

13:CHARTER SCHOOLS, VOUCHERS, AND EMOS

EXECUTIVE SUMMARY

RESEARCH FINDINGS

Of three proffered approaches to privatizing public education – charter schools, private school vouchers, or private management of public schools or charter schools – none has yet uncovered or established any factors that can be systematically applied to increase children’s achievement. Privatization alternatives have shown little accountability, despite promises to do so, and achievement data that have been reported have been inconsistent at best and suspect at worst.

RECOMMENDATIONS

- No existing charter school or private school voucher program funded by public money should be expanded. The existing evidence fails to support such expansion.
- Policy makers seeking to implement or expand voucher or charter school experiments should first design and implement rigorous evaluation programs that comprehensively examine the impact of such programs both on the students who participate in them and on the larger school districts in which they are operating.
- School districts and state legislatures should institute monitoring systems to ensure that for-profit Education Management Organizations fulfill the obligations they undertake when they contract to manage local public schools, including conventional public schools as well as charter schools, and should rigorously enforce contract compliance.

13:CHARTER SCHOOLS, VOUCHERS, AND EMOS

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The years since *A Nation At Risk* appeared in 1983 have seen an unprecedented level of effort at school reform. “Risk” urged public schools do more: more rigorous courses, more hours in the day, more days in the school year. Other reforms, though, are aimed at fundamentally changing the nature of how schools are funded or how they operate. Among the most popular of these attempts are *charter schools*, *vouchers* funded either by public funds or private charity, and the management of schools or parts of schools by private, mostly for-profit businesses referred to as *Educational Management Organizations*, or EMOs. This chapter examines what research has found about the ability of each of these three proposed reforms to increase student achievement, particularly the achievement of students in schools with high concentrations of poverty.

SCHOOL PRIVATIZATION RESEARCH

CHARTER SCHOOLS

The concept of a “charter school” was first put forth by Massachusetts teacher Ray Budde in the 1970s¹ and was adopted and popularized by Albert Shanker, President of the American Federation of Teachers in the 1980s.² In return for a charter freeing a school from many of the rules and regulations that applied to regular public school, the charter school would promise to raise achievement. If it failed, it would lose its charter. The change is often referred to as shifting from accountability by compliance to accountability by performance. The charter idea quickly became popular and advocates saw it as a way of stimulating education. Charter advocate Joe Nathan’s 1996 book

Charter Schools described the idea this way:

Charter schools are public, non-sectarian schools that do not have admissions tests but that operate under a written contract, or *charter*, from a school board or some other organization, such as a state school board. These contracts specify how the school will be held accountable for improved student achievement, in exchange for a waiver of most rules and regulations governing how they operate. Charter schools that improve achievement have their contracts renewed. Charter schools that do not improve student achievement over the contract's period are closed.³

Charter Schools and Accountability

Although Nathan's exposition presents accountability as a simple consequence of achievement, the concepts of accountability and of achievement have proven to be much more complex in practice. Early on, charter-school advocates Chester E. Finn, Jr., and colleagues acknowledged that they had "yet to see a single state with a thoughtful and well-formed plan for evaluating its charter school program."⁴ Earlier, Jeffrey Henig of the George Washington University observed that charter schools "show few signs of interest in systematic empirical research that is ultimately needed if we are going to be able to separate bold claim from proven performance. Premature claims of success, reliance on anecdotal and unreliable evidence are still the rule of the day."⁵

By 1999, the situation had not improved much, which Finn's colleague Manno attributed to the newness of the charter strategy, and the consequent absence of data; underdeveloped charter accountability systems; and the failure of charter authorizers and operators to embrace detailed and rigorous accountability systems.⁶ Meanwhile, other charter advocates have already complained, in the words of one, about "the ever-growing load of regulatory and reporting requirements" charter operators face.⁷ Moreover, charter advocates at the Center for Education Reform, in rating states' charter schools laws, consider the "strongest" to be those with the fewest regulations and requirements.⁸

Finn, Manno, and Gregg Vanourek prescribe an accountability procedure that they call “Accountability Via Transparency – a regimen where so much is visible in each school that its watchers and constituents routinely ‘regulate’ it through market-style mechanisms, rather than command-and-control structures.”⁹ These authors adapt the Generally Accepted Accounting Principles from the private sector into what they propose as the Generally Accepted Accounting Principles in Education. Yet the system they propose appears to call for more information than either traditional public or charter schools produce currently in the form of routine, timely and complete disclosure of details about their programs, performance, organizations and finances – requiring so much information and efforts to disseminate the information as to raise the question of whether it eviscerates the concept of charter school.

Some who have attempted to evaluate charter schools have not always found the schools responsive to inquiries on what data do exist, even when such data fall under the provisions of various states’ Freedom of Information Acts.¹⁰ The lack of responsiveness seems stronger in charter schools that are operated by Educational Management Organizations.

Others have found that charter school operators challenge the validity of data even when the data is routinely published at the state level. For instance, charter schools in Ohio spend a great deal more on administration and operating costs and less on instruction than do public schools. Charter defenders claimed that charter schools define categories of spending differently than do public schools.¹¹

The charter schools themselves have not taken the lead in becoming “transparent.” The Fourth Year Report on the Condition of Charter Schools from the U.

S. Department of Education found that only 37.3% of charters sent a progress report to the chartering agency. Some 60.9% did send a report to the school governing board, but only 41.2% sent one to the students' parents and only 25.3% sent one to the community.¹²

Without a great deal of technical assistance from outside agencies, the quality of reports is unlikely to be high. In Massachusetts, for instance, the State Department of Education (SDE) specifies what the charter schools' annual reports must contain. It is probably the clearest and most extensive set of specifications in any state. The Massachusetts SDE, though, does not specify the reports' format. As a consequence, the same information appears in quite different places in reports from different schools and, in fact, not all of the required data are present in all reports. For example, City on a Hill Charter School's 1999-2000 annual report was 68 pages long and cast mostly in narrative form. It did not report teacher experience. Murdoch Middle School's annual report was 28 pages long and provided a brief biography of its teachers, but no summary tabulations. Other charters provide teacher experience in tabular form.

Charters and Achievement

In the absence of much data about achievement, little can be said about whether or not charter schools increase student achievement. The most typical evaluation has been a comparison of test scores in charters and those in traditional public schools. Some of those comparisons have not favored charters.¹³ These comparisons are not conclusive and might be misleading, however. Many charter schools are established to educate "at risk" or special-needs students who, by definition, are not scoring well on tests or may not be taking them at all. A simple charter-public comparison cannot determine whether or not the charter school is instructionally deficient or if it has selected a more difficult student

population. To be more definitive, a comparison would need to have test scores for charter school students before they entered the charter school or, alternatively, would need to study growth in achievement over time in comparison to demographically similar public schools.

On occasion, press releases generated by charter advocates have been accepted uncritically or without sufficient care to what the reports actually said. For instance, of an evaluation of Pennsylvania charter schools, *USA Today* wrote that “Western Michigan University researchers found that Pennsylvania charter public schools posted gains on state assessments of more than 100 points in just two years, outpacing the gains of their host school districts by 86 points over the same period of time. The study examined 48 of the state’s 65 charter schools.”¹⁴ This statement is virtually a verbatim quote from a press release from the Pennsylvania Secretary of Education, an advocate of both charters and vouchers. In fact, the two-year data came from only four of the 48 schools examined and, overall, charters scored lower than their host districts.¹⁵

Evaluations of charter school achievement at the state level have been conducted in Arizona,¹⁶ Michigan,¹⁷ California,¹⁸ and Pennsylvania.¹⁹ A similar evaluation in Connecticut is near completion and an evaluation has been conducted on charter schools in the District of Columbia.²⁰

Arizona

In March, 2001, the Center for Market-Based Education at the Goldwater Institute in Phoenix released a study purporting to show larger test score gains in reading for Arizona students who stayed in charter schools two or three years compared to those who remained in traditional public schools for two or three years.²¹ Gains in mathematics were

not significantly different. The study takes advantage of the Arizona student database, which can track a student over the years as long as the student is somewhere in the Arizona public school system. The test used to measure gains was the Stanford Achievement Test, ninth edition (SAT9). The gains are measured in percentile ranks. However, Gene V Glass, Associate Dean of Research at Arizona State University, and Douglas Harris, an economist at the Economic Policy Institute, both have indicated that the methods used in reaching the report's conclusions are too unclear to be independently assessed.²²

Moreover, the gains, if we accept them, are relatively small, and, in fact, leave the charter students still scoring below traditional public school students at the end of three years.

The Goldwater researchers also analyzed changes in test scores for students who moved between the two types of schools, reporting that students do better when they start in a charter and move to a traditional public school than when they spend two years in a traditional public school or start in a traditional public school and then move to a charter.²³ Their report, however, obscures the fact that the test scores of students who moved from a charter school to a traditional public school increased the year after transition, while the test scores of those who moved from a traditional school to a charter school declined the year after the transition. They also ignore other, equally plausible, interpretations for changes at a very small scale – one or two percentile ranks. Those include the possibility that in moving back to traditional schools, charter students might simply have been more comfortable in their old school and among old friends. There is also substantial question about a standardized, norm-referenced test such as the SAT9 to

measure growth.²⁴ Finally, the drop in scores for students who enter charters does not accord with the results claimed for other choice experiments. These studies (of private voucher programs, which will be discussed later in this report) make contradictory claims: that either no change occurs until several years have passed,²⁵ or that positive outcomes resulted after a single year.²⁶ Furthermore the variety of reasons for which Arizona charter schools were started would suggest that judging them as a single category of “charter schools” and evaluating them with a single instrument, the SAT9 lacks any sound rationale.

California

The first evaluation of charters in California found there was too little information to report on student outcomes and that accountability goals were often vague, ill-defined, and difficult or impossible to assess.²⁷ Another evaluation, by Amy Wells and colleagues at UCLA, found that, contrary to claims that charter schools would be more efficient and produce more achievement with fewer resources, that they required more resources and relied on private charity as well as public funds to survive.²⁸

An evaluation of 13 Los Angeles Unified School District charters by West Ed, although hampered by disruptions in the state testing program, found more positive results, concluding that “charter schools maintain or slightly improve their performance over time with respect to students in a comparison group of non-charter schools, with a few exceptions.”²⁹

Michigan

Michigan differs from most states in that 71% of its charter schools, which account for 75% of charter schools students, are operated by private Educational

Management Organizations, almost all of which are for-profits.³⁰ Teams conducting two separate evaluations – one (PSC) of charters in Detroit, Flint, and Lansing³¹ and the other (WMU) of suburban and rural charters³² – agreed that scores from the Michigan Educational Assessment Program (MEAP) were not appropriate for evaluating the achievement of all charter schools because, as in California, some charters’ goals were not related to changes in test scores. Both evaluations, though, acknowledged the importance of MEAP in public thinking about schools and, therefore, analyzed MEAP data.

PSC found gains somewhat higher for charters than for comparison public schools. Eighty-three percent of the charters made satisfactory progress in math compared to 58% of the public comparison schools. In reading the figure was 63% and 46%, respectively. Seventy-one percent of the charters had larger gains than the comparison school in math, but only half has larger gains in reading. The study did not address possible factors that may have given charters an advantage, including reliance on drills that can improve elementary mathematics skills in the short term, and the fact that most charter schools are small and have small classes.

In their 2000 evaluation, Horn and Miron found charters did not score as high on MEAP as regular public schools in their districts, but noted that such comparisons are not always appropriate because some charters serve at-risk students.³³ Passing rates for charters fell from 1995-96 to 1996-97, rose the next year, the fell again. Over the same period of time, regular publics showed a gain in passing rates from 49.4% to 68%.³⁴ Horn and Miron concluded that state charter schools produced “few and limited innovations”, that most lacked comprehensive accountability plans, and that increased EMO

involvement was moving decision-making far from the school level.³⁵

Bettinger found charter school students scored no higher on average, and may be doing worse, than students in public schools with similar characteristics.³⁶ Bettinger also found that scores of students in public schools near charter schools declined. Because the charters drew students with lower scores initially, their leaving the public schools would have been expected to raise the public schools' scores.³⁷ Eberts and Hollenbeck's conclusions were consistent with the other evaluations, finding that charter school students scored lower on reading, math, science, and writing tests. The researchers used a model that controlled for characteristics of school districts, buildings, and students.³⁸

A contrary finding came from Hoxby, who concluded that Michigan public schools were more productive in districts where they had to compete with charter schools.³⁹ She calculates productivity by dividing a statewide test scores for a school by its per-pupil spending.⁴⁰ Some may question whether such a measure of productivity captures the complexity of a school, however. Hoxby also included untested assumptions, such as that "charter schools were likely to form in districts that had unproductive public schools."⁴¹

Pennsylvania

In their study of Pennsylvania charter schools, Miron and Nelson reported that the newness of the state's charters, along with a lack of data from charters and on student achievement rates before they began attending charter schools, precluded "conclusive statements about charter schools' impacts on student learning..."⁴² Despite that they reported that charter schools typically scored lower than their host districts on the Pennsylvania System of School Assessment.⁴³ Meanwhile, high attrition rates may thwart

the collection of more definitive data from Pennsylvania: In a “non-random” survey of charter schools, those reporting lost an average of 38% of their students.⁴⁴

Washington, D.C.

As with the other evaluations, the authors of the analysis of Washington, D. C. charter schools caution that the data from charters is not strictly comparable to data from other D. C. public schools (hereafter, DCPS) because charters typically serve a lower income population.⁴⁵ They note, though, that in spite of this the D. C. charter schools have fewer special education students. Nonetheless, comparisons of Stanford Achievement Test Series, Ninth Edition (SAT9), scores showed large differences in favor of DCPS students, even when schools are grouped by categories including percent of students from low-income homes, percent with language needs and percent in special education. Only the outcome for schools with 10-15% special education students are comparable, and only for reading. For this same group of schools, 33.6% of the DCPS students scored below basic in math, compared with 66.8% of the charter students.⁴⁶

Differences were generally larger for mathematics than for reading. For instance, in schools with 75% or more of the students from low income families, 26.6% of the DCPS students scored below basic in reading and 52.8% score below basic in math. For charter students, the figures are 52.8% and 78.4%, respectively.⁴⁷ Similar results were found at the “Proficient” and “Advanced” levels. Authors of the study suggest that teacher turnover due to longer school days and school years in charters than in DCPS created an additional barrier to student achievement.⁴⁸

VOUCHERS

The arguments for school vouchers are very similar to those for charter schools:

that giving parents the ability to choose alternatives to conventional public schools will encourage greater innovation and spur schools to achieve higher standards and better student outcomes.

Publicly Funded Vouchers

To date, most voucher programs have been small experiments in low-income urban areas. As such, the results, no matter how positive, cannot be generalized to the larger system. Some who favor vouchers acknowledge that limitation.⁴⁹ Some, however, argue for allowing voucher programs to operate in ways that would likely make attempts to draw universal conclusions nearly impossible. Paul E. Peterson of Harvard⁵⁰ has suggested that voucher schools in Milwaukee (which are required to choose students randomly) should have been allowed to select those students who seemed most compatible with the school's instructional program.⁵¹ His complaint reflects an intractable conflict between those who advocate vouchers and those who research the impact of vouchers. Researchers favor random assignment whenever it is possible to ensure that there is no selection bias (In his use of random assignment in his later studies, Peterson appears to have abandoned this objection.).

Milwaukee

“The Milwaukee case” is the oldest of the voucher experiments and its results are among the most contentious. The Wisconsin legislature created the Milwaukee voucher program in 1990, permitting 1% of the children in Milwaukee's low-income schools to attend private schools that would accept the voucher. The cap has been raised to 15% and the Wisconsin Supreme Court has declared that it is constitutional for the vouchers to be used at sectarian schools (the U. S. Supreme Court declined to hear the case).

John Witte of the University of Wisconsin conducted an evaluation for each of the first five years of the program. Witte and his co-authors concluded in the fifth-year evaluation that public school students and voucher students did not differ on measures of achievement.⁵² Peterson challenged these conclusions; his reanalysis found differences in both reading and mathematics favoring the voucher students.⁵³ Economist Cecilia Rouse of Princeton also reanalyzed the data using different assumptions about how it should be treated statistically. She found voucher students scored higher in mathematics, but not reading.⁵⁴ Rouse's treatment is the most complete in terms of testing alternative assumptions about sampling and missing data. Most of the difference occurred from declining scores of public school students, not increases by voucher students. Rouse has since suggested that the voucher students benefited from having smaller classes.⁵⁵

Cleveland

A second well-known voucher program was developed in 1995 in Cleveland through the initiative of then-Ohio governor George Voinovich. The Ohio legislature approved the use of state funds for vouchers and permitted them to be used at sectarian as well as secular schools. The program is currently before the US Supreme Court, while students in the program at the time of a lower court ruling striking down the program have been permitted to continue.

Greene, Peterson and Howell examined tests administered in the fall of 1996 and the spring of 1997 and concluded that the voucher students had gained 5.6 percentile ranks in reading and 11.6 in math.⁵⁶ This study was criticized for using fall-to-spring testing, which can be misleading for a variety of reasons, including that phenomenon of “summer loss” – when fall-to-spring gains have disappeared by the following fall,

appears to be particularly strong for low-income students. The Greene, Peterson, and Howell study was also criticized for only studying students in two of the schools, two Hope schools that had been newly created by Ohio entrepreneur, David Brennan.⁵⁷ A second test, again of only two Hope schools, by Peterson and colleagues in the fall of 1998 found smaller, but still statistically significant, gains in math and reading, and an insignificant decline in language scores.⁵⁸

A separate evaluation of the Cleveland program by researchers at Indiana University found “no significant differences” in achievement between voucher and public school students.⁵⁹ Peterson, Howell and Greene criticized the Indiana study on a number of methodological grounds. For one thing, the Indiana group had tried to control for prior achievement by factoring in the students’ performance in the second grade. Peterson, Greene and Howell found these scores implausible because they were much higher than comparable percentile ranks in the third grade (the second grade tests had been administered by Cleveland Public Schools, while the Indiana researchers had overseen the third grade test administration). In addition, the second grade tests had low correlations with family background characteristics, an unusual result.⁶⁰

Peterson and colleagues reanalyzed the data once excluding second-grade scores as a control variable, and once with those scores incorporated. With the second-grade scores excluded, statistically significant results were found in reading, mathematics, language skills, social studies and science. With the second grade scores included, effects were smaller and only those for language skills and science were statistically significant.⁶¹ Metcalf subsequently rebutted Peterson and colleagues,⁶² who rebutted Metcalf in turn,⁶³ each defending their research and impugning the other’s.

Other Publicly Funded Programs

No large-scale voucher experiment exists in the United States. Proposals for such in Michigan and California were defeated in the 2000 election by wide margins.

A potentially statewide program exists in Florida, but it has only 55 students. Florida's program allows students to enroll in private schools at public expense if their public schools are graded F (the bottom rank on a letter grade scale) by the state of Florida for two years in a row. In 1999, two schools received their second F's and their students were given voucher eligibility, with 55 enrolling in private schools. Jay P. Greene analyzed data from the Florida Comprehensive Assessment Tests (FCAT) for two years, for public schools that received the various grades. In general, schools with lower grades in the first year showed larger gains in the second, with D and F schools showing especially large gains.⁶⁴ Greene also compared schools in the upper-scoring half of all schools receiving F's in the first year with schools in the lower-scoring half of all schools receiving D's in the first year. These two groups of schools had similar performance characteristics, but the D schools were not at risk of losing students even if they received an F in the second year. The lower-half D schools showed less gain than the upper-half F schools. The effect sizes Greene derived from this analysis he called the "voucher effect." The effect was small for reading (0.12), and larger for mathematics (0.31), and writing (0.41). The effect sizes of all schools compared to F schools are much larger, ranging from 0.80 to 2.23.⁶⁵

Gregory Camilli and Katrina Bulkley of Rutgers University critiqued Greene's analysis,⁶⁶ arguing that much of the effect size was due to the sample that Greene used, the phenomenon of regression to the mean, and the level of aggregation.⁶⁷ Regardless of

its accuracy, the Greene analysis does not address the question of whether standardized test scores indicate general improvements in achievement.

Privately Funded Vouchers

The previous examples of voucher programs have all been of programs where public funds sponsored children to go to private schools. There are also programs in which private individuals or organizations provide the funding.

Indianapolis

The oldest private voucher program is run by the Educational Choice Charitable Trust in Indianapolis. An evaluation by David Weinschrott and Sally Kilgore found that public school students showed a decline in reading, language arts and math test scores in Grades 6 and 8 while voucher schools did not.⁶⁸ However, they based their conclusions on a small number of voucher students enrolled in a smaller number of voucher schools. In addition, they did not control for demographic differences in students or the test scores of the students before they entered the voucher program, leaving their results inconclusive.

Milwaukee

One large voucher program, Parents Advancing Values in Education in Milwaukee, has been in existence since 1992, but only one evaluation attempted to examine the program's effect on achievement. It appeared to show that students attending private schools for their entire school careers scored higher than those who transferred in from public schools. No controls were in place to match the samples. This and other methodological problems prevent any firm conclusions.

New York, Dayton, and Washington, D.C.

These three privately-funded programs are treated together because the evaluation teams have all included Paul Peterson and William Howell of Harvard, who have also written about them jointly.⁶⁹ The first-year evaluation of the New York City program included David Myers, a senior fellow at Mathematica Policy Research in Princeton. After the release of the first-year evaluation, Myers disavowed Peterson's characterization of the results.⁷⁰

The researchers contend that these three studies are superior to most others because the scholarships are awarded by lottery, thus those offered a scholarship should not differ from those who are not. They do not investigate the possibility that those who actually use a scholarship might constitute a different group, or the likelihood that those continuing with the program will evolve into a non-comparable group. For example, in the Milwaukee program, those who left private schools had lower test scores than those who continued to participate.⁷¹

The New York evaluation by Peterson and Mathematica compared test scores of 750 students who used vouchers with the achievement of 960 students whose families sought vouchers but were unsuccessful. The first year evaluation in New York examined scores on the ITBS by grade.⁷² Of the eight comparisons (four grades by two subjects – reading and mathematics), five were insignificant, and two were significant at the 0.10 level. Most social science researchers do not report 0.10 as indicating significance, using a more stringent 0.05 or 0.01 level. The remaining comparison, fourth-grade mathematics was significant at the 0.01 level. Combining all grades led to significance at the 0.05 level for mathematics and 0.10 for reading. Given the large sample sizes of 300 to 400 students

per grade, the lack of significant findings seems significant itself – the larger the sample size the greater the likelihood of obtaining significant results.

When the evaluators examined the second year of the New York results, along with the first- and second-year results from Dayton and Washington, they categorized the data by ethnicity, not by grade.⁷³ Positive results only occurred for African American-students.⁷⁴ After one year, only mathematics had been significant and then only at the not-often-used 0.10 level. After two years, the mathematics gain was significant at the 0.05 level, the reading at the 0.10.

For other ethnic groups combined, the scores show a decline in both subjects for voucher students, but neither the reading nor mathematics decline attains statistical significance. The relatively weak and inconsistent findings and questions about how experimental and control groups were constituted contradict the authors' assertion that their outcomes are comparable to those found in Tennessee's Project STAR (Student Teacher Achievement Ratio) class-size reduction experiment.⁷⁵

In considering possible explanations for their results, Peterson, Howell, Wolf and Campbell reject the contention that private schools have better facilities and smaller classes.⁷⁶

San Antonio

San Antonio has two privately funded voucher programs. The Children's Educational Opportunity Foundation (usually referred to as CEO America) funded both. One program, which began in 1992, provided scholarships for half of the tuition costs for private schools up to a maximum of \$750, reflecting the foundation's philosophy that parents who contributed a share of the tuition would be more involved and push their

children harder to succeed.

Researchers from the University of North Texas concluded that students choosing private schools had “marginal improvements in standardized reading scores and marginal declines in math,”⁷⁷ while students remaining in the public schools declined in both subjects in every year from third grade through ninth grade.

The research team found that the parents of voucher-using students were more involved in their children’s education *before* the program began, but participation in the voucher program did not increase involvement. The voucher program had a 50% dropout rate with lack of money and/or lack of transportation being the two most frequently given reasons.⁷⁸ This outcome illustrates a continuing difficulty in comparing voucher students with public school peers: When a large proportion of the voucher families leave the program, then that program is likely losing its poorest families. Thus, even if the charter and public school students were comparable when the experiment began, they will likely differ because of this poverty-induced attrition.

A second study examining a private voucher program enrolling 847 students and paying up to 100% of private-school costs in the Edgewood School District, in San Antonio⁷⁹ concluded that “unlike the strong positive effects of the scholarship program on parent satisfaction [of parents whose children went to private schools with vouchers], its effects on education practices and student achievement in the Edgewood public schools were negligible at best.”⁸⁰ The authors attribute Edgewood’s lack of responsiveness to long-standing “machine politics” and the small financial losses thus far occasioned by the program. Edgewood students did gain on the Texas Assessment of Academic Skills tests, but Greene and Hall dismiss this as a voucher effect because

comparable gains were made in demographically similar nearby districts that had no voucher programs. They do not address another possibility: that magnet schools Edgewood opened in 1998 represented an effective reform program before the voucher became available,⁸¹ and that the school district might be unresponsive to other changes because of its commitment to that program.

Private and Public Schools

Discussions of voucher efficacy often involve discussions on public vs. private schools in general. Public school critics often contend that private schools produce higher achievement than do the publics. The difficulty with this assertion, though, is that publics and privates often differ on demographic characteristics that are known to affect achievement. In such a case, one can't determine if the private schools produce higher achievers or if they simply started with higher achievers.⁸² In a different vein, Rothstein, Carnoy and Benveniste examined six common allegations about the superior accountability, rigor, discipline, efficiency at teacher selection and retention, academic achievement, and innovation of private schools and found that the type of school mattered much less than the area in which it was located. Affluent public schools resembled affluent private schools. Low-income public schools resembled low-income private schools. Affluent and low-income schools differed.⁸³

PRIVATIZATION

Privatization efforts in schooling in the United States take three forms. First there are private, non-profit schools such as those in the National Association of Independent Schools. Second there are private for-profit schools such as those represented in the National Independent Private Schools Association or private corporations such as Nobel

Learning Communities, Inc., and Knowledge Universe. The third form, which is the principal subject of attention here, is through the management of public schools either through charters or through management contracts by firms often known as Educational Management Organizations, or EMOs.⁸⁴ The contracts might be for a limited range of services or for the entire operation of a school or schools.

A contract with Education Alternatives Inc. to manage schools in Baltimore was evaluated by the American Federation of Teachers and the University of Maryland Baltimore County (UMBC).⁸⁵ The UMBC study found that, contrary to earlier claims from EAI, test scores in the EAI schools had not risen since 1991-92, the year before the contract began. The evaluation also found that EAI teachers spent more time teaching in small groups and a great deal more time preparing students to take standardized tests. EAI, which reorganized and changed its name to Tesseract, now appears to be out of business.⁸⁶

Evaluations of Edison Schools, Inc., which manages charter schools and contracts to manage some public schools, have been conducted by the American Federation of Teachers,⁸⁷ Western Michigan University,⁸⁸ and researchers at Columbia University.⁸⁹ The AFT concluded that Edison schools “mostly do as well as or poorer than comparable [public] schools; occasionally they do better.”⁹⁰ The union suggested that the company selectively reported data and did not compile all data in one place. Miron and Applegate, in an intensive study of 10 older Edison schools, reached similar conclusions.⁹¹ The Columbia University study looked at the academic climate and classroom culture of six schools, two each in California, Colorado and Michigan. In general, the study praised the academic climate of Edison schools but noted that most had trouble implementing

Edison's design "because of its complexity."⁹² The study included praise of Edison's operation of a charter elementary school in San Francisco,⁹³ but subsequent journalistic accounts have painted a more dire picture,⁹⁴ and on June 28, 2001, the San Francisco Board of Education voted to sever its ties to the school, which Edison continues to manage through a charter with the California State Board of Education.⁹⁵

Boston-based Advantage Schools Inc. showed large gains on standardized test scores in its internally prepared annual report issued March 2001, but those gains were limited to grades K-2 and the Woodcock Reading Mastery Test. Scores at Grades 3 and higher on the SAT9 were much smaller. Unlike Education Alternatives or Edison, Advantage has never been evaluated by an external organization. Advantage has since been acquired by another EMO corporation, Mosaica.

INFERENCES AND CONCLUSIONS

The various experiments in education, charter schools, vouchers, and takeover by private management companies have thus far failed to deliver what their advocates had hoped for. Charter schools have thus far proven difficult to evaluate in terms of improved educational achievement. Similarly, the results from voucher experiments have been contentious in some instances and ephemeral in others. Educational Management Organizations have issued reports claiming successes, but reviews by external organizations have failed to replicate the gains claimed.

Vouchers on a large scale appear to be for the moment at least without momentum. Two voucher referenda in Michigan and California in the 2000 election lost by wide margins. Congress dropped the voucher proposal in President Bush's education agenda.

In the charter realm, states appear to be moving to clarify and perhaps tighten accountability provisions. How this might affect charters' chances for charter renewal or revocation, though, is unclear. There as yet appears to be no consensus on how to evaluate charter school performance, nor how to interpret those evaluations, a state of affairs complicated by the fact that many who evaluate charter schools appear to be predisposed to their efficacy.⁹⁶

The picture for EMOs is decidedly mixed. Of the three described in this paper, one is in bankruptcy and has sold many assets, one is having financial difficulties and losing contracts, and one has lost \$197 million as of early 2001, but is still experiencing success in garnering new contracts.

SUMMARY AND RECOMMENDATIONS

None of the three proffered approaches to privatizing public education has yet uncovered or established any factors that can be systematically applied to increase children's achievement. Indeed, the data that have been reported so far do lead to three recommendations regarding voucher and charter school experiments in particular:

- No existing charter school or private school voucher program funded by public money should be expanded. The existing evidence fails to support such expansion.
- Policy makers seeking to implement or expand voucher or charter school experiments should first design and implement rigorous evaluation programs that comprehensively examine the impact of such programs both on the students who participate in them and on the larger school districts in which they are operating.

- School districts and state legislatures should institute monitoring systems to ensure that for-profit Education Management Organizations fulfill the obligations they undertake when they contract to manage local public schools, including conventional public schools as well as charter schools, and should rigorously enforce contract compliance.

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