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Failing District,



Failed Reform

After takeover, experiments, and chaos, Chester Upland's experience provides lessons in how not to restructure schools

The opening of the 2001-02 school year was supposed to be a day that no one in Chester, Pa., would forget, and Mother Nature did her best to comply. The clear blue sky and crisp temperatures were impossible to ignore as the men and women gathered in the library of Showalter Middle School.

The small group talked of hope, of rebirth, of the opportunity to bring change to the Chester Upland School District. They talked about the radical plan to resolve the district's history of academic misery and financial woes, of the circumstances that led to the hiring of Edison Schools to right the ship. They pointed to the students dressed in uniforms as a symbol that the district was moving in the right direction.

Pennsylvania Education Secretary Charles Zogby spoke, as did Juan Baughn, a community leader who had returned to Chester to run nine of the district's 10 schools for Edison, and Thomas Persing, the chairman of the state-appointed control board. The principal arranged for a tour of the school grounds, which had paint so fresh that it was still drying in some classrooms.

In a brief meeting with the media, Zogby declined to

comment on rumors that Edison would be tapped to run the Philadelphia school district, and then left in a hurry when an aide whispered something in his ear. He had been summoned to an emergency meeting with Gov. Tom Ridge.

The whispers were just beginning. Rumors, previously confined to Edison's late arrival and the state takeover, turned quickly to another, more disturbing topic—two airplanes had just struck the Twin Towers.

A tumultuous five years

Five years after 9/11 changed the world, not much is different in Chester Upland, which includes the town of Chester and the borough of Upland, 20 miles southwest of Philadelphia. For more than a decade, the district has been haunted by a revolving door of failed reforms that cut across academic, administrative, financial, and political lines. It remains, in the words of one researcher, the best example of how not to restructure a struggling district.

More than half of the Class of 2006, which was in first grade when the first state control board was installed in 1994, dropped out before finishing high school. One-third of the 7,200 eligible students attend charter schools, an enrollment hit that has cost the district money and personnel. A

Gang symbols adorn the outside of Chester Upland's Edward A. Perry School, which was closed to help the district meet its dwindling budget (right). Two men (left) walk outside Chester High School, where just half of the Class of 2006 graduated.

lawsuit between Democratic Gov. Ed Rendell and the Republican-appointed control board, the result of a long-running dispute over finances, potentially could put the district into receivership, but the outcome still has not been decided.

"A great deal of time, energy, and resources have been expended in Chester Upland not to change anything," says Lauren Morando Rhim, a University of Maryland professor who has examined state takeovers for the Education Commission of the States. "It's the worst kind of reform there is."

The last five years have been tumultuous for Edison as well. Prior to 9/11, the nation's largest private manager of public schools was expanding rapidly, and its stock was performing well on Wall Street. With the support of Ridge, the company was poised to take over most—if not all—of Philadelphia, the nation's seventh-largest district.

Ridge was one of Edison's biggest backers (he wrote the introduction to founder Chris Whittle's 2005 book *Crash Course*), but his departure to become Director of Homeland Security in the aftermath of 9/11 set in motion a chain of events that nearly bankrupted the company.

Those events—a swirl of community protests and lack of overt support for Edison from Ridge's successor, Gov. Mark Schweiker—led to the publicly traded company getting only 20 of Philadelphia's 264 schools. That move, amid a swarm of negative publicity surrounding Edison and a post-9/11 economic downturn, was devastating. At one point, Edison's stock fell from a high of \$40 to 14 cents per share before Whittle made the company private in late 2003.

"We lost an absolutely crucial ally at a critical moment in time," Whittle says of Ridge's departure. "I would be kidding you if I said we didn't view it as a big loss. The period immediately following 9/11 was a very, very tough stretch for us. ... Of our 15 years, it was one of the two or three toughest periods we've had."

As for Chester Upland, Whittle says the district never had the autonomy necessary to put its model into place. And that, combined with the district's financial problems, spelled disaster.

"Literally, in our 15-year experience as an organization, we have experienced nothing on the order of the magnitude of the losses we encountered in Chester," says Whittle, who estimates that Edison lost \$30 million over a four-year period. "It was financially, without question, the worst situation in the history of the company."

A failed experiment

Restructuring is one of the buzzwords of the No Child Left

Behind Act, the radical last stop for low-performing schools and districts that persistently fail to improve student achievement. But, as the case of Chester Upland illustrates, restructuring efforts don't stand a chance when politics and patronage undercut progress at every turn.

How did things turn out this badly?

The problems started more than two decades ago, when Chester—a once-vibrant factory town—lost much of its industrial base and was overtaken by urban blight. Today, the city's financial struggles are mirrored in its student population, 80 percent of which receives free and reduced-price lunch. Houses and businesses are boarded up in the downtown area, where most of the schools are located.

By 1994, the district was classified as "financially distressed," and the state moved in with a control board to oversee Chester Upland's operations. Six years later, Ridge—a proponent of privatization and charter schools—pushed the state's Education Empowerment Act through the legislature to address districts that were "academically distressed." That set in motion a plan to turn over the district's operations to a group of private providers under the authority of another control board.

The control board ultimately decided to go with three private providers—Edison, Learn Now, and Mosaica—to operate nine of the district's 10 schools starting in 2001-02. The district maintained a separate superintendent and control over the infrastructure and staff.

Before the year started, Mosaica left and Edison—then rapidly expanding with an eye toward Philadelphia—purchased LearnNow, effectively taking control of 90 percent of the district. Baughn, who was in charge of LearnNow's operations in Chester, was hired as the head of the district's operations by Edison.

The experiment, all sides now agree, was doomed from the start. A memorandum of understanding between Edison and the teachers' union was not signed until days before school began. District officials were resistant to Edison's reforms, and the company had no authority to hire and fire staff. Edison was late in hiring administrators and ordering supplies, such as textbooks.

"We were always under the gun," says Baughn, who stayed with Edison in Chester until February 2004. "We couldn't put in the full Edison program from the start. When you start piecemealing stuff it doesn't work as well. Personalities got in the way, and folks lost sight of why we were there. Any time you start focusing on adult issues and not kid issues that's what happens."

Politics and turmoil

By the end of 2002, the relationship between Edison, the school district, and the community had soured so much that any gains—and there had been limited gains in achievement—were overshadowed by turmoil and political bile.

And then things got worse.

As Schweiker, a Republican, was leaving the governor's office, he pushed through a bill that ousted the board of control and prevented his Democratic successor—Rendell—from removing his appointees.

"I had no idea going into this how many problems there were down there," says Michael Gillin, a powerful Republican in Delaware County and the control board's chairman. "It was a mess when I got there, and it took me about six months to realize that the administration was incompetent."

By the end of the 2003-04 school year, the district's deficit was \$35 million. In one year, the district had lost \$10.7 million. One large charter school closed and another shut down its high school program, which meant that the already understaffed Chester High School had to add hundreds of students.

"I thought the administration was trying to work with Edison when we took over, but the administration was trying to sabotage everything Edison was doing," Gillin says. "The whole thing was dysfunctional."

The district's controller and business manager were fired, and an outside auditor was brought in. In December 2004, then-Education Secretary Frances Barnes said there had been more than 20 serious findings of fiscal mismanagement.

When the 2004-05 school year started, Chester High School was overcrowded. The school did not have enough textbooks, in part because Edison had not been paid, and students walked out. A fight—described alternately as a melee and a riot in local news coverage—led to the arrest of 28 students.

By the end of the school year, Edison had fired two of its principals—one for allegations of sexual assault against a student and one who was accused of helping students cheat on exams. Another school closed after it was declared unfit for students, and the state had to bail out the district to make payroll.

"It's adults behaving badly," says Rhim, the ECS researcher who issued her report on the Chester Upland takeover in 2005. "It was adults. It wasn't kids. The district doesn't have the tax base it needs, but the people there don't seem to be willing to make the sacrifices necessary for it to be successful. And it's been going on for a long time."

Edison threw up its hands in defeat, announcing in April 2005 that it would leave one year early.

"We couldn't get the support to implement our program, and it was difficult for us to fill the educational promises that we made from a strict contractual standpoint," says John Chubb, Edison's chief education officer. "They were out of money and there was no promise that we were going to be paid. It became almost untenable for us to stay."

Bailouts, lawsuits, and hope

After all of the problems in 2004-05, Edison's departure brought more state intervention. Juan Baughn, having left Edison two years earlier, was asked by the Pennsylvania



Gloria Grantham, superintendent of the Chester Upland School District, has developed an 18-month plan to turn around the struggling schools. She calls her efforts "triage" and refuses to be part of the politics that are ingrained in the district's history.

Education Department to help prepare the schools for opening as the control board looked for a superintendent and new principals.

"It was a major effort just to get the schools open," says Baughan, now in charge of distinguished educator teams that are working in 13 of the state's 21 lowest-performing school districts. "We counted textbooks. We counted chairs and rooms. My assistant put together a schedule. We got it up and running again."

In August 2005, the control board named Gloria Grantham as the district's third superintendent in less than five years. Grantham, who quickly developed an 18-month plan to turn around the district, called her efforts "triage."

"We've got only four goals: safety, how the physical space is used, organizational accountability, and how we will involve everyone to work with the district," Grantham says. "We're doing this and we're following it just like a prescription."

Elementary schools and middle schools have been restructured, with a new arts curriculum in one school and a new science and math curriculum in another. The Success for All reading program now is in place throughout the elementary grades. High schools are operating on a block schedule.

Grantham refuses to talk about the lawsuit and the problems the district has had. Her focus, she says, is on the present and future.

"I came because I wanted to eradicate the academic crisis that we have. We want to build scholars here," Grantham says. "Don't ask me to be political. I am not into the politics. I am an educator."

Philadelphia reforms taking hold

Despite Grantham's efforts, there are signs everywhere that the district's struggles won't end soon. Governor Rendell filed a lawsuit in October 2005 to oust the control board and bring more control for the district under the education secretary. Outside the board room, signs warn residents that disrupting board of control meetings is a misdemeanor, the product of a series of rancorous sessions this spring that led to arrests. A number of community leaders have joined Rendell in calling for the board—now just two members—to step down, but Gillin and Adriene Irving have refused.

In late August, just four weeks before school started, the district posted signs seeking assistant principals—elementary, middle, and high school—to be “part of a districtwide reconstitution effort that will raise the achievement level for all students and enrich the school climate.” Teachers, working under an expired contract that still is not being negotiated, did not have their assignments. Two schools have been closed, and 90 teachers were furloughed to meet the budget.

“There's got to be a plan created that everyone buys into, and they've got to stay the course as long as it takes to make improvements,” Baughn says. “Whatever programs go into Chester, they have to be bigger than who is in charge. Every time there's a new leader, there's a new program and they're always starting over. The staff says, ‘Well, this person will be gone soon. Why do I have to do this?’ And so far the staff has been right.”

Because of the litigation, Gillin, Baughn, and others will not talk about the future of Chester Upland's governance. But, ironically, all agree that structure is something that is desperately needed.

“There have been a lot of false starts in Chester,” says Terry Barnaby, associate executive director for the Pennsylvania State Education Association. “There hasn't been a consistent program for our members to follow because of constant disruption at the leadership level. There are so many questions, and no one there seems to have any answers.”

Five years ago, Edison and the state thought they had the answers. On 9/11, Baughn drove around Chester, monitoring the world events on television as he shuffled between individual schools. He made the controversial decision—the first of many, it turned out—that students should remain in school rather than be sent home.

“I thought they were better off in school where they had the supports they needed. No one really knew what was happening, and they didn't need to be roaming the streets that day,” he says.

After a pause, he continues: “I've regretted a lot of the decisions that were made about Chester and what has happened to that school district. But I've never regretted that one.” ■

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For all of the failures in Chester Upland, some say that bringing in multiple providers can help turn around a struggling school district. As an example, they point to Chester Upland's big-city neighbor: Philadelphia.

In 2002, Edison was hired by the state to operate 20 schools in Philadelphia, far fewer than the company had sought but still the most among the multiple groups that are helping to turn around the nation's seventh-largest school district. Now, as Edison enters the final year of its contract with the state's School Reform Commission, having added two more schools last year, all sides agree that the experiment has been successful. The district has improved test scores for four years in a row.

“They're doing well,” says Paul Vallas, Philadelphia's chief executive. “Edison has come very close to matching the district in performance. Edison took over 20 of our worst-performing schools. They have a very effective instructional management process and intensive professional development model.”

The difference between Chester Upland and Philadelphia, observers say, is that Vallas has supported the company's efforts. The district, because of its size, also can allow Edison and other private providers to take over entire “clusters” of schools from grades K to 12. Edison also has the authority to hire staff at the schools it manages.

“In Philadelphia, this type of model can work because of sheer numbers, because it allows Edison to install its entire curriculum,” says Lauren Morando Rhim, who has studied the effect of state takeovers for the Education Commission of the States. “It also helps that upper management is not trying to sabotage them at every turn.”

Chris Whittle, Edison's founder and CEO, says Vallas' acceptance of the multiple-provider concept has been “crucial” to the company's longevity and success.

“We've had terrific support from the Vallas administration over the last four years,” Whittle says. “He has always approached this with the attitude that he wanted to do everything he could to make every one of his providers as successful as he could. And that has had a big impact on what we have been able to do.”

Both Whittle and John Chubb, Edison's chief education officer, say that having multiple companies work within the district also cuts back on politics—one of the downfalls in Chester Upland.

“In retrospect, one of the things that both school districts have learned, and we have learned, is that multiple players in one city don't allow opponents to zero in on specific entities,” Whittle says. “The idea becomes more important than the entity, and that wasn't able to flourish in Chester. We were consumed by politics there.”

Chubb says he hopes that Edison's contract, which is up for renewal this year, can continue in Philadelphia. But even if it doesn't, he says, the multiple-provider experiment has proven that it can work.

“What's happened in Philadelphia that's most important is not so much the success of Edison, but the success of an idea,” Chubb says. “There are a lot of private partners in Philadelphia working with the school district to provide different kinds of solutions for different kinds of schools. Edison is the largest part of that, but we're just one piece of the puzzle. It's the district that is making strides.”