



ECS Policy Brief

Restructuring Schools in Chester Upland, Pennsylvania: An Analysis of State and District Efforts

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Restructuring is a process initiated to substantively change the governance, operation and instruction of public schools or districts identified as failing. There are multiple definitions of restructuring, but the common thread binding all restructuring models is a substantive change of the standard operating procedures of a school or an entire district. More than half of the states in the nation have legislation on the books authorizing school restructuring, but the 2001 reauthorization of the Elementary and Secondary Education Act – i.e., the No Child Left Behind Act (NCLB) – introduced a new sense of urgency to the process of improving public schools. Among other things, NCLB requires that states and districts identify and restructure chronically low-performing schools.

NCLB is in its third year of implementation, and increasing numbers of schools nationwide are facing restructuring due to their failure to meet their state's Adequate Yearly Progress (AYP) benchmarks. (NCLB requires states to establish benchmarks by which their schools will be evaluated. The benchmarks must incorporate measures related to attendance, graduation rate when applicable, test participation and academic performance.) While NCLB establishes mandates for restructuring, few state or district policy leaders have experience executing the types of restructuring strategies required by NCLB.

To inform the process of implementing NCLB-mandated restructuring efforts, this report presents a summary of state-driven restructuring efforts in a single district: Chester Upland, Pennsylvania. Pennsylvania's experience with restructuring this low-performing district's schools provides practical information that should be valuable to other state and district education leaders charged with the arduous task of restructuring schools under NCLB.

To identify the lessons learned through restructuring in Chester Upland, the author conducted a thorough document review and interviewed state-, district- and school-level officials, as well as Edison Schools Inc. personnel actively involved with the restructuring process. The interviews provided vital information regarding policies and practices that fostered, or conversely impeded, the restructuring process.

By all accounts, school restructuring in Chester Upland School District (CUSD) is an example of how NOT to restructure. For the past four years, the district has been in relative turmoil due to an evolving partnership between the district and Edison Schools Inc. Each new school year has led to the igniting of a new set of fires, which

state, district and Edison personnel are continually struggling to extinguish. Caught in the middle of the turmoil are the children and families the restructuring initiative was designed to help. Nevertheless, almost in spite of everything that has occurred in the district, nearly all the schools have demonstrated some academic gains in mathematics and reading. While these gains have been limited, they are nonetheless encouraging.

"... the entire system is broke and has failed to accomplish its primary mission of educating our children. Therefore, the total public school system, as we know it, must be reformed."

(November 17, 2000, Reverend Coe, chairperson, Community Education Task Force)

Restructuring in Chester Upland School District

In May 2000, Pennsylvania joined 23 other states in passing a law – the Education Empowerment Act (EEA) – that grants the state extensive authority to intervene in school districts that are not demonstrating academic growth. The EEA outlined criteria for identifying failing school systems and specific actions that must occur in failing schools.

A district was identified as an education empowerment district if more than 50% of its students were in the bottom quartile on the state's reading and math tests in the two most recent school years. The academic criterion outlined in the 2000 act enhances that identified in previous legislation, which only focused on fiscal distress. Once a district is identified as an education empowerment district, it has three years to improve its performance or face a takeover by a state-appointed Board of Control (BOC). A BOC comprises three members: the Pennsylvania secretary of education or their designee and two residents of the county in which the school district is located who are appointed by the secretary.

"Amidst this climate of academic distress is an increasing public belief that the present public school system no longer operates in the interest of the children it serves. The schools are unaccountable for academic results (or the lack of them). Decisions within the system are often seen as benefiting adults at the expense of children. And parents and community members too often feel marginalized in the process."

(Education Empowerment Team, 2000)

When the Pennsylvania Legislature passed the EEA in 2000, CUSD qualified immediately for state intervention. This happened for two reasons: (1) the district had been managed by a state fiscal board of control for more than two years due to being identified as "fiscally distressed" in June 1994 and (2) the district had a history of low performance – an average of 68.4% of children failing in mathematics and reading for two consecutive years, according to the Pennsylvania System of School Assessment test (Education Empowerment Team, *Chester Upland School District, School District Improvement Plan*, 2000).

Based on a school improvement plan developed by a team of community members and state advisors, the Board of Control decided to hire private managers to manage the district's schools. The decision to hire external managers was attributed to a perceived lack of confidence in the district's ability to self-improve. While the purpose of the empowerment teams as outlined in the EEA was to develop a locally initiated plan to restructure failing schools with guidance from the state, in practice the approach to restructuring was largely dictated by the Pennsylvania Department of Education in Harrisburg.

The BOC sought to hire multiple private management companies to operate specific schools and therefore provide parents and students with a variety of educational options. In practice, the BOC ended up hiring a single entity – Edison Schools Inc. – to operate nine of the 10 schools in the district. The district continued to operate a single elementary school. The specific roles and responsibilities assigned to the central office and Edison Schools have been continually evolving, and the contract has been renegotiated three times in three years. The contract grants Edison authority to hire principals and implement its curriculum but otherwise grants Edison limited autonomy. Of particular consequence, the district retains responsibility for hiring and firing teachers. This limits Edison's ability to exert authority over its schools and subsequently implement its full model.

The state embraced privatization as a strategy for reform but members of the community, including members of the BOC who would be responsible for implementing the contracts, reportedly did not wholly embrace the strategy. Furthermore, while the politicians boasted about

"Restructuring in Chester Upland is the equivalent of playing tennis in the middle of the court ... you have to commit to play the baseline or the net, you can't win playing in the middle."
(BOC member)

the power of the law, the potential impact of the law is in fact somewhat limited due to a clause in the law that restricts any restructuring initiatives to the parameters articulated in existing collective-bargaining agreements. These obstacles were an early indication of future divides between the BOC, district administration, teachers' union and private managers hired to operate district schools.

Recurring Themes and Recommendations

The case study of state-driven restructuring in Chester Upland revealed recurring themes and practical recommendations regarding the transition to and actual operation of restructured public schools. The themes and recommendations fall into three broad categories: (1) the contracting process, (2) the transition to new management and (3) the operation of restructured schools. The themes and recommendations are summarized below.

The Contracting Process

- The existence of multiple restructuring strategies enables change agents to select the model most appropriate for a particular school or district. Once a model is selected, it is critical to harness its ability to foster change. The PDE and CUSD elected to hire private providers yet failed to capitalize on this model's various incentives to harness the potential of private contracting. Philosophical conflicts over the type of restructuring need to be tackled prior to implementing the model rather than after it is up and running.
- Negotiating a contract that relies upon multiple entities for implementation (i.e., the Board of Control, the district and the private provider) is cumbersome and requires extensive bargaining and brokering. The resultant contract represents a series of compromises that don't necessarily reflect best educational practice (e.g., Edison principals have limited control over their teachers). Compromise and consensus building are important but radical restructuring demands clear leadership that may periodically require sacrificing compromise and bypassing consensus building in the name of effective decisionmaking.
- Entities reviewing applications must conduct thorough due diligence regarding the academic and financial credentials of potential contractors.

Transition to New Management

- Private providers have a limited opportunity to make an initial impression, yet the community's initial impressions shape future perceptions. Districts and private providers should dedicate adequate resources to introducing private providers to the school communities in which they will work and to ensuring they can meet expectations.
- A strong management agreement precludes the need to continuously renegotiate the terms of the agreement. Renegotiations can lead to transition fatigue as stakeholders are habitually learning and relearning roles and responsibilities.

Operation of Restructured Schools

- There is no silver bullet to improve failing schools. Rather, states and districts need to select a model that will fit their unique circumstances and thereafter commit to the particular model to make it work in the local context.
- Hiring private providers to operate failing public schools is a relatively new and highly controversial reform strategy. To capitalize on the potential benefits of private management, private providers must be afforded the autonomy required to implement their educational model. If districts can't or won't delegate basic administrative responsibilities and extend autonomy to external operators, private management may prove to be an expensive yet relatively ineffectual model.
- Committed local leadership is critical to effective implementation of private management contracts.
- States cannot micro-manage restructuring from afar. The state has to either allow the local district to initiate the reform **or** commit to actively engage in the reform every step of the way at the local level, regardless of the political costs.

Final Thoughts

State-driven restructuring requires a commitment by the state to dictate the particulars and thereafter monitor implementation. In Pennsylvania, the state pressed the BOC to privatize yet did not follow through to ensure the privatization model negotiated was tenable. As a result, the BOC entered into a private management contract in spite of the fact it did not embrace the model.

The agreement between the BOC and Edison Schools does not embody the crux of private management: autonomy and accountability. Rather, the agreement preserves the central office while limiting Edison's ability to implement its educational model. Authority is distributed amongst various stakeholders who disagree about how restructuring should occur. Furthermore, the hybrid model dilutes the critical accountability component of the private management model. The push and pull between Edison and the district central office impacts teachers and students in tangible ways which create an environment that is far from ideal for learning. This approach is arguably wholly unsatisfactory to all the stakeholders.

Nevertheless, almost inexplicably, state-mandated restructuring in Chester Upland has led to change that can be construed as positive – nearly all schools have seen improvements in their test scores. The current state of affairs, however, is exceedingly dysfunctional, and the schools have a great distance to travel before students perform at satisfactory levels. The gains that have been recorded in CUSD are encouraging, but Edison and CUSD can and must do better.

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