievement and the satisfaction of parents, students, and staff, including subjecting every partnership to cancellation if school performance does not meet explicit contractual standards.

In assessing the performance of Edison and our partnership schools it is appropriate to ask how well these commitments have been fulfilled.

## STARTING SCHOOLS RIGHT: PUTTING THE EDISON DESIGN IN PLACE

Edison firmly believes in comprehensive and fully integrated school reform. We also believe that to change schools thoroughly, it is essential to change everything at once. Incremental reforms are too easily undone by those elements of a school that have not yet been changed. When everything changes at once, there are fewer old habits to break before new ones can be established. Edison invests heavily in getting schools off to completely fresh and very strong starts.

As **Exhibit 1** summarizes, Edison has an excellent record of starting schools right. This report focuses on the 136 schools Edison opened between 1995 and 2001. Every one of these schools opened on time. The schools have been fully enrolled, or very nearly so—no mean feat for brand new, untested schools of choice. Edison schools enrolled approximately 74,000 students in 2001. The same challenge has been met in staffing. Most Edison schools require teachers to work longer hours, master technology, teach a common curriculum,

and work in the still-uncertain worlds of charter or contract schools. Yet, across our first seven summers Edison schools hired approximately 6,500 teachers and other instructional staff to get every school up and running by opening day. In 2001 alone Edison hired roughly 1,800 additional teachers—a considerable feat, given that that is more newly hired and trained teachers than all but the 50 largest public school districts added for the current school year.

Opening schools right takes a lot of planning and operational know-how. It also takes a significant financial investment. As **Exhibit 1** details, since 1995 Edison has invested more than \$168 million in public schools throughout the United States. These dollars have been used to equip Edison schools with a full range of technology. Most teachers and administrators have received a laptop computer, beginning with a year-long total of 150 in 1995 and increasing to 1,378 in 2001,

for an overall total of 5,363 laptops given to Edison educators. Most classrooms in an Edison school have multiple computers, a television, and a telephone. Most houses, composed of several classrooms, are provided with a VCR and a scanner. The media center at each school also has a fully equipped computer lab. Since 1995 Edison has purchased 16,274 school computers, among many other elements of its school technology investment. Finally, most families with children attending an Edison school (beginning in grade 1–3, depending on the community) receive a computer for their homes. These computers signify a rare—indeed, virtually unique among education reforms—commitment to promote computer use among students as well as their families. From 1995 to 2001, Edison purchased 35,347 computers for home use, trained families in their operation, and deployed the machines to nearly every Edison family.

## EXHIBIT 1: Highlights of Edison School Start-Ups From 1995–2002

New Schools	136
New Students	74,000
New Instructional Staff	6,500+
Capital Invested	168,284,000*
Capital Spent on Instructional Materials	32,577,000*
Pre-Opening Expenses	34,267,000*
# of Teacher Laptops	5,363
# of Classroom Computers	16,274
# of Home Computers	35,347

\* All financial figures represented here are approximations.

Teaching and learning in Edison schools is guided by best practices as proven in research and embodied in curricula and instructional programs created or provided by Edison. All instructional materials in Edison schools are provided new for the opening year. Edison spends over \$500 per student on instructional materials before a school opens. To open schools in the fall of 2001 Edison invested approximately \$5.5 million in instructional materials. Since 1995, Edison has invested more than \$32.5 million in the best possible new materials for teachers and students. All of these new materials have to be housed in a school building. Sometimes that facility is provided by the partnership district. In other cases, particularly charter schools, Edison must pay to acquire and renovate a facility. Those costs can be a large part of start-up investment.

There is one other investment that Edison makes in starting schools right, and it is the most important investment by far. Edison invests heavily in training and professional development before its schools open, to give teachers and administrators in Edison schools the guidance and support they need to work effectively within a new and unique school design. School leaders, who are hired in the spring before schools open, benefit from ample training in addition to the daily assistance of veteran Edison administrators serving as start-up project directors. Typically, teachers receive four weeks of training on site and off. Most important, after each school opens, every Edison professional continues to receive regular professional development through conferences, site support, training in specialized school leadership roles, and electronic interaction. Edison has spent more than \$34 million on pre-opening expenses since 1995. Because so much of the support occurs after

a school opens, however, it is best to consider the details of Edison's professional-development program not as a budgetary item in start-up but as part of a much larger effort to implement the Edison School Design.

## IMPLEMENTING THE SCHOOL DESIGN

Edison has developed detailed school performance standards to guide schools in the implementation of its school design. The standards describe what each component of the design should look like and work like as a school progresses through four stages of design implementation: beginning, developing, proficient, and exemplary. For example, one set of standards describes four levels of performance in teaching reading, starting with expectations for reading instruction the first month school opens and ending with expectations for several years later, when reading instruction truly is excellent. Edison has developed some forty sets of standards for design implementation.

Generally, Edison expects its schools to move from one level to the next, on each set of standards, each year the school operates. First-year schools generally would rate at a beginning level. By the end of year three, schools should rate at a proficient level in most areas of the school design. Edison rates its schools in each area of design implementation and reports those ratings to its partners in its annual end-of-year reports.

To ensure that schools make steady progress in implementing the demanding school design, Edison provides its schools with an unsurpassed program of ongoing professional development and site support. This assistance takes three major

## EXHIBIT 2: Professional Development Program 2001–2002

### National Pre-Opening Teacher Training

#### PRIMARY/ELEMENTARY

- Success for All
- Open Court
- Science
- Social Science
- Mathematics
- Wilson Reading
- Novice Teacher training
- Learning Environment
- Writing/Language Arts

#### JUNIOR

- Reading/Language Arts
- Wilson Reading
- Project Read
- Mathematics
- Science
- Social Science
- Novice Teacher training
- Learning Environment

#### SENIOR

- Reading/Language Arts
- Mathematics
- Science
- Social Science

- Wilson Reading
- Project Read
- Novice Teacher training
- Learning Environment

#### SPECIAL AREAS

- Art, Music, Dance/Drama
- Student Support Services
- Physical Fitness and Health
- Special Edison
- World Language/ESL
- Technology

### Ongoing Professional Development for Teachers

#### LEADERSHIP

#### CONFERENCES

- Achievement Academy
- Edison Evenings

### Pre-Opening Training for School Leaders

- Principal Institute
- Regional Leadership Team Conferences

- National Start-up Conference
- Quarterly Principal Conferences

### Ongoing Conferences

- Reading: Success for All
- Jr. Academy Reading/Language Arts
- Writing
- Mathematics
- Science
- Social Science
- Lead Teachers
- Technology

### Ongoing Site Support

#### PRIMARY/ELEMENTARY

- Reading: Success for All
- Wilson Reading
- Writing/Language Arts
- Mathematics
- Student Achievement
- Family Support Team and Community Relations
- Special Edison

- ESL and World Language
- Fitness and Health

#### JUNIOR

- Junior Reading
- Wilson Reading
- Writing/Language Arts
- Mathematics
- Student Achievement
- Learning Environment
- Science
- Social Science
- Family Support Team and Community Relations
- Special Edison
- ESL and World Language
- Fitness and Health

Ongoing site support for Senior and Collegiate Academies as needed

forms. First, administrators, teachers, and other school staff receive direct training on site and at regularly scheduled national and regional conferences. Second, specialists on each campus, including principals, lead teachers, curriculum coordinators, business services managers, technology directors, special education coordinators, and student support managers are regularly trained and supported in national meetings and conferences to lead design implementation at their

school site. Third, certified trainers at the school are trained at national conferences to train new Edison staff and to provide ongoing assistance on their own campuses.

During 2001–2002 these forms of assistance comprised a comprehensive support system, demonstrating some of the benefits of Edison's unique national scale. The training and conferences Edison provided during the last academic year are detailed in **Exhibit 2**.

# RAISING STUDENT ACHIEVEMENT

The goal of comprehensive school reform is to help students learn. Students need to learn more—often much more—than they have in the past. Given the passage of *No Child Left Behind* and the increasingly high standards that America holds for its students, this is truer than ever. Edison tracks student progress carefully, against initial levels of performance and relative to high ultimate standards. Every quarter parents receive detailed annotated reports on student performance as judged by teachers against Edison’s high academic standards. These Student Learning Contracts, as the reports are called, help ensure that teachers always expect the most of their students. In addition, Edison schools monitor ongoing student performance with the monthly Edison Benchmark Assessments.

Edison also measures student progress with external assessments. States increasingly require students to take assessments that measure mastery of state standards—criterion-referenced tests. Certain school districts and some states ask schools to take tests that compare students to the performance of other students nationally, so-called national norm-referenced tests. Edison has developed a curriculum based on its own standards, which meet or exceed most state and district standards. Edison then works with each of its schools to align the Edison curriculum with state and local performance expectations. External assessments therefore provide an appropriate measure of how students are faring in Edison schools.

## Measuring Achievement

Generally speaking, student achievement can be measured in two ways. One is relative to external

standards or norms—for example, what state standards dictate that every fourth grader should know, or how the average fourth grader nationwide actually performs. The other method of measurement is relative to past performance—for example, whether a student masters more state standards as a fifth grader than as a fourth grader, or compares better to students nationwide as a fifth grader than as a fourth grader. Both kinds of measurement are important. The first measures the objective level of student achievement, the second gauges improvement or trend.

Edison Schools cares deeply about both measures, but our focus has appropriately been on the second: improvement or trend. Most of the schools in which Edison works have had traditionally low levels of achievement. Indeed, Edison is asked to work in schools and communities often for the precise reason that achievement has stubbornly resisted efforts at improvement. The evidence of this challenge is compelling. As displayed in **Exhibit 3**, the average beginning scores for Edison schools opened from 1995 to 2001 are 32 percent proficient on criterion-referenced tests and at the 25th national percentile for norm-referenced tests. In contrast, the average scores for all public schools in the districts in which Edison schools are located were 43 percent proficient and at the 37th national percentile for the various years Edison schools opened—higher scores than the Edison schools by 11 percentage points and 12 percentiles on criterion-referenced tests and norm-referenced tests, respectively. The gap between the Edison schools’ baseline scores and the state averages is even greater.

Edison schools, then, generally begin at low levels relative to state standards and national norms, and at levels well below those of other public schools in

## EXHIBIT 3: Baseline Test Scores in Edison Schools and School Districts in which Edison Schools Are Located

TYPE OF TEST SCORING	AVERAGE BASELINE SCORE	
	EDISON	DISTRICT
<b>Criterion Referenced</b>	32% proficient	43% proficient
<b>Norm Referenced</b>	25 <sup>th</sup> national percentile rank	37 <sup>th</sup> national percentile rank

*Note: Includes 69 schools and 69 districts in which data on both schools and the district were available.*

their communities. For these reasons, the more appropriate measure of achievement in Edison schools is not the level of achievement, but the amount of improvement. At least in an Edison school's initial years, scores are likely to be at low levels, possibly reflecting the unsatisfactory performance Edison has been hired to correct. The more appropriate measure of achievement for Edison schools, then, is improvement or trend. Has the school gained relative to state standards or national norms?

### Refining and Defining Measures

In past *Annual Reports on School Performance*, Edison has also focused on improvement in achievement or achievement trends. Like last year, we focus on schools as the unit of analysis. The school-level trends or improvements summarized herein are based on the test scores found in the individual school profiles that make up the bulk of this annual report. In general we try to focus on trends that give the best picture possible of whether individual students are making academic progress against the standards for which the school is primarily accountable. This focus leads to a number of important analytical decisions (detailed further in Appendix A):

(1) We track student progress using the external assessment(s) mandated by the state or local authorities to which our schools are primarily accountable. Edison electively administers nationally norm-referenced standardized tests in many schools to help educators diagnose student needs and corroborate the results of external assessments. Those elective tests are not part of this analysis of achievement, except in cases where schools administer fall-to-spring testing during their first year under Edison management and their state or district assessment scores are baseline. In a few cases, districts require national norm-referenced tests for the same reasons that Edison uses them electively. These tests are not part of the school's—nor Edison's—official record of accountability, and they are not part of this achievement analysis.

(2) We begin measuring achievement improvements or trends with the first administration of the relevant assessment after a school opens as an Edison school. This is essential when Edison creates a school from scratch because there are no earlier school scores. It is also important when Edison assumes management of an existing school. Schools often change their enrollments

dramatically after Edison is introduced. Increased enrollments in previously under-enrolled schools are common. Edison schools are generally schools of choice, and enrollments change as families opt into or out of this new program. If enrollments change, comparisons of test scores before and after Edison can become potentially misleading comparisons of different students. As we seek to understand the progress of individual students, it is imperative that we have baseline scores that reflect the initial achievement of students enrolled in the Edison school. Therefore, this report and its analyses do not use test scores prior to Edison, in most cases. The only exceptions are cases where enrollment changes can be documented to be minimal; where the client requires a pre-Edison baseline; or where the test scores of only the individual students present in the school before and after Edison can be compared.

As has been true for every prior annual report, schools with baseline state assessment scores in their first year with Edison have their elective norm-referenced fall-to-spring scores included as their primary means of accountability for the 2001–2002 school year. Schools that did not administer an elective norm-referenced assessment have only baseline scores to report (including schools in Las Vegas, Nevada, and LearnNow schools, a small group of privately managed schools that Edison acquired in 2001; see Appendices).

(3) Achievement trends can be created by following the same students from grade level to grade level or by following different students at the same grade level. The former approach is known as *same cohort analysis*; the latter is known as *successive cohort analysis*. The analyses in this report focus on long-term annualized gains, where successive cohort gains are

used exclusively. As trends increase in length, same cohorts are composed of increasingly different students—through student mobility—and lose their analytical advantage. While Edison schools generally have moderate student mobility levels, some have high mobility, undermining long-term same-cohort analysis. Successive cohorts ensure that progress at every tested grade level is measured; same cohorts require a previous grade level to be tested.

## Consistent Gains

Edison schools by and large serve communities where there has been some level of dissatisfaction with past student performance. Yes, communities that choose Edison are excited about the new opportunities the schools provide—abundant technology, extensive fine arts, hands-on instruction, to name only a few—but they are interested first and foremost in improved learning. These communities want to see students achieving more with Edison than they had before.

In fact, with a very high degree of consistency Edison schools are achieving at higher levels than where they began. At the end of the 2001–2002 school year—seven years after Edison began operating public schools—84 percent of the schools under Edison’s management are achieving at levels above where they started, the same figure reported last year. Taking into account every tested grade level, every tested subject, every tested student, and every piece of a school’s achievement record since it began with Edison, the vast majority of Edison schools have improved student achievement.

This progress is displayed in **Exhibit 4**. Every Edison school for which achievement trends can be measured in 2001–2002 is classified as “positive” or “negative.” The classification is based on each school’s average achievement gains or losses since



## EXHIBIT 4: Distribution of Annualized Achievement Gains

	NUMBER OF SCHOOLS	PERCENT OF ALL SCHOOLS
<b>Positive</b>	79	84%
<b>Negative</b>	15	16%
<b>Unchanged</b>	0	0%

opening (or, in a few cases, the first administration of current accountability assessments). Individual gain scores are calculated for each subject at each grade level by subtracting the baseline score (i.e. the score when the school began with Edison) from the score for 2001–2002. These gains are then averaged, and each school is classified based on the sign—positive or negative (there were no schools this year with unchanged rates of gain)—of its average. Schools with only baseline data or schools with incomplete scores for 2001–2002 are not classified (see Appendix B).

This classification system provides the most basic yet important perspective on how Edison schools are doing. By focusing on the long-term, tracing each school back to its start with Edison, and looking across all grades and subjects, the classification provides a robust measure of school performance. Standardized test scores come with inevitable margins of error. From one year to the next, a certain amount of test score change is simply random measurement error. Viewed across multiple grade levels and subject areas, individual test scores yield additional ups and downs that are only partly a function of student learning. The best way to gauge the progress of schools, therefore, is to integrate multiple indicators into one measure and

follow it over the long haul. The state of California, for example, has built its Academic Performance Index, a single value for each school, around achievement gains in all subjects at all grades in a school. The state of Pennsylvania bases its accountability system on rolling two-year averages of test scores, rather than year-to-year fluctuations.

On the basis of average achievement gains since opening, 79 out of 94 school sites—84 percent—are fulfilling the primary mission they set out to accomplish. Of the 15 schools that are not advancing achievement, very few are far off track. (As explained in Appendix B, 18 sites under Edison management at the end of the 2001–2002 academic year are not included in this gain analysis because they posted only baseline scores or had no scores available.) This strong record generally holds, moreover, if schools that left Edison’s management before the end of the 2001–2002 school year (because of contract expiration or early termination) are included. The long-term gains made by schools once but no longer managed by Edison were positive in 100 percent of all cases prior to the end of the partnership. Critics of Edison have sometimes used the term “mixed” to describe the performance of the company’s schools. Mixed is a qualitative judgment, but the quantitative evidence is clear. After seven years of operation, the

## EXHIBIT 5: System-wide Average Annualized Achievement Gains Since Schools Opened

TYPE OF TEST SCORING	NUMBER OF SCHOOLS	AVERAGE ANNUAL GAIN SINCE SCHOOL OPENED
<b>Criterion Referenced</b>	61	
Gains in percent proficient		4.0
Gains in percent not failing		3.6
<b>Norm Referenced</b>	31	
Gains in percentile points		4.4

record compiled by 94 Edison schools shows advancing schools ahead of declining schools by 5 to 1.

### Substantial Gains

The improvements in student achievement at Edison schools have not only been consistent, they have been substantial. **Exhibit 5** summarizes this progress. The magnitude of these gains is even more remarkable when viewed in the context of a comparison against the states and districts in which the Edison school resides. **Exhibit 6** provides this context. (See Appendix C for further detail.)

The most common type of high stakes assess-

ment in Edison schools, used by 61 of the 92 sites with applicable 2001–2002 improvement scores, is a criterion-referenced test, usually mandated by a state and intended to measure mastery of state academic standards. Scoring criteria for these tests place students in one of several categories of achievement, such as *failing*, *partially proficient*, *proficient*, and *advanced*. State accountability systems most commonly set expectations for two of these categories: to increase the percentage of students who are proficient or higher, and to reduce the percentage of students who are failing. Edison schools have been doing well in meeting these expectations

## EXHIBIT 6: System-wide Average Achievement Gains Versus State and District Where Edison School Is Located

	CRITERION-REFERENCED (percent)	NORM-REFERENCED (percentiles)
<b>Edison</b>	4.0	4.4
<b>District</b>	1.9	2.9
<b>State</b>	1.0	2.4

*Note: The counts for schools in this analysis were Edison: 61 (CRT) and 31 (NRT); districts: 57 (CRT) and 12 (NRT); and states: 58 (CRT) and 11 (NRT).*

over the years. At the level of *proficient* or *higher*, Edison schools have posted an average annual gain of 4.0 percentage points from their opening through the 2001–2002 school year. On average, Edison schools have increased the percentage of students passing all state tests—across all grade levels and all subjects—by 4.0 percentage points every year. These gain rates are four and two times (see **Exhibit 6**) the respective state and district gain rates where Edison schools are located—in other words, well above local norms. They are also important for at least two reasons. First, in a typical 600-student school, a 4.0 percent improvement in passing rates means that 24 additional students—a typical class size—have made enough academic progress to meet state standards. Second, because the improvement rate is an average for all years a school is open, it indicates that achievement gains are accumulating. After two years, an Edison school could be expected to improve its passing rates by over 8 points, after three years by over 12 points, and so on.

For example, Dodge-Edison Elementary School in Wichita, Kansas, has increased its average passing rate on the Wichita Benchmarks by an average of 24 percentage points over the last five years. Franklin-Edison Elementary School in Peoria, Illinois, has increased its average passing rate on the Illinois Standards Achievement Test by approximately 21 points over the last three years.

The solid rate of proficiency gains across all Edison schools is also encouraging for Edison as a system. With over 74,000 students attending our schools last year, Edison Schools is now similar in size and makeup to a major urban school system. At this scale, many school systems often struggle to promote achievement growth. The improved achievement in Edison schools as the system has grown from a few schools to well over 100 suggests that

effective teaching and learning may benefit from the support systems that a larger scale makes possible.

The evidence of improved achievement, moreover, is not confined to the school's proficiency rates. Edison schools often begin, as we have shown, with relatively low levels of achievement—only 32 percent of students are initially able to pass a criterion-reference test (**Exhibit 3**). Indeed, substantial numbers of students come to Edison schools failing their state tests. Since Edison began operating schools in 1995 through the 2001–2002 school year, Edison schools have, on average, reduced the failing rate on criterion-referenced tests by 3.6 percentage points every year. Because this is an annual average for up to seven years of school operations, it represents a reduction that can be expected to continue in the typical school year for a number of years.

On norm-referenced tests the patterns are similar. About one-third of Edison schools are held accountable for student achievement using tests with norm-referenced scoring. Since opening, Edison schools have posted steady gains on these tests. The average annual gain of an Edison school through 2001–2002 is 4.4 national percentiles per year. These exceed state and district gain rates, which are respectively 2.4 and 2.9, as summarized in **Exhibit 6**.

Like the gains on criterion-referenced tests, the gains on norm-referenced tests are accumulating. Edison schools have been advancing an average of 4.4 percentiles a year since 1995. A school could be expected, for example, to move from an average score on the 25th national percentile to the 50th national percentile over the course of six years. A number of Edison schools are showing how gains can accumulate. Friendship-Edison Public Charter School—Blow Pierce campus in Washington, D.C., has increased its average score on the Stanford Achievement Test from the 21st national

percentile in the fall of 1999 to the 40th national percentile in the spring of 2002. Feaster-Edison Elementary School in Chula Vista, California, has increased its average score on the Stanford Achievement Test from the 19th national percentile in the spring of 1998 to the 37th national percentile in the spring of 2002.

These accumulating gains are ultimately the best way to evaluate the performance of Edison schools. If students cannot pass state tests or achieve at the 50th national percentile—an approximate measure of being on grade level—their probable outcomes in high school and college may limit the success and range of opportunities that life in the United States can offer. As Edison schools rise from low performing in many cases, or from mediocre to high scoring in others, they are changing the lives and outcomes of a large number of students. A few points of test score gain may not be meaningful if they occur just once, but over time, they indicate that students are developing a new level of proficiency. This is what Edison's clients and the families that Edison serves are looking to achieve.

## **Gains by Comparison Schools**

While the most important standard for evaluating achievement gains is their impact on students, another critical standard is their magnitude relative to local norms. The last twenty years—since the publication of the federal government's landmark study, *A Nation at Risk*—have been the most committed period of school reform in the nation's history. From raising academic standards to reducing class sizes; from providing more financial resources to subjecting schools to competition through school choice; from holding

schools accountable to high stakes testing, the nation's policymakers have worked like never before to improve public schools and boost achievement. Therefore, it is important for policymakers to be able to compare the results of Edison's efforts with those being made in other public schools. This will help policymakers and community leaders to make sound, informed decisions on how to improve local schools.

In past *Annual Reports on School Performance* we have resisted making comparisons to other public schools, because doing so can be complicated. The most appropriate comparisons would try to match schools managed by Edison as closely as possible with schools not managed by Edison. This would allow any differences in student achievement to be attributed to the efforts of Edison and the comparison schools, and not to complicating factors such as student background, student turnover, and student selection (or “selection bias”). Controlling for these variables would make clear that if Edison schools outgained other schools, the difference could be attributed to the strength of Edison's program. But the data to permit such controlled comparisons are not uniformly available.

Even if the data were available, the statistical analysis is itself complicated. Many of Edison's clients hire Edison not only to improve a particular school or set of schools, but also to stimulate competition with other local schools, inspiring more widespread improvement. In other words, the hoped-for impact would be achievement gains in Edison schools as well as those local schools competing with Edison. Edison's desired impact would be to effect similar gains in all area schools. In past *Annual Reports* we judged these complexities

beyond the bounds of what a straightforward annual report should attempt to do; we left these important but difficult interpretive analyses to social scientists, including those at RAND.

Still, it is possible to obtain useful perspective on Edison's achievement gains by putting them in some local context. If there are positive differences between Edison's gains and those posted by other local public schools, they provide *prima facie* evidence that Edison is having a positive impact, over and above the improvements that may be happening in public schools more broadly. In **Exhibit 6** we provided basic comparative context, the performance of all district or state public schools where Edison schools are located. In **Exhibit 7** we sharpen the focus to schools that are strictly comparable to the Edison schools.

For each Edison school, we identified every other public school within the same school district with similar demographics: levels of economic disadvantage and race and ethnicity. We selected

these factors because of their well-known, strong association with student achievement. Specifically, we identified comparison schools with percentages of free- or reduced-price lunch eligibility within plus or minus ten percentage points of the local Edison school percentage and percentages of African-American and/or Hispanic students within plus or minus ten percentage points. If there were no schools that fit both restrictions, we matched comparables based on one of the two restrictions, while limiting the second restriction to +/- 30 percent (see Appendix D for further detail). After imposing these two controls, we identified 1,102 comparison schools for 66 Edison sites.

Next, we compared the average annualized gain by each Edison school with the average gains by all schools in the respective district or state in which each Edison school is located. When these gains are averaged across all cases for which data on comparison schools is available, the relative magnitude of the Edison gains becomes clear (see

## EXHIBIT 7: Average Annualized Gains Versus Comparison Schools

	CRITERION-REFERENCED (percent)	NORM-REFERENCED (percentiles)
<b>Edison</b>	3.5	5.5
<b>District</b>	2.0	3.0
<b>State</b>	1.1	2.4
<b>Comparable School</b>	1.4	2.7

*Note: The counts for Edison schools as well as comparable schools in this analysis were 54 schools and 12 schools for criterion-referenced tests and norm-referenced tests, respectively.*

Appendix D for further detail). The average Edison gains of 3.5 percentage points on CRTs and 5.5 percentile points on NRTs (see **Exhibit 7**) are two to three times the annual gains of the districts in which Edison operates and even more rapid when viewed against the average progress of the states where they are located. (These averages differ slightly from those in **Exhibit 6** because the samples in the two exhibits are somewhat different.) Edison has the good fortune to work in many successful districts that gain at rates far higher than their respective states. Edison's gains are even more rapid than those of its improving district partners or hosts.

Of course, Edison works predominantly in schools that have historically low achievement, and consequently allow ample room for growth. Some might argue that Edison's gain rates are not particularly special but rather characteristic of the gains for low-starting public schools around the country. The bottom line in **Exhibit 7** addresses that conjecture.

On average, schools managed by Edison and working within districts where there is at least one comparable school have improved achievement by 3.5 percentage or 5.5 percentiles every year. These rates are higher than the rates posted by all other local public schools with similar levels of economic disadvantage, race, and ethnicity, which average only 1.4 percentage points and 2.7 percentiles, respectively. These are meaningful differences. Over time they imply that students in Edison schools are progressing toward their state standards or toward national norms at a faster pace than students in similar schools. An Edison school, for example, might enable the majority of its students to reach proficiency in five years while a comparable school might take its students ten to

fifteen years to reach proficiency.

But are these differences significant? Do they occur with a consistency that would suggest that Edison is making a reliable difference? There are two statistics that bear on this question. First is the simple descriptive statistic: how frequently do Edison schools exceed the gain rate of comparable schools? Sixty percent of the Edison schools in the comparable school analysis exceeded the average rate of gain by their respective comparable schools. But is that a robust success rate, one that would inspire the confidence that Edison makes a reliable difference? The answer to that question lies in a second statistic, a measure of statistical significance. If the differences in gain rates between Edison schools and comparable schools—as measured by a sample of more than 1,100 schools—involve relatively little variance around the averages of the different types of schools, then the differences in gain rates will be statistically significant. If the differences involve considerable variance, they could be the result of mere chance and not necessarily a measure of Edison's impact.

To test the statistical significance of Edison's impact on achievement gains, a multiple regression model of “fixed effects” was estimated using Weighted Least Squares (WLS). The model predicted the gain rate for each Edison and comparable school. The independent variables included a dummy variable for whether the school is an Edison school or a comparable school and a series of dummy or fixed effect variables for each comparison set, including the respective Edison school. The fixed effects essentially control for unspecified local influences on gain rates while the Edison dummy variable captures the national influence of Edison. Separate models were estimated for criterion-referenced and norm-refer-

## EXHIBIT 8: Multiple Regression Analysis

### CRITERION-REFERENCED TESTS

	B Coefficient	Standard Error	t	Significance	R Square
<b>Constant</b>	1.796	1.167	1.540	.124	—
<b>Edison</b>	2.012	.315	6.394	.000	.478

### NORM-REFERENCED TESTS

<b>Constant</b>	3.327	.691	4.814	.000	—
<b>Edison</b>	2.825	.383	7.368	.000	.528

enced tests. The weighting for WLS variables was the inverse of the cluster size. The main estimates are reported in **Exhibit 8**.

The results show that the differences in estimated gain rates between Edison and comparable schools are statistically significant. For criterion-referenced tests, the Edison school is estimated, all things being equal, to have an annualized gain rate 2.012 percentage points higher than comparable schools, and the estimate is significant at .000, the highest possible level of significance. For norm-referenced tests, the Edison school is estimated to have a gain rate 2.825 percentiles higher than the comparable school, also significant at .000. The models fit the data exceedingly well with R Squares of .478 and .502 for criterion-referenced and norm-referenced tests, respectively. The gain rates of Edison schools nationwide are of a magnitude and consistency that clearly distinguishes them from the gain rates of comparable schools: the Edison gain rates are higher, educationally meaningful, and statistically significant.

## THE ACHIEVEMENT GAP

Probably the most important education issue facing America today is the persistent gap in achievement between Caucasian students on the one hand and African-American and Hispanic students on the other. The issue is compounded by differences in achievement across economic classes, often overlapping racial and ethnic differences. These differences have persisted for generations, and while diminishing somewhat during the 1970s and 1980s, the gap actually grew during the 1990s. As long as these historically divergent groups leave schools with substantially different levels of achievement, America will remain significantly divided—economically, socially, and politically.

While Edison Schools claims no special insights into the causes of the achievement gap or solutions to it, Edison schools are designed to take advantage of what is known about every element of high-achieving schools, for *all* types

## EXHIBIT 9: Demographics of Edison Schools

	1998–1999	1999–2000	2000–2001	2001–2002
<b>African-American</b>	46%	55%	64%	58%
<b>Hispanic</b>	22%	17%	17%	25%
<b>Caucasian</b>	27%	19%	16%	12%
<b>Free-Reduced Lunch</b>	57%	65%	70%	73%
<b>Special Education</b>	8%	8%	9%	9%

*Note: Percentages are averages across all Edison schools in operation each year. Special education figures are approximations.*

of students. So while Edison's school design may not offer special insights, Edison's experience may. Edison schools serve primarily the students and families whose achievement has traditionally lagged behind, and the percentages of such students served in Edison schools have been steadily increasing.

**Exhibit 9** summarizes the recent demographic history of Edison schools. In 2001–2002, on average 58 percent of the students served by Edison schools were African-American. Historically, African-American students have made up about half of the Edison student population, and at 58 percent, African-Americans are four to five times more prevalent in Edison schools than in the general American population. Caucasian students represented only 12 percent of Edison students in 2001–2002. Hispanic students made up 25 percent of the students in Edison schools—up noticeably from earlier years, about twice their share of the U.S. population. Finally, Edison schools have high percentages of economically disadvantaged students. In 2001–2002, on average, 73 percent of all Edison students were eligible for free or reduced-price lunches, up from 70 percent last year, 65 percent in 1999–2000, and 57 percent in 1998–1999.

Edison schools are making meaningful achievement gains while the students being served are increasingly the types of students who have not historically achieved. And there is no doubt that these Edison students, in particular, have not traditionally achieved. As **Exhibit 3** shows, Edison students have initially low levels of achievement—low by state standards, national norms, and compared with their local communities. Yet these students are making clear and sometimes spectacular academic progress in their Edison schools.

The most compelling evidence of this progress is in Edison schools with high concentrations of African-American students, the subgroup that has historically lagged the most academically. **Exhibit 10** reports the average annual gain rates on criterion-referenced and norm-referenced tests for all Edison schools with 90 percent or more of their students African-American during the 2001–2002 academic year. Edison manages 41 such schools (see Appendix E). Together these schools average annual improvements of 4.7 percentage points on criterion-referenced tests and 4.4 percentiles on norm-referenced tests—nearly identical to the rates of gain across all Edison schools. This is strong, quantitative evidence that a racial gap in achieve-



## EXHIBIT 10: Average Annualized Gains: Edison Schools with Over 90 Percent African-American Enrollment versus All Schools in District and State

	CRITERION-REFERENCED (percent)	NORM-REFERENCED (percentiles)
<b>Edison</b>	4.7	4.4
<b>District</b>	0.6	3.1
<b>State</b>	0.0	1.2

*Note: The counts for Edison schools in this analysis were 24 schools and 17 schools for criterion-referenced tests and norm-referenced tests, respectively.*

ment gains is not characteristic of Edison schools. The progress of Edison's predominantly African-American schools is also not typical of public schools where these Edison schools are located. Indeed, the predominantly African-American schools managed by Edison have gain rates that are one-and-a-half to eight times the respective district and state averages (see Appendix E for further detail) in which they are located. Since the district and state averages are not based on comparably high percentages of African-American students, it is clear that Edison schools with predominantly African-American enrollments are gaining at rates that begin to bridge the racial achievement gap.

The progress of Edison schools in overcoming the historical achievement gap is perhaps clearest in particular Edison schools that have been especially successful. For example, in the fall of 2000, the state of Maryland took control of three schools from the Baltimore city school system for their chronically poor performances. Edison was asked to manage these three schools, among the lowest-

performing in the state: Montebello Elementary School, Furman L. Templeton Elementary School, and Gilmor Elementary School. The three schools serve approximately 2,300 students cumulatively, 99 percent of whom are African-American, and 91 percent of whom are eligible for free or reduced-price lunch. Despite their history of underperformance, the schools have performed spectacularly well under Edison management. On the nationally norm-referenced CTBS assessment, Gilmor has raised its scores from the 20th percentile in spring of 2000 to the 33rd percentile in spring of 2002. Templeton has raised its scores from the 14th percentile to the 34th percentile in the same time frame. And Montebello has raised its scores an astounding 37 percentiles in just two years, from the 21st percentile to the 58th percentile.

In Washington, D.C., Edison manages two elementary schools through a partnership with Friendship House. These two elementary schools serve approximately 1,300 students, 99 percent of whom are African-American, and 75 percent of

whom receive free or reduced-price lunch. Similar to the three Maryland schools, these schools have shown tremendous cumulative gains. Since the fall of 1998, the Friendship-Edison Public Charter School—Woodridge campus has raised its scores from the 28th percentile to the 56th percentile in spring of 2002, while the Friendship-Edison Public Charter School—Chamberlain campus has increased its scores from the 23rd percentile to the 60th national percentile in the same time frame.

Finally, in Dallas, Texas, Medrano Elementary, a school that is 77 percent Hispanic, 8 percent African-American, and 95 percent eligible for free or reduced-price lunch, was contracted to Edison Schools after years of making the state's low-performing list. Since the spring of 2000, Medrano has gained an average of 33 percentage points across all grades and subjects on the Texas Assessment of Academic Skills.

To be sure, not every Edison school serving primarily disadvantaged students or children of color has been successful. Only time will tell whether the gains that Edison schools have been making will bring African-American, Hispanic, and disadvantaged students' achievement up to the levels of white students, or students who are not economically disadvantaged, but the gains that Edison students have posted over the last seven years suggest that quality schooling can make a meaningful difference for students from any background.

## NO CHILD LEFT BEHIND

In 2002 the federal government enacted legislation that may influence public education in the most fundamental ways. Known as *No Child Left Behind* (*NCLB*), this reauthorization of the Elementary

and Secondary Education Act mandates major improvements in America's public schools and imposes tough sanctions for schools that fail to improve. It also increases funding for schools serving economically disadvantaged students and offers families new opportunities—supplemental services and the choice to attend other schools, for example—if their schools fail them. Through its requirements for annual testing of all students in grades three through eight by 2006 and for “adequate yearly progress” in the percentage of students proficient, the law has the potential to focus every school in America on student achievement like no policy before it. By combining this new level of accountability with choice, private providers, and competition, the law also has the potential to restructure how public education is delivered, rewarding public schools that help their students succeed while replacing public schools that fail to improve with nontraditional alternatives.

Edison has always worked in an environment of accountability, much like *NCLB* seeks to create across the U.S. Edison has and continues to work under strict requirements that can cancel a contract if test scores fail to improve. Edison has often worked in the very kinds of schools that *NCLB* is targeting—schools that serve disadvantaged students, have few students proficient, and make little or no annual progress. Indeed, 22 Edison schools (see Appendix F) were contracted to Edison because they were already on the federal government's list of schools with “needs improvement” status, under legislation preceding *NCLB*. Edison was hired expressly to bring about achievement gains in schools that had not been able to bring about gains themselves.

As we enter the new era of *NCLB* accountability, it is appropriate to ask how Edison and

## EXHIBIT 11: Average Annualized Gains: Edison Schools Designated as “Needs Improvement”

	CRITERION-REFERENCED (percent)	NORM-REFERENCED (percentiles)
<b>Edison</b>	5.8	4.3
<b>District</b>	2.3	1.8
<b>State</b>	-0.1	2.1

*Note: The counts for Edison schools in this analysis were 18 schools and 4 schools for criterion-referenced tests and norm-referenced tests, respectively.*

other reform programs are doing with schools with “needs improvement” status. In **Exhibit 11** we report the average annual gains of schools under Edison management that are on the federal government’s list of “needs improvement” schools. On criterion-referenced and norm-referenced tests the gains of these schools have been substantial under Edison management. These schools’ annualized gains of 5.8 percentage points and 4.3 percentiles respectively are very close to Edison’s national averages. They are also greater than the gain rates of the other public schools in the districts and states in which these schools are located, as shown in **Exhibit 11** (see Appendix F for further detail).

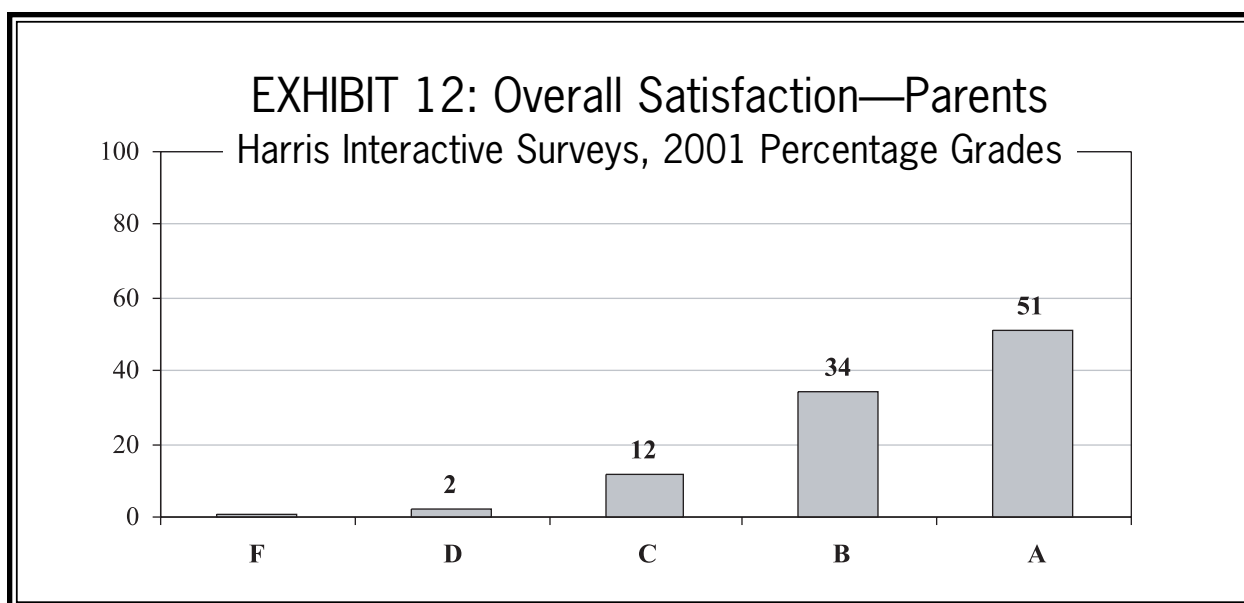
While these low-performing schools have by definition much more room for improvement than other district and state schools, their gain rates are nonetheless impressive. The federal government targeted these schools because they historically failed to improve. Their districts or states contracted their management to Edison for the

same reason. Their current rates of improvement, then, are hardly to be expected. Working with Edison would appear to have made yet another significant difference.

## CUSTOMER SATISFACTION

Customer satisfaction is crucial to school success. Students learn most when parents are positively engaged in the school, when teachers are fulfilled by their work in their classrooms, and when students themselves appreciate and enjoy their school experience. Customer satisfaction is not important merely in its own right; it is important because it promotes higher student achievement.

Edison schools have been quite successful in satisfying their various customers. Each year, Edison commissions Harris Interactive (formerly the Gordon S. Black Corporation) to survey all parents, students (in grades 3 and above), and teachers in its schools. Harris Interactive is one of



the nation's leaders in helping schools and other enterprises understand their customers and improve their level of satisfaction. Harris Interactive independently analyzes the results of its surveys and provides schools with extensive diagnoses of what they need to do to improve customer satisfaction. These analyses, extremely valuable to our schools, are too detailed to outline here. But a few of the summary measures from these reports provide straightforward measures of overall satisfaction levels.

## Parent Satisfaction

**Exhibit 12** presents the summary satisfaction “grades” given to Edison schools by parents during the 2001–2002 school year. All parents with children in Edison schools are asked to complete anonymous surveys about their child’s schools, including one item that asks parents to assess their child’s Edison school with letter grades—an A for excellent through an F for failure. Over 26,000 parents completed surveys for the 2001–2002 academic year. The findings are impressive for the seventh consecutive year—parents are overwhelmingly satisfied with their Edison schools. A majority of 51

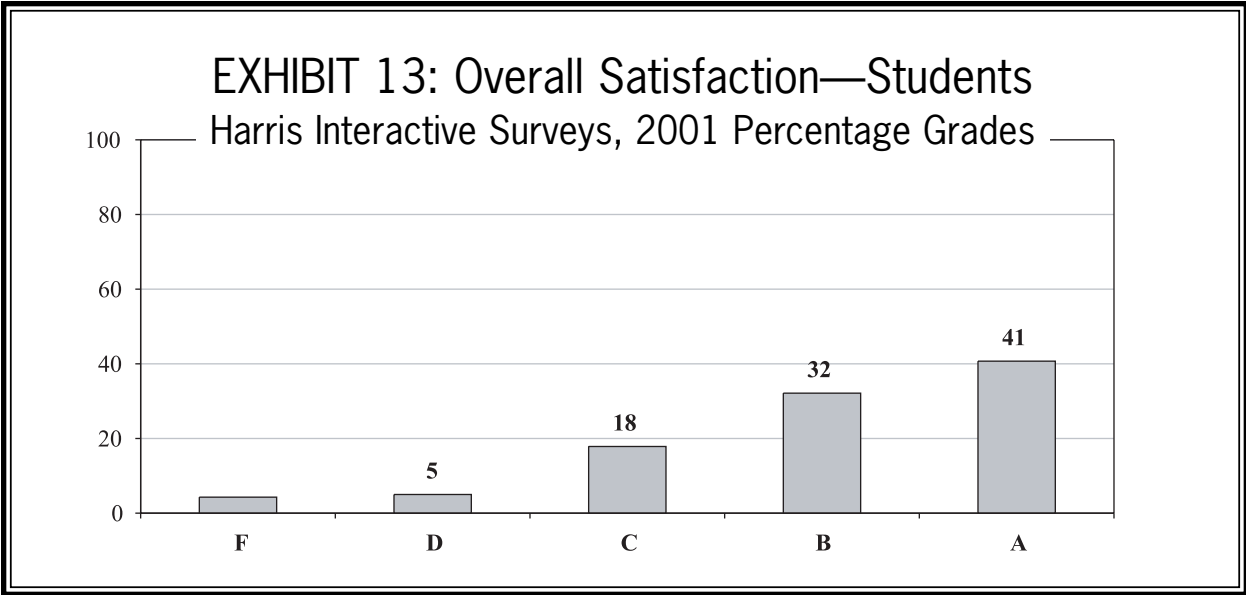
percent give their schools an A, and 34 percent give their schools a B, for a total of 85 percent of parents giving the school an A or a B.

A point of comparison is useful here. According to an annual Gallup poll, in a similar survey of public school parents nationwide, only 71 percent of parents rated their child’s school an A or B. What is even more striking is that *nearly twice as many parents gave their Edison school an A grade* (51 percent of parents) compared to the national average of 27 percent. Not only are most Edison parents satisfied, many are extremely satisfied with Edison’s level of service to its schools.

This statistic has held for seven straight years. Since Edison’s first year managing schools through this most recent year, Edison’s parents have rated their schools much more favorably than the national averages. In fact, since spring of 1996, on average, 87.3 percent of parents rated their Edison school an A or B—*20 percent higher than the national average* since 1996 (66.7%).

## Student Satisfaction

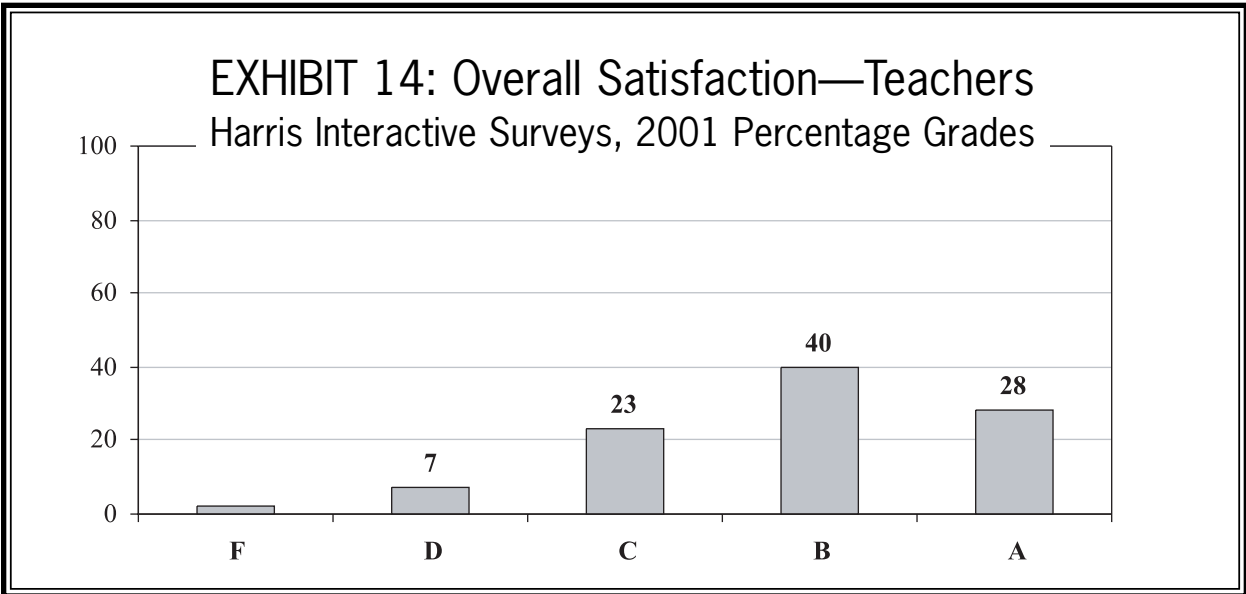
**Exhibit 13** provides the same type of data for Edison students in grades 3 and higher. The pat-



terns are nearly the same as those for parents. An A is the most common grade awarded by students and about 73 percent of Edison students award their school an A or B. These scores are quite encouraging. Most Edison students have a longer school day and school year, neither of which hold instant appeal for young people. Edison schools serve students who are relatively disadvantaged and ordinarily not highly satisfied with their schools.

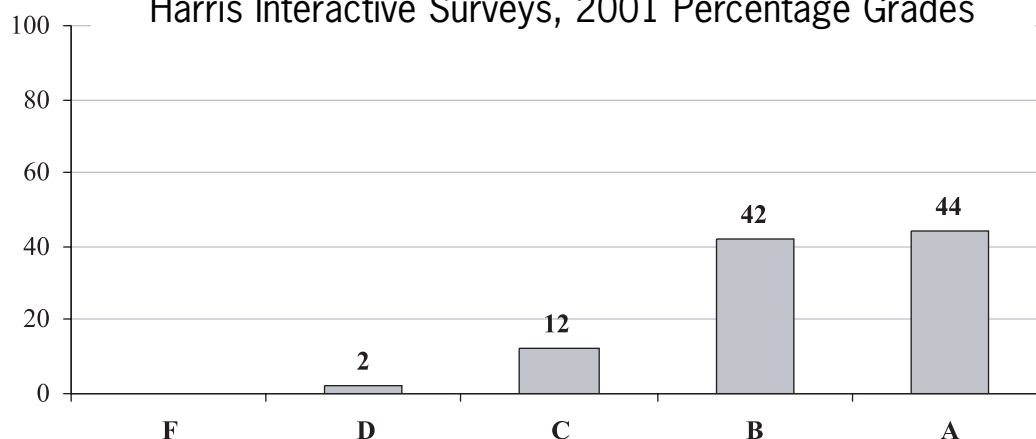
**Teacher Satisfaction**

Harris Interactive also surveys teachers, the results of which are summarized in **Exhibit 14**. Teachers rate schools somewhat lower than parents and students do. The overwhelming majority of teachers—68 percent, an improvement over last year’s numbers—grade their schools an A or a B. Unlike the results for parents and students, the most popular grade for teachers is a B. This is not an indication of dissatisfaction—teachers general-



## EXHIBIT 15: Career Satisfaction—Teachers

### Harris Interactive Surveys, 2001 Percentage Grades



ly rate their schools more critically than do parents or students. Non-Edison teachers across the country surveyed by Harris Interactive also most commonly rated their schools a B. Given the more challenging situations in which Edison teachers ordinarily work (often a longer school day and year, a history of low performance, and a challenging school design), the satisfaction levels of Edison teachers should be considered somewhat better than expectations.

A second measure better illustrates the satisfaction of Edison teachers as reflected in **Exhibit 15**.

The Harris surveys also probe a teacher's career satisfaction at an Edison school. The results are extremely encouraging. Of the more than 4,500 teachers who completed surveys, 86 percent rated the level of their career satisfaction as an A or B.

### Other Satisfaction Indicators

Edison schools have been fortunate to hold student mobility to 16 percent, on par with national averages, see **Exhibit 16**. Around the country, schools are often stymied trying to educate students who change schools, sometimes more than once, during

## EXHIBIT 16: Teacher, Student, & Parent Satisfaction Indicators

All Edison schools opened  
from 1995 to 2002

Teacher Turnover	20%
Student Mobility	16%
Daily Student Attendance	94%

a school year. Mobility is particularly vexing for urban schools where families are especially transient, but it is a problem nationwide: average annual student turnover is 17 percent for all American schools. Our 16 percent is higher than the figure in our *Fourth Annual Report on Student Performance*, mostly attributable to the addition of schools in Las Vegas, Nevada, and Chester, Pennsylvania, districts with historically high student mobility rates. The median Edison mobility rate is actually only 11 percent.

Schools often struggle with retaining their teachers from one year to the next. Often teachers transfer from one school to another if they feel their career or their satisfaction level would be better in a new environment. The median turnover rate in Edison schools from 2001–2002 was 20 percent (meaning half of all Edison schools have rates lower than this figure and half have rates above it). This median represents an increase from 17 percent, which was the median turnover reported in Edison's *Fourth Annual Report on School Performance*. The increase in the turnover rate is mostly attributable to the addition of seven schools in Las Vegas, Nevada. Las Vegas is the fastest-growing school district in the country, with traditionally high staff turnover rates. If we were to exclude our Las Vegas schools, the median turnover percentage would be only 18 percent, on par with last year's rate. In Edison schools, where teachers are free to transfer virtually at will, where the school day and

year are longer, and where the school design is especially demanding, a median turnover rate of 20 percent is surprisingly close to the national average. Even so, Edison wants to see its turnover rates drop. Edison invests very heavily in professional development and depends on the growth of expertise at every school site to enable its widely dispersed national system to function effectively without high levels of central direction. Building a stable, proficient, and satisfied professional staff is one of Edison's top priorities as we go forward.

Similarly, schools cannot educate students who do not come to school every day. Many schools struggle with this issue, as the daily attendance rate nationally is only 92 percent. Schools serving disadvantaged students often have even lower attendance rates. Edison schools, despite their often-disadvantaged student bodies, have a median daily attendance rate of 94 percent.

## CONCLUSION

So far in this report we have discussed, in general terms, Edison's strong performance in opening schools; implementing a comprehensive school design; raising student achievement across multiple measures and in multiple contexts; and satisfying parents, teachers, and students systemwide. The individual school profiles that follow examine our progress in greater detail.