

The Status of 2006-07 Academic Performance in the School District of Philadelphia

Report to the School Reform Commission

Accountability Review Council

James E. Lyons, Sr., Ph.D. – Chairman

Edmund R. Becker, Ph.D.

Peter F. Burnham, Ph.D.

Seymour Fliegel

Constance L. Hollinger, Ph.D.

Marlene Weinstein

Judith A. Winston, Esq.

Kenneth K. Wong, Ph.D. – Executive Advisor to ARC

Neil S. Fleming, Ph.D. – Assessment Consultant to ARC

March 2008



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Executive Summary

This summary highlights the major findings from the Accountability Review Council's (ARC) review of School District of Philadelphia academic performance through the 2006-2007 school year. It includes an abbreviated discussion of District performance from several different perspectives as well as the major points from the ARC's focus area for the 2008 report: Academic Performance of Charter Schools. More detailed information can be found on page nine, which is the beginning of the full report.

In an effort to improve the School District of Philadelphia's management and academic achievement, the Commonwealth of Pennsylvania asserted control of Philadelphia public schools in December 2001. To avert a "hostile" takeover, the Governor and the Mayor chose to enter into a unique partnership to jointly manage the School District. The reform legislation that created the five-member School Reform Commission also mandated that an "independent assessment and reporting center" be instituted to gauge the outcomes of the District's reform. The SRC fulfilled its statutory obligation by creating an independent council, the Accountability Review Council (ARC), to monitor the District's reform efforts. The ARC evaluates and validates the results of student and school achievement and the District's reform initiatives. The ARC summarizes its findings and recommendations in its annual report to the SRC.

As the ARC submits this annual report to the SRC, students, parents, and the public in Philadelphia are eagerly waiting for the arrival of the new CEO, Dr. Arlene Ackerman. In this critical period of leadership succession, this current report can serve as a useful baseline for the new leadership team. Over the last five years, the School District of Philadelphia (SDP) has made measurable progress in maintaining academic gains. When compared to 2002, there were 85 additional District schools making AYP in 2007.

As the statutory group that is charged with assessing the progress of the District, the Accountability Review Council remains a stable institutional entity during this critical period of leadership succession. The ARC's collective experience over the last five years has led to the observation that the school children of Philadelphia are, perhaps for the first time in decades, benefiting from significant strategic initiatives such as core curriculum, improved early childhood education, reorganization of the school day to focus time on learning needs, implementation of a K-8 model, smaller high schools, improvement of school safety and climate, improved teacher quality, and a greater opportunity for school choice.

School improvement notwithstanding, the ARC sees enormous challenges remaining. As this report found, since 2004, there has been a general decline in the percentage of schools making Adequate Yearly Progress. Many of the EMO-managed schools did not show academic improvement. On the targets established in *Measures that Matter*, the ARC found that the District will not meet many of the goals within the timeframe specified by the SRC. Clearly, there is a need for the SRC to consider a new roadmap to guide reform actions.

Drawing on its institutional memory for the last five years, the ARC urges the SRC to forge a closer connection between its vision and its actions. Clearly, the SRC has articulated its aspirations for the District in the Declaration of Education. In reality, the goals in *Measures that Matter* are not reachable within the timeframe. It is this gap between aspiration and feasibility that the SRC needs to address. The vision-action connection needs to be grounded in annualized targets that are realistic, given the context of Philadelphia. The ARC recommends that the SRC use the academic performance for 2007 as the baseline to establish a set of actionable targets. These targets will provide the rationale for a new roadmap for the new CEO in the next five years. Strategic deployment of resources and aggressive use of data must be aligned to support the delivery of the established goals. For example, if the SRC chooses to identify reading proficiency at third grade as a priority goal in the next five years, then it must create the necessary enabling conditions for principals, teachers, students, and parents to focus their work on that goal. In other words, the SRC policy decisions must aim at closing the gap between vision and action for the District's priority goals.

The ARC commends the SRC for taking the initiative to improve the District's lowest performing schools, such as the Corrective Action II (CAII) schools. In developing the appropriate course of intervention, the SRC is encouraged to consider the ARC's recommendations on accountability and diverse service providers in the 2007 annual report. More specifically, the ARC encourages the SRC to consider the District-restructured schools as a potential model of school improvement. Further, the ARC encourages the SRC to take a school-by-school approach in deciding the future of relying on alternative management as a reform strategy. For CAII schools that persistently performed well below the District average over the last several years, the SRC should consider reassigning these schools as part of the restructured schools effort. Decisions to contract out CAII schools should be grounded with strong evidence for potential success. Clearly, there is a need for monitoring the effects of reform strategies in CAII schools. For CAII schools, it is important to gauge student progress on multiple learning indicators over the course of an academic year. In short, the ARC encourages the SRC to provide greater transparency in its intervention strategy.

Given public interest in the District's diverse provider initiative, the Accountability Review Council sees the need to examine charter school performance in this report. At the same time, the ARC is required to carry out its statutory responsibility in verifying the annual performance of the SDP as a whole. Consequently, in this current report, the ARC pursues two broad questions:

- I. Did the SDP make progress in meeting the NCLB expectations during 2006-07?
- II. Did charter schools in Philadelphia make academic gains that were comparable to the rest of the District?

To address the first question on District progress, the ARC relies on data and analysis from several perspectives:

1. Performance as measured by the state's Pennsylvania System of School Assessment (PSSA) exam in mathematics and reading, and the SDP's performance compared to the rest of the state.
2. Performance as measured by the Pennsylvania Department of Education's (PDE) accountability system. Under PDE's system, performance is benchmarked against PSSA proficiency targets and other indicators as stipulated in PDE's accountability system and as required by No Child Left Behind.
3. Performance as measured by *Measures that Matter*, an ambitious set of goals aligned with the School Reform Commission's Declaration of Education. The SRC expects the *Measures'* goals to be achieved by 2008.

To address the second question—whether charter schools in Philadelphia made academic gains that were comparable to the rest of the District, the ARC draws on two sources of quantitative data and synthesizes studies that use different analytic methods. More specifically, the ARC has contracted with the RAND Corporation, Research for Action and Mathematica to conduct an independent assessment on student achievement for charter schools in the District. The RAND/RFA/Mathematica study will be publicly released soon after the ARC's presentation of this report to the SRC in March 2008. The ARC also analyzed trends on charter school performance by examining PSSA and AYP results over time. In addition to these two perspectives on student achievement, Research for Action reviewed information from charter schools' Web sites and recent reports to the Pennsylvania Department of Education to provide descriptions of the range and diversity of charter school programs in Philadelphia. As part of this overview, RFA provided examples of unique practices reported by charter schools.

I. ARC Review of Evidence on District Performance

The ARC's analysis of the fifth year of the District's school reform effort and the information that follows in this annual report are based on data from school years 2001-02 through 2006-07. As in prior ARC reports, this report is framed by the same set of questions that guided the ARC's initial inquiry into the District's reform effort and achievement data. These questions are outlined below along with observations regarding the progress of the current reform and the reported data. Finally, the ARC proposes recommendations on policy and evaluation.

Although the ARC commends the SRC for setting ambitious goals for Philadelphia's students, this report repeats its ongoing concern about the unrealistic timeline for these goals and about the gap between the timeline and reality. As noted in the February 2007 ARC report to the SRC, Adequate Yearly Progress (AYP) targets under No Child Left Behind are well below goals set in *Measures that Matter*. 2008 AYP proficiency targets are set at 63% and 56%, respectively for reading and mathematics, whereas *Measures that Matter* goals are set at 80% for both subject areas. This update to the previous ARC report comes at an appropriate time for the SRC to revisit the *Measures'* goals in light of the NCLB expectation of 100 percent proficiency by 2013-14. Current evidence on performance of the District's students suggests that the SRC should look at the current rate of progress over the past five years and re-evaluate its goals for Philadelphia's students. The ARC plans to examine the evidence of progress in other urban districts in its ongoing discussion on SRC goals beyond 2008.

How does the District's progress in having an increasing proportion of students master the Pennsylvania Academic Standards, as measured by the Pennsylvania System of School Assessment (PSSA), compare with that of the state?

From 2002 to 2007, the District continues to make measurable progress at all grade levels in the percentage of students that are Advanced or Proficient in reading and math. The 2005-06 decline in the percentage of students at the Advanced or Proficient levels on the PSSA for grade 5 (math and reading) and grade 8 (math) is reversed in 2007. However, there is a decrease in the percentage of students scoring at the Advanced or Proficient levels on the PSSA during 2006-07 for grade 3 math. Although the state continues to score higher than the District in math and reading, the District's increase of students scoring at the Advanced or Proficient levels from 2006 to 2007 in reading is higher than those of the state for grades 3 through 8 and 11. In math, the District's increases outpace those of the state for grades 4, 6, 8, and 11.

What is the District's status in terms of meeting the Adequate Yearly Progress requirements of No Child Left Behind? What are some of the challenges confronting District schools in making AYP in future years?

Between 2002 and 2007 there have been considerable gains towards meeting AYP requirements. However, since 2004, there is a general decline in the percentage of schools making AYP, with the decrease most acute for Education Management Organizations (EMO) schools. As the Pennsylvania Department of Education's NCLB accountability system increases its targets in reading and math, the SDP in general, and EMO schools in particular, will be significantly challenged to meet targets that have been set for 2008 to 2014.

Are students in the various subgroups defined in No Child Left Behind demonstrating mastery of the Pennsylvania Academic Standards as measured by the PSSA?

While all student subgroups showed academic improvement, there was only modest narrowing of the gap between Black and Latino students relative to Asian and White students. The achievement gap remains significant and poses a serious challenge to the attainment of AYP targets. Furthermore, schools with a greater number of subgroups – and particularly those schools with a high population of student with disabilities – faced more difficulty in meeting the AYP.

Is the SDP making measurable progress toward meeting the 2006-07 targets of the SRC's Measures that Matter?

The ARC commends the SRC for its ambitious goals in *Measures that Matter* for the students of the School District of Philadelphia. The SDP is making measurable progress, but the pace of change in the percentage point growth of students testing at the Advanced or Proficient levels on the PSSA suggest that the SRC goals are not attainable by 2008. Past and current progress indicates that the SDP will not meet the goals of *Measures that Matter* within the timeframe delineated by the SRC.

What were the PSSA results for District-managed schools, EMO schools, and charter schools?

The SDP continues to make steady progress as measured by the PSSA, particularly at the elementary level. Since 2002, District-managed, EMO, and charter schools have increased the percentage of students scoring at the Advanced or Proficient levels in reading and math. However, EMO schools continue to show the least improvement.

II. ARC Review of Academic Performance of Charter Schools

Recognizing charter schools' potential for innovative practices, the ARC examines issues that pertain to charter school performance at two levels: charter schools as a group and individual student academic gains over time. The issues that the ARC examines include: Do charter schools produce better student achievement than traditional public schools? Do charter schools attract students who are academically better prepared? Is charter school performance associated with a particular type of charter schools? Do students who remain in charter schools show stronger academic gains over time?

Making AYP: Charter Schools As a Group Outperforms District Schools and EMO-managed Schools

Charter schools had a higher percentage of schools making Adequate Yearly Progress (AYP) in 2007 than District schools and EMO schools. Charter schools appear to outperform District and EMO schools in making AYP, but this may be largely a function of these schools having fewer measurable subgroups.

Individual Student Achievement Gains: Comparing Students who Attended Charter and District Schools Over Time

Recognizing charter schools' strong AYP performance overall and that some charters are performing better than others, the ARC further examines achievement at the *individual student* level. In considering individual student achievement gains over time, the ARC draws on a March 2008 study conducted by the RAND Corporation, Research for Action, and Mathematica. This study examined gains in achievement at the individual student level between 2002 and 2007 on standardized tests, which included PSSA, Stanford 9, and TerraNova results. It should be noted that the RAND/RFA/Mathematica study received partial financial support from the ARC.

A key design of the RAND/RFA/Mathematica study is the use of longitudinally linked student-level data, which provides the ability to follow students as they move from traditional District public schools to charter schools, and vice versa. The longitudinal student data allows the study to compare the achievement gains of students while attending charter schools to the gains of these same students while attending District traditional public schools (in both cases, differenced against average gains of students District-wide). This is important because charter students may differ from typical District students in ways that could affect their achievement levels independently of the performance of their schools.

Using the student-level data to track students over time, the RAND/RFA/Mathematica report's key findings are summarized below:

- Charter schools attracted students who generally performed better than their peers in their previous public school, but were still performing below the District average.
- In choosing charter schools, students tended to sort themselves into schools with a slightly greater share of students of their same race/ethnicity. For example, African American students left schools that were on average 84 percent African American and transferred to charter schools that enrolled on average 87 percent African American. Similar patterns emerged for white and Hispanic students.
- Rates of mobility in charter schools are similar to those in District schools.
- The analysis suggests that charter schools are not performing substantially better nor substantially worse than District schools in raising student achievement. Students' achievement gains in charter schools were generally on par with their achievement gains in District schools. Results for individual racial/ethnic groups likewise suggest no substantial differences in achievement gains in charter schools versus District schools.
- The performance of Philadelphia's charter schools as measured by student achievement gains was not associated with the length of time that the charter school has been operating.
- Charter high schools seemed to perform better, on average, than K-8 charter schools
- The study did not find a correlation between the stated mission of the charter school and its performance.
- The RAND/RFA/Mathematica study found no evidence that the presence of charter schools generates a "competition effect" in nearby District schools. District schools with the highest levels of charter competition in their local neighborhoods did not show evidence of doing better or worse as a result of the competition.

I. Academic Performance of the Philadelphia School District

The ARC's analysis of the fifth year of the District's school reform effort and the information that follows in this annual report are based on data from school years 2001-02 through 2006-07. As in prior ARC reports, this report is framed by the same set of questions that guided the Council's initial inquiry into the District's reform effort and achievement data. These questions are outlined below along with observations regarding the progress of the current reform and the reported data. A section below each question provides background context to help the reader understand the data and analyses. Finally, the ARC proposes recommendations on policy and evaluation.

Although the ARC commends the SRC for setting ambitious goals for Philadelphia's students, this report repeats its ongoing concern about the unrealistic timeframe for these goals and the gap between the timeline and reality. As noted in the February 2007 ARC report to the SRC, Adequate Yearly Progress (AYP) targets under No Child Left Behind are well below goals set in *Measures that Matter*. 2008 AYP targets are set at 63% and 56% for reading and mathematics, respectively, whereas *Measures that Matter* goals are set at 80% for both subject areas. This update to the previous ARC report might be an appropriate time for the SRC to revisit the *Measures'* goals in light of NCLB expectation of 100 percent proficiency by 2013-14. Current evidence on performance of the District's students suggests that the SRC should look at the current rate of progress over the past five years of this period of reform and reevaluate its goals for Philadelphia's students. The ARC plans to examine the evidence of progress in other urban districts in its ongoing discussion on SRC goals beyond 2008.

ARC Review of Evidence on District Performance

- 1. How does the District's progress in having an increasing proportion of students master the Pennsylvania Academic Standards, as measured by the Pennsylvania System of School Assessment (PSSA), compare with that of the state?**

ARC's overall assessment:

From 2002 to 2007, the District continues to make measurable progress at all grade levels in the percentage of students that are Advanced or Proficient in reading and math. The 2005-06 decline in the percentage of students Advanced or Proficient in PSSA for grade 5 (math and reading) and grade 8 (math) is reversed. However, there is a decrease in percentages of students Advanced or Proficient in PSSA during 2006-07 for grade 3 math. Although the state continues to score higher than the District in both math and reading, the District's increase in the percentage of students scoring at the Advanced or Proficient levels from 2006 to 2007 in reading are higher than those of the state for grades 3 through 8 and 11. In math, the District's increases outpace those of the state for grades 4, 6, 8, and 11.

Background on PSSA. Pennsylvania administered the PSSA in reading and mathematics statewide to all students in grades 3 through 8 and in grade 11 in spring 2007. Results from all tested grades are used to measure Adequate Yearly Progress in meeting Pennsylvania Academic Standards. Pennsylvania is required under "No Child Left Behind" to show relative levels of student performance. In Pennsylvania, these levels are, from highest to lowest, Advanced, Proficient, Basic, and Below Basic. Annual accountability targets in NCLB are expressed as percentages of students scoring Advanced or Proficient in reading and mathematics on the PSSA.

In evaluating District progress on the PSSA, consideration is given to two issues: 1) whether District performance is improving over time, and 2) how the District performance compares to the rest of the state. Results are expressed as changes in the percentage of students scoring Advanced or Proficient from administrations of the 2006 PSSA and the 2007 PSSA, and are reported in the bullet points below. When results were available, changes from the administration of the 2002 PSSA and 2007 PSSA are reported. Full results are shown in Appendix A.

Change from 2006 to 2007: Grade 3. In reading, the District showed considerable improvement from 2006 to 2007 as the percentage of students scoring at the Advanced or Proficient level increased from 42.0 % to 46.4 %, up 4.4 percentage points. This progress for the SDP is greater than that of the State, which improved 3.8 percentage points in reading. However, the District experienced a decrease in math, as the percentage of Advanced or Proficient

scores dropped from 59.0% to 52.2%. While the state's math performance also dropped, the District's drop was steeper. Consequently, SDP lagged behind the state's performance change by 2.3 percentage points in math in 2007.

- Change from 2006 to 2007: Grade 5. The District increased 0.4 percentage point and 3.0 percentage points of Advanced or Proficient scores in reading and mathematics, respectively. These gains reversed the decline in both subjects from 2006. In reading, the state percentage of students who scored Advanced or Proficient slightly declined. In math, however, the District's percentage point increase was less than the state's.
- Change from 2002 to 2007: Grade 5. Overall, the District's percentages of Advanced or Proficient scores is up 11.2 percentage points in reading and 25.9 percentage points in math since 2002. In comparison, the state's Advanced or Proficient scores only increased by 2.9 percentage points in reading and 17.9 percentage points in mathematics.
- Change from 2006 to 2007: Grade 8. District reading and math scores showed considerable gains. Reading increased 4.7 percentage points and math increased 6.9 percentage points. In comparison, state math scores increased slightly less, up 4.4 percentage points in reading and 5.7 percentage points in math.
- Change from 2002 to 2007: Grade 8. Overall, the District's reading is up 25.1 percentage points, while math is up 26.0 percentage points. In comparison, state scores are up 16.2 percentage points and 16.2 percentage points, respectively. Both District increases are still above those of the state.
- Change from 2006 to 2007: Grade 11. District percentage of Advanced or Proficient reading scores slightly increased from 33.1% to 34.9%, up 1.8 percentage points. Mathematics increased from 26.9% to 30.9% up 4.0 percentage points. In comparison, the state improved 0.3 of a percentage point in reading and 1.7 percentage points in math.
- Change from 2002 to 2007: Grade 11. District reading scores are up 6.2 percentage points and math scores are up 7.3 percentage points. The state is up slightly: 6.4 of a percentage point and 4.1 percentage points in reading and math, respectively.
- Although the state continues to have a higher percentage of students scoring at the Advanced or Proficient levels than the District in math and reading, the District's increases from 2006 to 2007 in reading are higher than those of the state for grades 3 through 8 and 11. In math, the District's increases outpace those of the state for grades 4, 6, 8, and 11.

2. What is the District's status in meeting the Adequate Yearly Progress requirements of No Child Left Behind? What are some of the challenges confronting District schools in making AYP in future years?

ARC's overall assessment:

Between 2002 and 2007 there have been considerable gains towards meeting AYP requirements. However, since 2004, there is a general decline in the percentage of schools meeting AYP, with the decrease most acute for EMO schools. As the Pennsylvania Department of Education's NCLB accountability system increases its targets in reading and math, the SDP, in general, and EMO schools, in particular, will be significantly challenged in meeting targets that have been set for 2008 to 2014.

Background on AYP. Each school in the School District of Philadelphia, as well as all public and public charter schools in the state, is held to the same AYP requirements. The 2007 requirements were:

- Meeting the achievement targets on the PSSA by having a set percentage of students score at the Advanced or Proficient levels (54% in reading, 45% in math; Table 1 below displays the reading and math targets through 2014), or by reducing the percentage of students scoring below the proficiency level by 10%, or by meeting annual targets on the Pennsylvania Performance Index;
- having 95% participation rate in both sections of the PSSA; and
- meeting benchmarks in the student attendance rates for elementary and middle schools, and in the graduation rate for high schools.

Table 1. AYP Reading and Math Targets Through 2014

Subject	'02-'04	'05-'07	'08-'10	2011	2012	2013	2014
Reading	45%	54%	63%	72%	81%	91%	100%
Math	35%	45%	56%	67%	78%	89%	100%

Table 2 shows the percentage of schools by management type that met AYP targets. The percentage of schools in Pennsylvania achieving AYP has been hovering around 80% for several years and is above the District's (District Total) by more than 30 percentage points. Although there was a slight decline in the percentage of charter schools that met AYP in 2005, between 2002 and 2007, charters exhibited the largest increase while EMO schools exhibited the smallest increase, as well as having the lowest percentage of schools making AYP in 2007.

Table 2. Percent of Schools that made AYP by School Management Type for 2002 to 2007

Management Type	2002	2003	2004	2005	2006	2007	Change '02-'07
District-managed	9%	23%	63%	53%	54%	43%	34%
EMO	N/A	13%	48%	34%	26%	24%	11%*
District Total	9%	22%	60%	49%	49%	40%	31%
Charters	12%	11%	51%	46%	67%	64%	52%
Philadelphia Total	9%	20%	59%	49%	52%	44%	35%
Pennsylvania Total	N/A	63%	86%	81%	82%	77%	14%*

* Change from 2003 to 2007; 2002 figures not available

Notable changes in percentage of schools that met AYP standards from 2002 to 2007 include (Table 2):

- District-managed schools experienced a 34 point increase in the percentage of schools making AYP, from 9% in 2002 to 43% in 2007. Even with this increase, the District remains well below the state's percentage of schools making AYP in 2007.
- Philadelphia's charter schools experienced the largest percentage point increase (52) in the percentage of schools meeting AYP, from 12% to 64%. In 2007, the percentage of charter schools making AYP trailed the state by only 13 percentage points.
- EMO schools made the smallest increase (11 percentage points) from 13% in 2003 to 24% in 2007. In 2007, the percentage of EMO schools making AYP trailed the state figure by 53 percentage points.

Table 2 also shows that the percentage of schools that made AYP spiked in 2004 for all management types. The Adequate Yearly Progress threshold percentages under No Child Left Behind changed in 2005. The percentages moved from 45% for reading and 35% for math in 2002-2004, to 54% for reading and 45% for math. As the targets used to determine AYP were increased nine percentage points in reading and 10 percentage points in mathematics, the number of schools hitting the targets declined. Appendix B presents a graph illustrating the number of Philadelphia public schools making AYP through 2007. In 2008, the percentages will be 63% for reading and 56% for math

Consequently, the “decline” was a function of changes in standards and not necessarily a decline from previous years' performance. Nevertheless, in 2007, District-managed schools dropped to 43% of schools making AYP, compared to

64% in 2004. EMO schools declined 24 percentage points over the same time period. In contrast, charter schools improved 13 percentage points since 2004. Even the state as a whole showed a decline from 86% to 77% in terms of schools that met AYP between 2004 and 2007.

3. Are students in the various subgroups defined in No Child Left Behind demonstrating mastery of the Pennsylvania Academic Standards, as measured by the PSSA?

ARC's overall assessment:

While all student subgroups showed academic improvement, there was only modest improvement in the narrowing of the gap between Black and Latino students relative to Asian and White students. The achievement gap remains significant and poses a serious challenge to the attainment of AYP targets. Further, schools with greater numbers of subgroups faced more difficulty in making AYP.

Background on NCLB and Subgroups. No Child Left Behind requires that all student subgroups, including race/ethnic groups, students with disabilities, limited-English proficient, and economically disadvantaged, meet Pennsylvania's Adequate Yearly Progress targets. This provision of NCLB helps ensure that whole-school progress in meeting standards does not mask low progress of subgroups (in Pennsylvania 40 or more students constitute a subgroup). NCLB also requires that test results be reported by gender and for migrant students, but these results are not tied to AYP targets.

The NCLB assessment system was expanded in 2005-06, and the use of all PSSA results from grades 3 through 8 and grade 11 in 2006-07 for AYP decisions has increased the number of subgroups in many schools, making it more challenging for these schools to make AYP in 2006-07. Adding these grades increased the number of tested students by almost 40,000 District students in 2007, which in turn increased the number of subgroups in many schools. From 2006 to 2007, as a result of the additional grades included in the PSSA, the average number of subgroups in District schools grew from 2.5 to 3.2. In the District, 121 schools added at least one measurable subgroup in 2007. For example, the number of schools with an ELL subgroup doubled from 27 to 54. With an increased number of subgroups, schools face greater challenge in making AYP. This is a common challenge for urban districts with diverse populations of students.

Subgroup changes in reading and math from 2002 to 2007

- Schools with a higher number of subgroups were less likely to make AYP. While about 60% of the schools with only one or two subgroups made AYP, only about 20% of the schools with more than four subgroups made AYP.
- In 2007, 29 schools missed the AYP solely because of IEP (students with disabilities) subgroups. In 2006, only two schools missed making AYP because of their IEP subgroups.
- All student subgroups have increased their percentages of students scoring Advanced or Proficient from 2002 to 2007 (Appendix C).
- Students with disabilities improved their reading performance from 5.4% to 10.6% in scoring Advanced or Proficient between 2002 and 2007. However, the 2007 reading performance declined from 11.8% in 2006. Further, in math, students with disabilities improved from 4% to 15% in scoring Advanced or Proficient between 2002 and 2007. However, the 2007 math performance declined from 16.3% in 2006.
- Students with limited English proficiency improved their reading performance from 6.5% to 25.5% scoring Advanced or Proficient between 2002 and 2007. In math, LEP students improved from 18.9% to 40.2% scoring Advanced or Proficient between 2002 and 2007. However, the 2007 math performance declined slightly from 40.9% in 2006.
- Economically disadvantaged students improved Reading from 15.2% scoring Advanced or Proficient to 37.5% from 2002 and 2007. In math, economically disadvantaged students improved from 11.8% scoring Advanced or Proficient to 42.4% from 2002 and 2007.
- In math, Latino students narrowed the gap in performance as compared to White students by 1.3 percentage points from 2002-2007. In reading, Latino students narrowed the gap in performance as compared to White students by 2.2 percentage points. In both math and reading for 2007, the percentage of Latino students scoring Advanced or Proficient remains substantially below that of White students (26.4 percentage point gap in reading and 23.7 percentage point gap in mathematics).
- In reading, the gap between Black and White students decreased by 5.0 percentage points, while the gap in math also narrowed by 2.7 percentage points from 2002 to 2007. Again, as in the case of Latino students, the percentage of Black students scoring Advanced or Proficient remains substantially below that of White students (23.8 percentage point gap in reading and 25.8 percentage point gap in math).

4. Is the SDP making measurable progress toward meeting the 2008 targets of the SRC's *Measures that Matter*?

ARC's Overall Assessment:

The ARC commends the SRC for setting ambitious goals in the *Measures that Matter* for the students of the School District of Philadelphia. SDP is making measurable progress, but the pace of change in the percentage point growth of students testing at Advanced or Proficient on the PSSA suggests that the SRC goals are not attainable by 2008. Past and current progress indicates that the SDP will not meet the goals of the *Measures that Matter* within the timeframe delineated by the SRC.

Background: The SRC's Declaration of Education. The SRC's Declaration of Education includes a set of goals, called *Measures that Matter*, which track District performance in key areas of academic achievement, safe and orderly environment, community collaboration, equity, and effective school operations. Annual targets for each goal have been set, with all goals expected to be met by the end of the 2007-08 school year.

The School Reform Commission adopted the Declaration of Education in May 2004 as a guide to achievement in SDP schools. The Declaration clearly defines the SDP's mission as providing "a high quality education that prepares, ensures and empowers all students to achieve their full intellectual and social potential in order to become lifelong learners and productive members of society." Again, the ARC strongly commends the SRC for setting high expectations for all students.

A set of performance goals, called *Measures that Matter*, is encapsulated in the Declaration. Each goal is defined and an ambitious target has been set for each to be met by 2007-08. Annual target goals in early literacy, academic achievement, school climate, community collaboration, and equity and efficient and effective support operations have been defined by the SRC. By 2008, the Declaration aspires to elevate the SDP into one of the highest-performing urban districts in the nation, with 80% of grade 3 students reading on grade level, 80% of all tested students performing at the Advanced or Proficient level in reading, math and science, 85% of students graduating, and dramatically reducing achievement gaps based on race, ethnicity, and socioeconomic status. Clearly, these goals are highly ambitious, and particularly so, given the relatively short time frame.

In its 2007 report, the ARC expressed concerns that the timeline to reach some of these goals was unrealistic. It is doubtful that these goals are attainable by 2008 given the pace of change. Further, using these goals as the only benchmarks for charting and evaluating progress might lead many to conclude the District is not making progress, where progress, though incremental, is being

made. Hence, the ARC encourages the SRC to not rely solely on the *Measures that Matter* as the framework to evaluate District progress.

In this section of the report, the ARC examines the extent to which the SDP met the 2006-07 academic achievement and early literacy targets for the *Measures that Matter*. The framework below displays and discusses the *Measures* goals for 2007.

Early Literacy Goals

- **72.4% of grade 3 students will read on grade level in 2007.** The SDP's percentage of grade 3 students reading at grade level declined from 49% in 2006 to 48.2% in 2007, a decline of 0.8 percentage points.
- **Increase Formal Pre-School Experience for Kindergarteners:** The SDP continued to increase the formal pre-school experience for Kindergarteners from 68% in 2005-06 to 72% in 2006-07. These figures were collected from Kindergarten teachers and suggested that the SDP remained behind the stated goal of 81.4% in formal pre-school experience for its Kindergarten students in 2006-07.

Academic Achievement Goals

- **90.3% of SDP schools will meet AYP criteria per NCLB (percentage of schools making AYP).** The SDP fell well short in meeting this goal. Only about 40% of all SDP schools made AYP in 2007. The percentage decreased from 49% in 2006. As discussed above, the planned change in proficiency standards for meeting AYP poses a much greater challenge than if the standards had remained the same.
- **100% of all high schools will offer honors and AP courses.** The SDP fell short of the target as 90% of high schools offered these courses in 2006-07.
- **Reduction in Math Achievement Gap.** There was little reduction of the achievement gap between Asian and White students and Black, Hispanic, and between economically disadvantaged students and the District average.
- **Reduction in Reading Achievement Gap.** While it did not meet the target in 2007, the SDP reduced the reading achievement gap from 2006 between Asian and White students and three largest subgroups, including Hispanic students, Black students, and between economically disadvantaged students and the District average.

Overall, the SDP made some progress in meeting the 2006-07 targets. However, the challenge of reducing the achievement gap remains. As Philadelphia school reform is institutionalized, the ARC believes that *Measures that Matter* will continue to serve as an ambitious framework for monitoring and tracking SDP progress and as a focal point for broadening public engagement in supporting District reform.

5. What were the PSSA results for District-managed schools, EMO schools, and charter schools?

ARC's overall assessment:

The SDP continues to make steady progress as measured by the PSSA, particularly at the elementary level. Since 2002, District-managed, EMO, and charter schools have increased the percentage of students scoring at the Advanced or Proficient level in reading and math. However, EMO schools continued to show a lower rate of improvement.

Appendix E presents tables with PSSA results in reading and math between 2002 and 2007 for District schools, District-managed Schools (all District schools except those managed by EMOs), individual EMOs/universities, and charter schools. The 2007 results, in comparison to 2006 are summarized as follows:

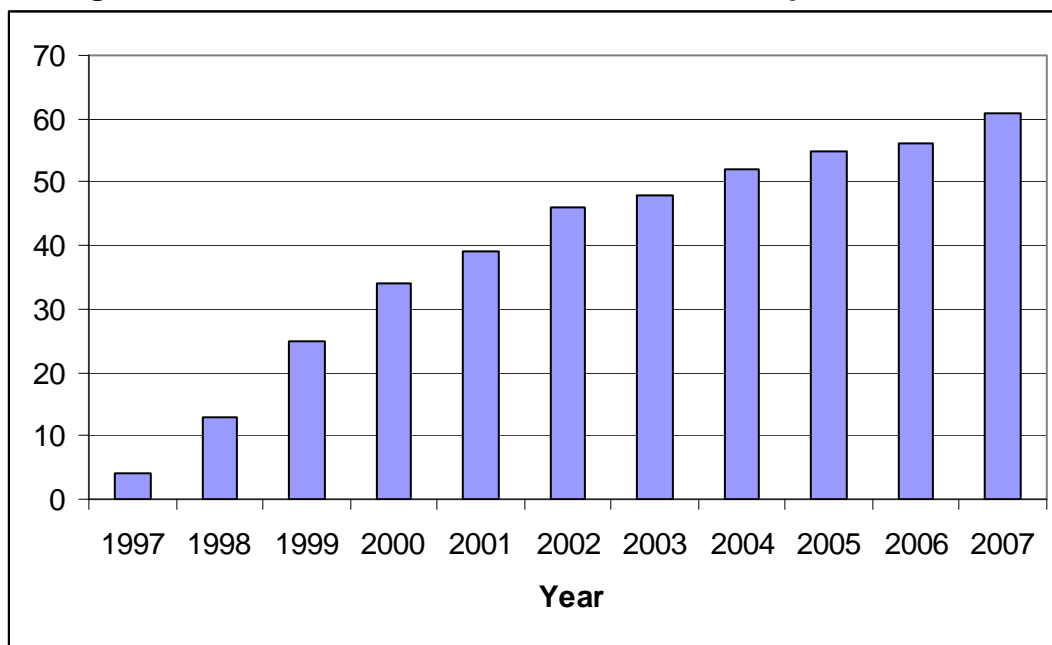
- In PSSA reading, all management types – District-managed, EMOs and charters – improved the percentages of students scoring Advanced or Proficient. Charters had the largest improvement (4 percentage points), followed by District-managed (2.3 percentage points). EMO schools showed the smallest increase (1.7 percentage points).
- In PSSA reading, among individual EMOs, Universal had the largest increase (2.9 percentage points) of students scoring Advanced or Proficient, with Edison schools showing the smallest increase (1.3 percentage points).
- In PSSA math, all management types increased the percentages of students scoring Advanced or Proficient. While charter schools showed the largest increase (4.9 percentage points), EMO schools showed the smallest increase (2.4 percentage points).
- In PSSA math, among individual EMOs, Penn showed the largest increase (9.4 percentage points) of students scoring Advanced or Proficient, with Temple-managed schools showing a decline (3.6 percentage points). It should be noted that several of the EMOs (Temple, Universal, and Penn) operated few schools and therefore their test results may fluctuate more than the EMOs that served more schools.

II. Academic Performance of Charter Schools in Philadelphia

Charter Overview: Enrollment Trend Funding, and Governance

Given public interest in the District's diverse provider initiative, this ARC report examines charter school performance. Charter schools started in Philadelphia in 1997. Over the last 10 years, the number of charter schools has grown to over 60 and their enrollment exceeds over 30,000 students. This growth, which is highlighted in Figure 1,¹ has offered a wide range of educational alternatives in Philadelphia.

Figure 1: Number of Charter Schools in Philadelphia 1997-2007



The growing charter enrollment has created fiscal stress for School District of Philadelphia. First, district dollars follow students who choose charter schools. During 2007-08, the SDP is paying \$7,708 for each non-special education student enrolled in a charter school and \$16,760 for each special education student enrolled, according to the District's Office of Special Finance. In addition to attracting students from the District's schools, charter schools tend to also attract students who previously enrolled in private or parochial schools, thereby resulting in additional flow of dollars from the District². According to a study conducted by Pennsylvania State Budget Director Michael Masch, District reimbursement to charter schools accounted for the largest growth in District

¹ Figure 1 is drawn from the Ron Zimmer, Suzanne Blanc, Brian Gill, and Jolley Christman, *Evaluating the Performance of Philadelphia's Charter Schools*. RAND Education Working Paper, February 2008.

² Ibid. (citing McCaffrey, 2008)

expenditures over the last five years³. Out-migration of District students to charter schools has not lessened the need for infrastructure and human capital, including teachers, staff, and instructional facilities for students who remain in the neighborhood schools.

As the District faces budgetary shortfalls that are in part attributed to charter growth, the Commonwealth of Pennsylvania has budgeted additional subsidies to offset the District's financial responsibilities to charter schools. The state budget now provides reimbursements for up to 30 percent of District's expenditures for charter schools in the previous year. For example, Philadelphia disbursed \$240 million to charter schools in 2006-07 and was budgeted for a state reimbursement of approximately \$78 million, leaving approximately 67 percent of the charter school costs to be paid in other ways. The state's actual reimbursement amount is determined by available revenue.

Like the experience in other cities, Philadelphia's charter schools were created by diverse organizations and individuals, including educators and community groups. Enjoying substantial autonomy from state and district administration, some charter schools have developed their own curricular foci. In Philadelphia, charter missions can be broadly characterized in terms of the following themes. The themes are drawn from the school's mission statements and may not be consistent with their practice.⁴ It should be noted that some charter schools offer multiple themes, and many schools are listed below in multiple categories:

- Community and Family (11 charter schools)
- Citizen and Character Development (37 charter schools)
- Cultural Heritage (7 charter schools)
- Support for At-Risk Students (10 charter schools)
- Career and Work (13 charter schools)
- College Prep (12 charter schools)
- Focus on Second Language (8 charter schools)
- High Standards (12 charter schools)
- Technology (19 charter schools).

Again, it is important to note that these themes were derived solely from review of charter school mission statements. There has been no independent verification, e.g., school observations, to ensure that the identified themes are actually implemented in each charter school.

Charter schools in Philadelphia have enjoyed substantial autonomy from state and District oversight. Until December 2007, the District has applied few guidelines for approving, monitoring, supporting, and revoking the contracts with charter schools. The District, at the same time, has used its authority granted

³ Ibid. (citing Masch, 2007)

⁴ See Zimmer et al., *Evaluating the Performance of Philadelphia's Charter Schools*, 2008, Appendix A for additional information about the themes identified in the mission statements of Philadelphia's charter schools.

under the 2001 state takeover legislation to convert several low-performing District schools into charter schools. In other words, the District administration has been strategic in coordinating its needs with the chartering initiative.

In December 2007, the School Reform Commission adopted a new charter school policy to more actively supervise and support the District's charter schools. The newly adopted policy will allow the SRC to review charters at its discretion, rather than using an annual review timeline. Further, the policy will send a District team to visit charter schools to identify any financial problems and monitor academic success as defined by the federal No Child Left Behind Act.

Unique Attributes of Charter Schools

Charter school proponents have argued that flexibility and autonomy promote innovative practices. If one considers charter schools as “laboratories” of innovation, then the traditional public schools will benefit from charter development. In their overview of the charters, Research for Action found that the majority of charter schools appeared to be—in their institutional structure, curriculum, and instruction—quite similar to District schools. To clarify whether the charters offer any variety in program or structure, the ARC also asked Research for Action to provide examples of schools that appear to be more innovative or unique, based on information on their Web sites and annual reports to the Pennsylvania Department of Education.

Research for Action provided several examples of these more unique schools, and identified several dimensions or areas for individualism or innovation: Course offerings, pedagogy, relationship with external partner, target population, and grade structure. These examples provide a preliminary snapshot of a few charter schools based on their public documents. However, the next phase of Research for Action's work in charter schools will provide more in-depth, information about innovation and program quality in Philadelphia's charter schools.

Below are the examples of innovation drawn from charter schools' self-reports.

Course Offerings:

Maritime Academy

Founded in 2003, Maritime Academy serves grades 5 to 12. According to its Web site, the school “takes advantage of the tremendous resources in the city to expose students to opportunities offered by the Philadelphia waterways for careers, leisure, and study.” The school serves a predominantly low-income and African American student body and argues that its focus on maritime studies allows it to “accelerate students' academic growth, engage their interest, and expand their career opportunities” (MACHS Annual Report). For example, in

addition to traditional academic subjects, high school students at Maritime take courses in maritime studies, marine biology/oceanography, naval architecture/marine engineering, intermodal transportation, marine navigation, maritime law, and shipboard operations. The school has a long list of partners, including the Independence Seaport Museum, Earth Force, Cooper River Yacht Club, the U.S. Coast Guard, Adventure SCUBA, and the U.S. Merchant Marine Academy.

Imani Education Circle

Imani Education Circle was founded in 1999 as an Afro-centric elementary schools. Serving grades K-9, the school is located in northwest Philadelphia. Its philosophy is “that a rigorous, integrative, constructivist curriculum, combined with the historical and cultural richness of African heritage will result in well-rounded and productive citizens” (IEC Annual Report). Imani reports using SDP’s core curriculum, but appears to supplement it with a social studies program designed to meet Pennsylvania standards. The Afro-centric orientation appears to be aligned with a broader vision for integrating family and community into the school, creating a positive, caring school environment, and promoting social change.

Other charter schools with African-centered philosophies include Khepera, Imhotep, and Wakisha.

Charter High School for Architecture + Design

Founded with the help of the American Institute for Architects, the Charter High School for Architecture + Design (CHAD) is divided into two “houses” – 9th/10th and 11th/12th – each with its own leadership and faculty. CHAD uses the design process throughout their curriculum as “a vehicle for creative and analytical thinking” (Annual Report). Their classes include studio time which involve “structured investigation, self-reflection, critique, aesthetics, historical context, and multiculturalism” allowing the student to “learn to design in response to both the user and the environment” (Annual Report). Though CHAD’s more traditional courses are aligned with District standards, they have developed their own standards for courses such as Design, which reflect college and university expectations of architecture and design students.

Philadelphia Electrical and Technical Charter High School

Though PE&T is the only vocational/technical charter school in Philadelphia, students are not divided into academic or vocational tracks. Instead, all students are held to high expectations in both the academic and Career and Technical Education (CTE) programs. Through coursework in electrical theory and telecommunications, students are prepared for career in emerging high tech industries. Courses such as ICDL (International Computer Driver’s License) allow students to become certified in the use of computers. In addition, PE&T students participate in a co-op program in their senior to experience an “authentic workplace environment in the surrounding business community” (Annual Report).

Philadelphia Performing Arts Charter School

The only performing arts elementary school in Philadelphia, the Philadelphia Performing Arts Charter School uses the arts as the catalyst for an “integrated thematic curriculum” and “project-based learning” that allows the student to become a “critical thinker, problem solver, responsible citizen and an artist and applicator to the arts” (Annual Report). The Philadelphia Performing Arts Charter School offers classes daily in French, Ballet, Creative Writing, Vocal Music (chorus), Music Theory, Instrumental Music (violin), and Visual Art. The school emphasizes small, multi-age learning groups and differentiated, individualized instruction in both their arts courses and their more traditional math and reading courses.

Pedagogy:

Wissahickon

A group of parents and community activists worked together for several years to plan Wissahickon Charter School (WCS), which opened in 2002. The school is organized around three main areas: Environmental education, service learning, and family involvement. WCS stands out from the majority of District and charter schools in its embrace of a particular vision for how children learn best. Its Web site and annual report emphasize active learning, integrated curricula, and authentic tasks and assessment. For example, according to its Web site, the school makes significant use of nearby environmental resources: “The Wissahickon Valley, specifically the Wissahickon Creek and its watershed, serve as an extended classroom for the students providing unlimited possibilities for experiential-based, authentic performance learning opportunities.”

Green Woods

Like Wissahickon Charter School, Green Woods emphasizes environmental education and hands-on instruction. Housed within a nature center, Green Woods’ approach, “Using the Environment as an Integrating Context for Learning (EIC),” uses the environment as a framework and centerpiece for all areas of learning. For more on Green Woods, see “Target Population” below.

The Montessori Regional Charter School

The only public, kindergarten through sixth grade Montessori education in Philadelphia, the Montessori Regional Charter School (MRCS) utilizes multi-aged classroom grouped according to three learning groups – 3 to 6 years; 6 to 9 years; and 9 to 12 years of age. Though the individualized education plan is frequently associated with special needs students only, MRCS is committed to giving each child an individualized plan, allowing the student to work at his or her pace and academic readiness in a self-directed manner. Its annual report highlights several pedagogical differences which set it apart from other charter schools: replacing traditional pencil and worksheet learning materials with

Montessori materials (e.g., binomial cubes, bead frames, and moveable alphabets), replacing desks with workstations, and educating special needs students almost entirely in inclusive classroom settings.

Relationship with Partner:

KIPP

Most charter schools in Philadelphia operate on their own or in collaboration with a small, local network. In contrast, KIPP was founded in 2003 as a part of the Knowledge Is Power Program, a national network of schools developed by former Teach for America volunteers. KIPP, with its unique approach to instruction, discipline, and family involvement, has received national attention for its success in raising achievement among low-income and minority students. According to its Web site, “KPCS is a school with one mission—to prepare all of our students to go to college. KIPP students are held to very high expectations for both their academics and their character.” KIPP’s strategies include more instructional time (extended day, Saturday school, and summer school), high standards for performance and behavior, and a strong focus on standardized testing. Students at KIPP Philadelphia, which serves grades 5 to 8, also participate in trips to Washington, DC, the Grand Canyon, sites from the Civil Rights movement, and Puerto Rico. The model’s emphasis on rigorous instruction (and test preparation) appears to be effective. According to KIPP’s annual report, “Since our first group of students entered our school in July 2003, the percentage of students scoring Advanced or Proficient on the PSSA has more than tripled in both reading and math.”

Target Population:

YouthBuild

A few charter schools in Philadelphia are unique in that they target specific populations of students. YouthBuild, which is also part of a national network, serves out-of-school youth over the age of 18. The program provides its students with the opportunity to earn a high school diploma while receiving training in construction, technology, or nursing. The school, which offers only grade 12, uses a hands-on job component “designed specifically to be effective with the out-of-school population who are very often returning to school after multiple experiences with academic failure” (YBCS Annual report). Opened in 1997, the school serves nearly 200 students.

Green Woods

Most Philadelphia charter schools, like most District schools, serve student populations that are largely African American. In contrast, Green Woods, which is located in northwest Philadelphia and affiliated with the Schuylkill Center for Environmental Education, was 81% white in 2007. Like Wissahickon Charter

School, Green Woods emphasizes environmental education and hands-on instruction. The school is relatively small (200 students) and uses a lottery system with priority for siblings. This may account for its unique student composition.

Belmont

Belmont Charter School, like a handful of other charters in the city, was converted by the District from a traditional public school to a charter school. This happened in the context of the 2001 state takeover of the School District of Philadelphia, when the state implemented a variety of strategies for chronically low-performing elementary schools. Belmont serves an extremely poor, racially isolated neighborhood in West Philadelphia; 100% of its students are African American and 100% qualify for free or reduced lunch. Despite its disadvantaged population, Belmont made AYP in 2007. The school, which is part of a network with Family Charter School, emphasizes early childhood intervention, family support, small classes, and individual attention.

Grade Structure:

Math, Science, and Technology Community Charter School

While many Philadelphia charter schools offer traditional grade structures (e.g., K-4, K-8, 9-12, etc.), some are more unusual. For example, several schools (including Maritime, Freiere, and Marianna Bracetti) combine middle- and high-school grades, presumably to make the transition to high school less challenging for students. Math, Science, and Technology Community Charter School (MaST), which opened in 2004, serves over 1,100 students in grades K-12. MaST is organized around Authentic Teaching, Learning and Assessment (or ATLAS), a school reform model that uses the pre-K to 12 “pathway” to provide a coherent educational program for students. According to its annual report, the school’s approach promotes “continuous learning and individual development and provides an organizational structure that responds to the intellectual, social, and emotional needs of children at different stages of their development.” Like Green Woods, MaST’s student body is disproportionately white (74.5%) and non-poor (only 40% of students were eligible for free or reduced lunch.). The school reports a waiting list of 1000 students.

Examining Student Achievement from Two Perspectives

Recognizing charter schools' potential for innovative practices, the ARC examines issues that pertain to charter school performance at two levels: Charter schools as a group and individual academic gains over time. The issues that the ARC examines include: Do charter schools produce better student achievement than traditional public schools? Do charter schools attract students who are academically better prepared? Is charter school performance associated with a particular type of charter schools? Do students who remain in charter schools show stronger academic gains over time? To answer these questions we turn to the RAND/RFA/Mathematica study of student achievement and to an analysis conducted by the ARC about charter schools' AYP status and PSSA proficiency rates.

Making AYP: Charter Schools as a Group Outperform District Schools and EMO Schools

Charter schools had a higher percentage of schools making Adequate Yearly Progress than District schools and EMO schools. At the same time, the ARC's analysis of AYP performance suggests that charter schools included fewer measurable subgroups than District and EMO schools during 2006-07. Schools that have more subgroups that are measured for AYP are less likely to make AYP.

Among the key findings on AYP performance are:

When compared to other management types, charter schools in Philadelphia showed the highest percentage of schools that met AYP in 2007. While only 12% of the charter schools (or 4 out of 34) met AYP in 2002, 64% of them (or 35 out of 55) met the NCLB standard in 2007. This compared favorably with SDP's overall AYP performance, in which 40% of the District schools (or 107 out of 268) met Pennsylvania's standards.

While charter schools showed strong performance in making AYP, there was a slight decline in the percentage of charter schools that met the NCLB standard (a drop from 66% in 2006 to 64% in 2007). This drop suggests a potential challenge for charter school performance in the near future. As the NCLB assessment system required the use of all PSSA results from grades 3 through 8 and grade 11 for AYP decisions in 2006-07, the number of subgroups has increased. In charter schools, the average number of subgroups per school increased from 1.6 in 2006 to 2.3 in 2007. In other words, 30 charter schools added at least one measurable subgroup in 2007. With AYP targets increasing between 2007 and 2008, it remains to be seen if charter schools will sustain its strong AYP performance.

Compared to charter schools, District schools faced a greater challenge in addressing the growing number of subgroups as the NCLB assessment system expanded in 2006-2007. As mentioned in a previous section, the average number of subgroups per District school increased from 2.5 to 3.2 from 2006 to 2007. In other words, a District school had, on average, one more subgroup more than the average charter in 2007. Because of the additional tested grades, a total of 121 District schools added at least one measurable subgroup in 2007.

The District-charter subgroup variation tends to account for some of the AYP performance difference. While 40% of District schools met AYP, District schools also experienced much higher concentration of subgroups.

Charter schools also outperformed EMO schools in making AYP. Of the 41 EMO schools in 2007, only 10 (or 24%) met AYP. Like charter and District schools, EMO schools saw an increase in the average of subgroups per school from 2.5 in 2006 to 2.8 in 2007, a figure that was slightly higher than that of charters.

While a higher percentage of charter schools made AYP in 2007, their performance on the PSSA was only slightly higher than that of the District schools overall. The percent of charter students scoring at the Advanced or Proficient levels in reading increased from 24.1 to 46.7 percent in reading and from 16.0 to 45.0 percent in math from 2001-02 to 2006-07. Similarly, the District as a whole increased the percent scoring at the Advanced or Proficient levels from 23.9 to 40.6 in reading and 19.4 to 44.9 in math from 2001-02 to 2006-07. In other words, in the last six years, charter schools' proficiency rates improved by 22.6 percentage points in reading and 29.0 percentage points in math, as compared to the District schools' gains of 16.7 percentage points in reading and 25.3 percentage points in math proficiency.

Because such a comparison has an unmatched representation of schools, grades tested, and students, there is a limitation of merely comparing the percent of students Advanced or Proficient on the PSSA. Gains could be attributed to new, successful schools or the fact that additional tested grades mean that only one out of seven grades tested are between grades 9 and 12, whereas in 2001-02, grade 11 was one of the three grades tested.

PSSA Results: Examining Results for Grades 5, 8, and 11

Another way to compare charter and District performance is to examine results for students in grades 5, 8, and 11, which are the three grade levels that have been consistently tested over the time period 2002-2007. In addition, by only looking at the results of charters that have been in existence since 2001-02, the effect of new charter schools, which may have different student populations, is negated. As new charter schools have been authorized over the past five years and more grades are now administered the PSSA exams, a more precise

comparison of charter school progress is to compare results from grades 5, 8, and 11 only for schools that have been in existence from 2001-02 to 2006-07.

An analysis of the three grades that have been tested continuously since 2001-02 show more pronounced increases in some grades than when all current charters are examined as a group. The largest increases in the number of students Advanced or Proficient are in grade 11; the percentage has risen 32.2 points from 21.9% in 2001-02 to 54.1% from 2001-02 to 2006-07 in reading and has risen 26.2 points from 14.5% in 2001-02 to 40.8% from 2001-02 to 2006-07 in math. Not only is this growth in grade 11 scores larger than the District's increases over the same time period, but is higher than the increases when all current charter schools are combined (increases of 22.1 percentage points in reading and 18.1 percentage points in math).

Regardless of whether results from all charters are examined or just those from schools in operation since 2001-02, the increases in charter grade 11 results from 2002 to 2007 in reading and math are greater than those observed in the grade 11 results of the District. Finally, comparisons of charter and District results for grades 5 and 8, regardless of which group of charters are examined – all charters or just those in operation since 2001-02, show that charters and District schools experienced similar increases over time. A table of aggregate results for grades 5, 8, and 11 for charters and District schools appears in Appendix E.

Individual Student Achievement Gains:

Comparing Students who Attended Charter and District Schools Over Time

Recognizing charter schools' strong AYP performance overall and that some charters are performing better than others, the ARC further examines achievement at the *individual student* level. In considering individual student achievement gains over time, the ARC draws on a March 2008 study conducted by RAND Corporation, Research for Action, and Mathematica. This study examined gains in achievement at the individual student level between 2002 and 2007 on standardized tests, which included PSSA, Stanford 9, and TerraNova results. It should be noted that the RAND/RFA/Mathematica study received partial financial support from the ARC.

A key design element of the RAND/RFA/Mathematica study is the use of longitudinally linked student-level data, which provides the ability to follow students as they move from District traditional public schools to charter schools and vice versa. The longitudinal student data allows the study to compare the achievement gains of students while attending charter schools to the gains of these same students while attending District traditional public schools (in both cases, differenced against average gains of students district-wide). This is important because charter students may differ from typical District students in

ways that could affect their achievement levels independently of the performance of their schools.

Using the student-level data to track students over time, RAND/RFA/Mathematica report's key findings are summarized below:

- Charter schools are attracting students who generally performed better than their peers in their previous public school, but were still performing below the District average.
- In choosing charter schools, students tended to sort themselves into schools with a slightly greater share of students of their same race/ethnicity. For example, African American students left schools that were on average 84 percent African American and transferred to charter schools that enrolled on average 87 percent African American. Similar patterns emerged for white and Hispanic students.
- Rates of mobility in charter schools are similar to those in District schools.
- The analysis suggests that charter schools are not performing substantially better nor substantially worse than District schools in raising student achievement. Students' achievement gains in charter schools were generally on par with their achievement gains in District schools. Results for individual racial/ethnic groups likewise suggest no substantial differences in achievement gains in charter schools versus District schools.
- The performance of Philadelphia's charter schools as measured by student achievement gains was not associated with the length of time that the charter school has been operating.
- Charter high schools seemed to perform better, on average, than K-8 charter schools.
- The study did not find a correlation between the stated mission of the charter school and its performance.
- The RAND/RFA/Mathematica study found no evidence that the presence of charter schools generates a "competition effect" in nearby District schools. District schools with the highest levels of charter competition in their local neighborhoods did not show evidence of doing better or worse as a result of the competition.

III. Recommendations on Policy and Practice

The ARC's Role

As the statutory group that is charged with assessing the progress of the District, the Accountability Review Council remains a stable institutional entity during this critical period of leadership succession. The ARC's collective experience over the last five years has led to the observation that the school children of Philadelphia are, perhaps for the first time in decades, benefiting from significant strategic initiatives such as core curriculum, improved early childhood education, reorganization of the school day to focus time on learning needs, implementation of a K-8 model, smaller high schools, improvement of school safety and climate, improved teacher quality, and a greater opportunity for school choice.

In this role, the ARC also offers recommendations to the SRC. Gleaned from the ARC's observation of District progress in the past year, the ARC makes recommendations on revisions to the Measures that Matter, the intervention into Corrective Action II schools, and the District's charter school policy. Given the ARC's recent focus on charter schools and its funding of a study by RAND/RFA/Mathematica, most of the policy recommendations are reserved for charter schools.

Measures that Matter

Drawing on its institutional memory for the last five years, the ARC urges the SRC to forge a closer connection between its vision and its action. Clearly, the SRC has articulated its aspirations for the District in the Declarations of Education. In reality, the goals in *Measures that Matter* are not reachable within the time frame. It is this gap between aspiration and feasibility that the SRC needs to address. The vision-action connection needs to be grounded in annualized targets that are realistic given the context of Philadelphia. The ARC recommends the SRC to use the academic performance for 2007 as the baseline to establish a set of actionable targets. These targets will provide the rationale for a new roadmap for the new CEO in the next five years. Strategic deployment of resources and aggressive use of data must be aligned to support the delivery of the established goals. For example, if the SRC chooses to identify reading proficiency at grade 3 students as a priority goal in the next five years, then it must create the necessary enabling conditions for principals, teachers, students, and parents to focus their work on that goal. In other words, SRC policy decisions must aim at closing the gap between vision and action for the District's priority goals.

Improvement of PSSA scores notwithstanding, the ARC sees enormous remaining challenges. As this report found, since 2004, there has been a general decline in the percentage of schools meeting Adequate Yearly Progress. Many of the EMO schools did not show academic improvement. On the targets established in *Measures that Matter*, the ARC found that the District will not meet

many of the goals within the time frame specified by the SRC. Clearly, there is a need for the SRC to consider a new roadmap to guide reform actions.

Corrective Action II Schools

The ARC commends the SRC for taking the initiative to improve the District's lowest performing schools, such as the Corrective Action II (CAII) schools. In developing the appropriate course of intervention, the SRC is encouraged to consider the ARC's recommendations on accountability and diverse service providers in its 2006 annual report. More specifically, the ARC encourages the SRC to consider the District-restructured schools as a potential model of school improvement. Further, the ARC encourages the SRC to take a school-by-school approach to decide the future of alternative management as a reform strategy. For CAII schools that persistently performed well below the District average over the last several years, the SRC should consider reassigning these schools as part of the restructured schools effort. Decisions to contract CAII schools to external managers should be grounded with strong evidence for potential success. Clearly, there is a need for monitoring the effects of reform strategies in CAII schools. For CAII schools, it is important to gauge student progress on multiple learning indicators over the course of an academic year. In short, the ARC encourages the SRC to provide greater transparency in its intervention strategy.

Charter Schools

Given public interest in the District's diverse provider initiative, the Accountability Review Council sees the need to examine charter school performance in this report. In reviewing the evidence of charter school performance from three perspectives, the ARC takes a cautionary approach as the issue is complex and multifaceted. Charter school performance is simultaneously shaped by a combination of factors, including composition of student enrollment, the quality of instructional implementation, principal leadership, and school autonomy, among others. On balance, the ARC sees a cautiously promising trend. From a positive view, charter schools have continued to make measurable progress in meeting the AYP. In 2007, two-thirds of the charter schools did make Adequate Yearly Progress. Further, there are ample examples of innovative practices and high-performing charter schools in Philadelphia.

The ARC sees that charter schools have a slightly higher percentage of Advanced or Proficient students on the PSSA than District schools and have a higher percentage of schools making AYP, but recognizes this information needs to be interpreted with caution. The increases in PSSA reading and math proficiency may be in part due to composition of student enrollment. In addition, charter schools, when compared with District schools, have an inherent advantage for making Adequate Yearly Progress due to having fewer measurable AYP subgroups, specifically in students with disabilities and students with limited English proficiency. It should also be noted that there are charter schools that are not increasing PSSA scores or making AYP, even though they

enjoy substantial autonomy. Equally important is RAND/RFA/Mathematica examination of students switching between District schools and charter schools, which suggests that the student achievement gains of students attending charter schools are on par with traditional District public schools.

In light of these findings, the ARC makes the following recommendations to the SRC:

- Charter schools should not be treated as a homogeneous group. Given the range of academic performance among charter schools, decisions regarding the authorization (and re-authorization) should be made on a case-by-case basis. The ARC recommends the SRC focus on what works for all students, including those who transferred from District schools. In this regard, the SRC should monitor school-by-school progress on an annual basis. When charter schools fail repeatedly, the SRC needs to reconsider their contract.
- In addition, the SRC needs to pay attention to the types of students who were left behind within charter schools, including those that made AYP at the aggregate school level. Paying attention to the achievement gap among subgroups on specific subject areas will enable the SRC to take timely action to monitor and support charter school improvement.
- The ARC encourages the SRC to continue to allow charter schools to use their autonomy to design and implement innovative practices. However, the SRC need not take a permissive role in monitoring charter school performance. In addition to student performance, the SRC needs to collect a broader range of indicators on charter school performance, including student attendance, teacher absenteeism, professional development activities, parent satisfaction, and student disciplinary actions. These measures of progress should be made available to the public. In that regard, the SRC needs not only to expand the authority of the Office of Accountability, Assessment and Intervention to monitor charter schools, but also expand the office's capacity for data collection and analysis.
- Based on one of the findings from the RAND/RFA/Mathematica study, which shows a small positive effect on achievement for students attending charter high schools, further research should be done on charter high schools. The next phase of Research for Action's work in charter schools is an in-depth, qualitative review of educational programs in charter schools. This, along with a study of enrollment patterns, will offer more detailed information on the success of charter high schools.
- The ARC encourages the SRC to develop a comprehensive plan on charter school strategy, including considerations for the pace and type of new charter approvals.

School Reform Commission

Sandra Dungee Glenn, Chairwoman

Martin G. Bednarek

James P. Gallagher, Ph.D.

Denise McGregor Armbrister

Heidi A. Ramírez



The School District of Philadelphia
Education Center
440 North Broad Street
Philadelphia, PA 19130