

EDUCATIONAL REBIRTH
IN WILKINSBURG:
THE TURNER ELEMENTARY
SCHOOL INITIATIVE

by
Dr. John A. Sparks, Research Fellow
Allegheny Institute For Public Policy
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Executive Summary

In March, 1995 the Wilkinsburg, Pennsylvania School Board contracted with Alternative Public Schools, Inc. (APS), a private company, to provide substantially all services, *including teaching services*, for five years to Turner Elementary School, one of three elementary schools within the school district. APS hired its own teachers and other staff, lengthened the school day, increased the number of school days, made other changes and began operating Turner in the fall of 1995. Despite legal opposition, APS has been allowed to continue under the contract with the Wilkinsburg School District and has begun its second school year as educational provider for Turner students. The key findings regarding the first year of operation are summarized below.

Conditions in Spring 1995 *Prior* to Alternative Public Schools Contract

- Student performance in the Wilkinsburg School District was unacceptably low at both the high school and elementary levels, as measured by such indicators as grade point average and a variety of external tests (Comprehensive Test of Basic Skills, Pennsylvania System of School Assessment, Scholastic Aptitude Test). For example, the 1994-95 PSSA (Pennsylvania System of School Assessment) test results show that 92% of Turner students were in the bottom two quartiles in the state in reading.
- The existing mode of educational delivery was costly (\$8,797 per pupil of annual budgeted expenditures compared with the Pennsylvania per pupil average of \$6,957). That put Wilkinsburg per pupil costs at 26% more than the Pennsylvania average and 38% higher than the national average. Moreover, 91 of the 134 teachers employed by the District earned salaries of over \$50,000 per year (without accounting for benefits).

The Wilkinsburg School Board Takes Unprecedented Action

- Despite poor student performance and high per pupil costs, the Wilkinsburg "system" seemed inflexible and unresponsive to the need for educational change. The School Board and the community became convinced that only a fundamental restructuring of the system would produce the dramatic improvements in educational opportunities for its own minority students, many of whom were from low and moderate income families.
- The Board used a novel method of "contracting out" teaching services to a private company (Alternative Public Schools, Inc.) after evaluation of a number of proposals by an outside expert. The final contract was signed July 25, 1995.

What APS and the School Board Have Accomplished-- School Restructuring for Educational Success: Fall 1995--Fall 1996

- APS was given the power to hire new teachers and aides; that is, it was not required to retain existing teachers and staff nor prevented from dismissing even those who it had hired. It hired an entirely new teaching and aide staff, all to be led by a nationally known educator-principal, Dr. Elaine Mosely.

- APS was given the power to prescribe Turner's curriculum, increase instructional contact hours, and make other changes it deemed pedagogically sound. It has made or is in the process of making all of these changes, including gradually increasing the number of days of instruction (from 180 to 212) and instituting a new curriculum with math, science, language and social studies components.
- APS was required to produce specific *academic* results among Turner students as measured by standardized test scores as well as certain *non-academic* results with Turner students and parents. APS revenues are directly tied to measurable levels of academic improvement. For the first three years all profits are escrowed until APS demonstrates that it has been successful at meeting the testing goals set out in the contract. The APS contract regards the first year, that is, the 1995-96 school year, as a transition year in which the school, staff and curriculum are reorganized and restructured. It is a year in which "hard" test data are not taken into consideration. Nevertheless, APS is making progress on many of the academic goals, according to the large majority of parents who view the quality of education as having improved over what it was in previous years and who would give the "new Turner" a grade of "A" or "B". The preliminary PSSA results show Turner students' scores improving slightly, with small percentage changes in the top two and bottom two quartile totals.
- Two key features positively distinguish the Turner initiative from other highly publicized "public-private partnerships" in Baltimore, Hartford and other cities. APS possesses the power to adopt its own curriculum and to hire its own teachers. These two elements alone greatly enhance the likelihood of its success.
- The productivity changes, performance goals and incentives instituted by the private provider could not have been expeditiously put in place under the terms of the existing collective bargaining agreement.

Introduction

On March 23, 1994, the Wilkinsburg Pennsylvania School Board released an innocuous-looking document entitled "Turner School Initiative: Request for Proposals." Though the document itself had an undefiant tone, it became a kind of educational shot fired from this Pittsburgh area school district that has been heard around the country. Wilkinsburg and the Turner Elementary experiment became the subject of a flurry of articles and editorials in a variety of national publications, including the *New York Times*, *Education Week*, *The American School Board Journal*, and the *Wall Street Journal*. What attention-getting new initiative did this nine-member school board propose for the 375 largely African-American students attending Turner Elementary? The Wilkinsburg Board sought to offer its own often impoverished and underachieving minority students a radically new educational choice and refused to tolerate what it saw as a failing system of instruction. It chose a private company, Alternative Public Schools, Inc. (APS) to take over Turner Elementary and restructure it from top to bottom— with a new professional staff, a new curriculum, even new and longer hours of instruction. What led to this bold action? What results is it likely to produce in the future and what effects has it produced in the first year? Will the Turner initiative provide a model for educational reform?

Wilkinsburg, PA—The Setting

The Turner Initiative began in Wilkinsburg Borough, a community of 21,000 which is, according to the most recent census figures, a municipality in decline. Located just beyond the eastern border of Pittsburgh, Pennsylvania, Wilkinsburg has suffered a 21 % decrease in population since 1970.[1] The Borough was hit hard by the decline of steel production and related industries over the last two decades. Its median household income—\$28,158[2]— places it among the half-dozen poorest communities in Allegheny County.[3] That figure is also beneath both Pennsylvania statewide median family income and comparable national median income figures.[4] The composition of Wilkinsburg households has changed dramatically in the last twenty years. Married couple households made up 59% of total households in 1970. That number had fallen to just 31% by 1990.[5] During the latest census decade, Wilkinsburg residents who live at or below the poverty level increased from 13.6% to over 17%, higher than the rates in Allegheny County, Pennsylvania and the United States.[6]

Despite this collection of dreary figures, the income demographics of Wilkinsburg have their encouraging side. Though its family median income is low compared to other cities in the county, state and nation, it has risen 62.7% since 1979.[7] During the same period the percentage of Wilkinsburg residents in the upper income levels has increased. Those earning above \$35,000 in 1980 made up only 7% of households, but according to the latest figures, the percentage of households earning \$35,000 or more has jumped to 29%. At the other end of the income spectrum, 36 % of Wilkinsburg households earned \$10,000 or less in 1980, but that figure declined to just over 20% ten years later.[8] That coupled with what is apparently a genuine allegiance by residents to Wilkinsburg and what has been described as "strong community associations and community-based service agencies" give hope for revitalization.[9]

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The Wilkinsburg School District: Educational Prostration

While the Borough of Wilkinsburg shows some signs of emerging from economic distress, the Wilkinsburg School District, a 1900-student public school system, has come close to prostration in the first half of the 1990s. Relations between the school board and the teachers' union have been rocky since the 1991 on-off teacher strike. More importantly, the tax increase that was extracted from the Wilkinsburg taxpayers to finance the 1991 wage settlement precipitated the formation of citizen groups, which have claimed that residents' children were not getting quality education for the taxes (120.5 mills) they were paying. After equalization for differences in local property values, Wilkinsburg taxpayers' share of school funding, called "local effort," makes them between the **third most-heavily taxed district** among the forty-three districts in Allegheny County.[10]

Grades, Class Rank and SATs

There were troubling facts about grades, test scores and academics in the Wilkinsburg system which alarmed parents and eventually school board members. In 1992 the Wilkinsburg High School valedictorian had a grade point average of only 2.667 (on a 4.0 scale). In the same class, *half* of the graduates had grade point averages of *under* 2.00.[11] Three years later, results were not much better. The 1995 valedictorian and salutatorian carried averages of 3.125 and 3.00 respectively, but students in the top 10%, other than the two honorees, maintained averages running from a high of 2.684 to a low of 2.562. Once again over half of the graduates had produced averages under 2.00.[12]

During the same general period of time (1993-1994), SAT (Scholastic Aptitude Test) scores were lamentably low. Of the 62 Wilkinsburg students who took SATs in 1993 and 1994, only 6 of them scored above the 1994 national SAT average of 902 (total verbal and math score). However, the remainder of the scores were so low that the average of all Wilkinsburg scores was a disheartening 690, over 200 points below the national average of 902 and 189 points below the Pennsylvania SAT average.[13] Charles Murray has written that while there are no hard and fast rules about SAT scores and college performance, "an SAT score in the region of 400 or less [on either part of the test] indicates a deficiency of skills that makes it extremely difficult for a student to cope with a demanding college curriculum." [14] 41 of the Wilkinsburg test takers mentioned above had scores of 400 or less on *both* the math and verbal components of the SAT.[15]

Standardized Tests--The Results

The low scores of elementary students on standardized achievement tests also attracted citizen attention. During April of 1993, Turner Elementary students--fourth, fifth and sixth graders--took the Comprehensive Test of Basic Skills (CTBS). Across Pennsylvania, 277 other elementary schools administered the test to fourth graders, 251 administered it to fifth graders and 168 administered it to sixth graders. [16] The test is divided into four sections--reading, math, language and science. Student scores are reported in quartiles; that is, top, high middle,

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low middle and bottom, and compared with all other Pennsylvania students taking the same test. Turner results are strikingly lower than other Pennsylvania school averages:

- Only 31 % of Turner fourth graders were in the top two quartiles in reading, while 68% of all other Pennsylvania fourth graders were reading at levels that put them in the top two quartiles--almost exactly the opposite of the Turner students.[17]
- 33% of Turner fifth graders finished in the top two quartiles in reading, contrasted with 66% for all other Pennsylvania schools.
- Only 28% of Turner sixth graders scored in the top two quartiles, while 67% of students in all other Pennsylvania schools finished in the top two quartiles.[18]
- Only 29% of Turner fourth graders produced scores in math that put them in the top two quartiles. Statewide, 66% of fourth grade math students placed in the top two quartiles.[19]

The picture does not change for the language or science portion of the test. Generally, Turner students scored dramatically lower than all other Pennsylvania students taking the test.

The Pennsylvania System of School Assessment (PSSA) is a test administered statewide to fifth, eighth and eleventh graders and designed to provide information about the quality of public schools to parents, school districts and the general public. The PSSA tests reading and mathematics. Turner Elementary's fifth graders took the test in the spring of 1995. It is no exaggeration to say that *the results were atrocious*. A paltry 8% of Turner students scored in the top quartiles on the reading portion. The results in math were almost as bad: only 10% of Turner students were in the top two quartiles. Of the 172 public elementary schools in Allegheny County for which PSSA results were available, *Turner ranked among the bottom ten* (most of the rest of the low-performing schools were in the City of Pittsburgh system). Even if one considers only the thirty-four schools in Allegheny County which serve communities with 70% or more low-income families, *Turner still ranked in the bottom one-third* of those. For instance, Belmar Elementary School, which is part of the City of Pittsburgh system, has roughly twice the number of students in the top two quartiles in reading and math as does Turner. Yet 82% of Belmar parents are classified as "low income", compared to 70% of Turner parents.[20]

This is part of the dismaying educational performance which school board member Brian Magan, a 1969 graduate of Wilkinsburg High School, saw as a drastic departure from the reputation that Wilkinsburg schools enjoyed in the past. According to writer Kathleen Vail, Magan said: "We used to be the best." What is the explanation for the poor educational results?

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Explanations: Spending, Teachers' Salaries, and Learning Disabilities

What about spending per student? One might expect a school district located in a town which has suffered economic setbacks to have curtailed spending on schools. However, such is not the case in Wilkesburg. Total annual budgeted expenditures, according to the 1994-95 budget, were \$16,714,904.[21] Divided by the reported number of students attending school in the district, 1900, the per pupil spending is \$8,797. This appears to be the source of the often-quoted figure of \$8,800 per pupil in expenditures. The comparable figure for all Pennsylvania schools is \$6,957 per pupil, and the figure for the entire United States is \$6,360 per pupil.[22] Put another way, Wilkesburg spent 26% more than the average Pennsylvania district spends per pupil and 38% more than the average U.S. school district spends per pupil.

If expenditures per student can be eliminated as the reason for poor educational results, what other possibilities are there? Have Wilkesburg teachers' salaries been low compared to other teachers, the consumer price index, and other occupational groups? The latest teacher contract figures (1993-94) do not support this argument. A starting teacher with a bachelor's degree earns \$35,059 at Wilkesburg[23]. That level of pay has risen from \$17,600 in 1985-86; an increase of nearly 100% over nine years.[24] Over that same period the Consumer Price Index (CPI) rose by only 32%, meaning that the starting salary for Wilkesburg teachers has grown at over three times the rate of inflation.[25] However, most teachers at Wilkesburg are not beginners; two-thirds possess master's degrees. [26] What level of pay can such teachers expect? The maximum master's salary is \$52,167.[27] That represents an 84% increase over the last nine years, about two and one-half times the rate of inflation.

In each case mentioned above, the cost of fringe benefits is not taken into account. For example, a teacher with a master's degree earning \$52,167 receives annual benefits of \$14,366. The employer-district must pay worker's compensation, unemployment compensation, Social Security and Medicare, medical, disability and life insurance premiums, and retirement contribution. This puts the actual cost of employing a Wilkesburg teacher at \$66,533.[28] According to the Pennsylvania State Education Association, the average teacher's salary in the Wilkesburg district is \$48,753[29]; 91 of the 134, or two-thirds, of the teachers employed by the district earned salaries of over \$50,000 per year.[30]

It is worth noting that, according to the Pennsylvania Department of Labor, the starting salary for Wilkesburg teachers (\$35,059) is higher than those of accountants (\$24,606), architects (\$23,710), chemists (\$27,152), computer programmers (\$25,419), civil engineers (\$28,348) and mechanical engineers (\$33,896) employed in Western Pennsylvania. [31] The Wilkesburg school district average teacher salary is almost exactly the same as the average teacher's salary for all of Allegheny County, and it is well above the statewide average for elementary (\$41,392) and secondary teachers (\$42,993).[32]

In summary, Wilkesburg teachers:

- earn salaries which have grown at a much faster rate than the CPI;
- receive a substantial package of non-taxable benefits;

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- enjoy starting pay which is higher than that of a variety of other professionals in the region, and;
- are paid, on average, the same salaries that teachers in other Allegheny County districts receive and higher salaries than paid on average by districts statewide.

Class size does not appear to be a factor in the low educational attainment of students in the district. The student/teacher ratio is 13 to 1 district-wide and lower than that in secondary classes.[33] The ratio falls there to 11 to 1[34], and in some cases, teachers have only 5 or 6 students in a given class.[35]

Could the problem be the number of Turner students requiring special support? APS reports that 21 students require special learning support and 9 require emotional support. In addition, Turner has 13 students classified as "gifted." [36] The total number of students requiring special attention is almost exactly the national average for learning-disabled students.[37] Do the students themselves possess less intellect or ability than children living in urban areas in the rest of Allegheny County? It seems contrary to reason to propose that one small Pittsburgh community contains the poorest students in the county in native ability. Besides, positing that students are the fundamental problem for educators is begging the question. Students are the objects of education. It is precisely because they are without knowledge and skill that we are educating them.

The Turner Initiative

Faced with the facts just presented and perplexed by the continuing slide of district students' performance, the Wilkesburg School Board determined that radical change was required if Wilkesburg students were to be properly provided with a "thorough, efficient system of public education." They decided to prepare a "request for proposals" (RFP) similar to that which a district would circulate if it were seeking a private contractor to provide a service for a fee. There was one significant difference; this request, called the "Turner Initiative", was for a provider to run the entire academic program at one of the Wilkesburg District's elementary schools--Turner.

The proposal was direct. It explained to providers that they would be "free to implement the curricula and school governance system described in its proposal and will be held accountable for its ability to achieve the learning results specified in the contract." [38] The Board made certain that there would be no misunderstanding among bidding providers: "The Board expects to continue to maintain the physical plant at Turner School, including providing custodial services; *it will not be running any other programs at Turner School.*" (emphasis mine).[39] The Board also opened the competitive process to "unions, groups of teachers, non-profits, corporate entities, individuals, business, and combinations of the above." [40] Elsewhere in the RFP the Wilkesburg board stressed flexibility and innovation: "Potential providers are encouraged to challenge all possible impediments to successful schools." [41] Finally the RFP confronted the question of staffing. Providers were told that their proposals could either follow Option A, which would be a proposal that would continue to use current Wilkesburg teachers, or Option B, in which "the provider hires its own teachers." Providers were informed that if

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they followed Option B, they would have to pay the prevailing union wage, offer comparable benefits, and give existing Wilkinsburg teachers reasonable consideration for being rehired by the provider. [42]

The "Turner Initiative Request for Proposals" was released March 23, 1994, with a deadline for proposals set for July 1, 1994. Five providers submitted proposals, among them Alternative Public Schools, Inc., (APS), the firm which would eventually be chosen to provide teaching services to Turner students.[43] By August these proposals had been evaluated by Dr. Wayne Jennings, a nationally-known expert on school restructuring and the results transmitted to the Wilkinsburg School Board. [44] The union, although invited to submit a full proposal, only offered an outline of its plans to hold meetings on reforms in the future.[45] The school board gave furlough notices to teachers during January 1995 on the basis of seniority. This meant that some Turner teachers would be reassigned within the system, while others would simply be laid off if the Turner Initiative produced a private provider that intended to hire its own professionals.[46] After consideration based upon expert advice, the Wilkinsburg School Board, at a regular meeting on March 21, 1995, by a 7-2 vote formally adopted a resolution to authorize its officers to sign a contract with Alternative Public Schools, Inc. for management of Turner School unless the Wilkinsburg Education Association committed itself to provide substantially the same services which APS was prepared to deliver.[47] The union's response was legal opposition in the courts.

The Legal Skirmishing Over the Turner Initiative

Judge Friedman Sides with Union

It was now apparent to the Wilkinsburg Education Association (WEA) that the Wilkinsburg School Board (WSB) intended to contract with Alternative Public Schools, Inc. (APS) to provide education for Turner students. The WEA, the Pennsylvania State Education Association (PSEA) and the National Education Association (NEA) together sought an injunction against the Wilkinsburg School District and Board to prevent the Board from signing a contract with APS. Allegheny Common Pleas Judge Judith Friedman was the first jurist to make a determination on the legal issues in the case. Friedman ruled against the School Board and granted the injunction. Her position was that the Wilkinsburg School Board was improperly relinquishing its authority to manage the Wilkinsburg Schools.

Within weeks, however, a Pennsylvania Commonwealth Court Judge stayed the effect of Judge Friedman's injunction. Following the granting of the stay, the Board signed the five-year provider contract with APS. Next, the WSB, through its superintendent, sought and obtained Pennsylvania Department of Education permission to furlough teachers and to "alter its educational program" in order to allow APS to run Turner School. The momentum seemed to be with the WSB. However, in July the Commonwealth Court upheld Judge Friedman's earlier ruling and remanded the case to her. (Commonwealth Court did reject challenges to the Department of Education's approval of WSB's alteration of its program and furloughing of teachers). After an August, 1995 hearing, Judge Friedman ruled, to no one's surprise, that

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WSB was in contempt of her earlier order, that the APS contract must be rescinded, and that the furloughed teachers must have their jobs restored.

Pennsylvania Supreme Court Rules for Wilkinsburg School District

However, the Commonwealth Court's decision was appealed to the Pennsylvania Supreme Court and set for hearing on September 18, 1995. That Court had already ordered Judge Friedman not to enforce her orders.[48] On October 27, 1995, speaking through Justice Flaherty, the Court, in a 4-2 decision, sent the Wilkinsburg case back to the Common Pleas level by ordering that a hearing be held in which evidence could be presented by both sides on the issue of whether the hiring of APS was in the best interests of Wilkinsburg students. The hearing would also probe whether the APS contract was causing "irreparable harm" to teachers or taxpayers.[49] In effect, the Pennsylvania Supreme Court's decision enabled APS to complete the school year (1995-96) in charge of the management of Turner Elementary. APS could now continue to do what no other private company had done to that point: take over the teaching of students at a public school and be held contractually responsible for their education. [For a more detailed discussion of the chief legal issues in the case see the appendix to this report "Legal and Constitutional Questions and the Turner Initiative."]

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Alternative Public Schools (APS) and Its Successful Bid

What Is APS?

Alternative Public Schools, Inc. (APS) is a Tennessee Corporation based in Nashville. Its founders, John C. Eason and William R. DeLoache, Jr., started the company in 1992 intending to provide educational services to the Nashville School District. Although there was public discussion of charter schools (charter schools are quasi-public schools run outside of the direct control of traditional school boards but financed by tax money), and widespread support for privatization, the Nashville School Board failed to issue a request for proposals (RFP) which would have allowed APS to compete for a contract.[50] When the Wilkinsburg School District issued its request for proposals to operate Turner Elementary, APS put together an "education design team" composed of five experienced educators from the Pittsburgh area and led by the nationally known principal-educator, Dr. Elaine C. Mosley.[51] Dr. Mosley was principal of the widely acclaimed Corporate/Community Schools of America (C/CSA) in Lawndale, (Chicago) Illinois, an organization designed to demonstrate effective administrative and teaching models for inner-city public schools.[52] Since the Turner contract, APS has entered into an agreement with a school district in Chelmsford, Massachusetts to conduct a charter school for grades five through eight, according to William R. DeLoache, Jr. of APS.

Can APS Do the Job?

Objections to APS have usually taken three forms. First, it is said that since APS has "never run a school," it is bound to fail. APS is a relatively new organization— just four years old. However, that overlooks that fact that its educational professionals have decades of experience. The members of the design team and Principal Mosley are veterans at managing schools with

students similar to Turner's. Mosley herself has over thirty years of teaching and administration experience upon which to draw. It is true that the teachers and aides recruited by APS are generally less experienced than the former Turner teachers, but APS had to recruit under the cloud of a legal challenge to its right to accept a contract at all. To attract veteran teachers from their secure positions in other districts was difficult, especially when the teaching jobs that APS had to offer might be wiped out by a single adverse court decision.

There are objections of a second sort. How could the Board have chosen APS given its unfamiliarity with educational restructuring? The Wilkinsburg School Board, as has already been mentioned, did not evaluate the various proposals without special competent help. Dr. Wayne Jennings, a renowned expert in school restructuring, was called upon by Board members to review the five provider proposals it had received. Dr. Jennings wrote of the APS proposal:

I found few weaknesses and was impressed by this proposal...It provides a good fit with modern thinking on educating Turner's students. It has the potential to create an exciting, outstanding school with an engaging, lively program that raises achievement. The extended day represents developments that some day will be commonplace in all schools...This is a very strong proposal and I have no hesitation in recommending that this team warrants continued serious consideration by the Board for the operation of Turner School.[53]

The third objection to APS is that it is a profit-making entity. The argument is that profits will be put first, and education will take second place. There is no denying that APS is a private business enterprise which sets out to make a profit. However, such an incentive is precisely what may have been missing from public education. The important question is: How will APS be able to guarantee itself a profit in the short-run and continuing profits in the long-run? APS can only "make money" on the Turner contract if it improves Turner student performance. As APS President John Eason says, "The school board is looking for results. If we don't provide an excellent education, we won't have a company." [54] The contract made by APS with the Wilkinsburg School district bears out what Eason says. APS promises to meet detailed academic goals.

APS and the School District agree that the first year (1995-96) will be regarded as a "transition year." In years three through five of the agreement, however, students who have been enrolled for two consecutive years at Turner while it has been under APS management must increase their test scores on the Comprehensive Test of Basic Skills (CTBS) by five percentage points over baseline scores. The baseline is defined as the national CTBS median scores achieved by students in the spring of 1995 *before* APS took over. Test scores for three-year and four-year students must show seven and one-half and ten percentage point increases over the baseline scores. In addition, the contract provides that 55% of the children whose entire school experience has been under APS will have CTBS total battery scores above the median in grades two and up.[55] If these goals are not met, this could constitute a breach of contract by APS. Educational progress, as measured by external testing, must be demonstrated if APS wants to make both short and long-term profits.

THERE IS NO DENYING THAT APS IS A PRIVATE BUSINESS ENTERPRISE WHICH SETS OUT TO MAKE A PROFIT. HOWEVER, SUCH AN INCENTIVE IS PRECISELY WHAT MAY HAVE BEEN MISSING FROM PUBLIC EDUCATION... AS APS PRESIDENT JOHN EASON SAYS, "THE SCHOOL BOARD IS LOOKING FOR RESULTS. IF WE DON'T PROVIDE AN EXCELLENT EDUCATION, WE WON'T HAVE A COMPANY."

As mentioned above, the first year of the contract is called a "transition year," that is, a year in which APS's progress is not measured by "hard" data like test scores. Nevertheless, recently gathered survey data from the Lincoln Institute, a Harrisburg opinion research organization, shows that a high percentage (72%) of Turner parents said that the quality of educational instruction their children received had improved over that of previous years. A similarly high percentage (72%) of Turner parents gave their child's elementary school a grade of "A" or "B". In addition, a preliminary look at the PSSA results for the Turner students who took the test only five and one-half months after APS took over shows a slight increase in the top two quartile totals on that test and a comparable decline in the bottom two quartiles.[56]

The contract proposal also sets out certain *non-academic* goals which APS is bound to meet. According to the contract, areas in which baseline data will be established and against which APS will be required to show improvement are: parent and student satisfaction, parent and community involvement, school safety, and employee and student absenteeism.

It is worth noting that under provision 9(b) of the contract between the school district and APS, profits (net income) made by APS during its first three years of management are to be escrowed. In the ordinary course of events, these profits can only be released from escrow when APS meets the academic and non-academic goals set forth in the contract. The arrangement provides substantial protection against APS "taking its profits and running."

How Has APS Changed Operations at Turner?

APS has instituted a number of important changes at Turner. First, it has the power to hire its own staff. It hired teachers and aides from among those applying. APS also possesses the power to fire teachers who, for one reason or another, do not meet the expectations of APS. This is far different from the position in which public school board members often find themselves, that is, hampered in dealing with teachers by a combination of union contract provisions and state tenure laws. In fact, APS terminated three teachers in February and March of 1996, two of whom reportedly used physical force against students. The other dismissed teacher was a special education teacher who was dissatisfied with APS's efforts to meet state special education requirements.[57]

The teaching staff is developing its own curriculum, which could best be described as a no-nonsense program of basic instruction in math, science, language development and social studies, along with special "immersion modules" to stress the application of skills and knowledge.[58] APS offers direct incentives to make the venture a success by giving all teachers the option to purchase shares of the company's stock. APS is also formulating a plan to tie a portion of teacher compensation to the progress of students under the supervision of the teaching team of which the teacher is a member.[59] The school day has been lengthened, and the school year is being lengthened gradually from 180 to 212 days. Students have been reorganized into various multi-age groups, and each student at Turner has been assigned a trained adult mentor who works at the school and meets regularly with the student to "ensure that each student has a stable relationship with an adult throughout the educational process." [60]

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Privatization--Will It Work at Turner?

Private vs. Public--The Record

The state of urban public education is cause for concern. Nobel Prize-winning economist Milton Friedman says: "Our elementary and secondary educational system needs to be radically changed...There is no respect in which inhabitants of a low income neighborhood are so disadvantaged as in the kind of schooling they get for their children..."[61] Even defenders of public education are dismayed with the current situation. American Federation of Teachers president Albert Shanker candidly observed that "significant numbers of our children" still grow up "without basic literacy and numeracy skills." [62] Friedman and Shanker are keen observers. Vast performance differences exist between publicly and privately operated school systems. For example, the *private* parochial schools of New York City educate over 150,000 students each year, including tens of thousands of poor students from the inner city with extraordinary success. *New York Post* columnist Ray Kerrison recently summarized the performance of these poor, inner-city students in New York City parochial schools: "More than 90% of the students live at the poverty level, yet the dropout rate is less than 1%, 99% graduate, and more than 90% go on to college." [63] All this is done at an average cost per student of approximately \$3,000. Incidentally, the parochial system has one administrator for every 2,000 students. By contrast, the *public* schools in the same New York City neighborhoods have an average dropout rate of 18%, and less than half of their high school students graduate in four years. The cost per pupil is \$8,000 and there is one administrator for every 125 students, or *16 times* the number of administrators used by parochial schools. [64] The same contrast in performance and cost can be found in most major cities.

How can the comparative success and creative energy of private sector education be infused into public educational institutions so that they do a better job? That is the question which educational reformers are asking today. It is the same question which the members of the Wilkinsburg School Board continue to ask themselves.

Privatization--What Does it Mean?

One answer that has promised change and produced hope is "privatization." "Privatization" is a term which has been applied to a variety of undertakings. If used in connection with the changes occurring in the former Soviet Union, it means the selling-off of government enterprises to the highest private bidder. In education the term has been sometimes applied to vouchers and school choice. Its most frequent use today is to refer to the hiring of private management companies by public school boards to help the board run the district. One important feature of this kind of privatization, as it has been generally practiced so far, is that *existing teaching professionals and other staff members are retained*, even though the school is being directly managed by a private provider. These kinds of arrangements are called public-private partnerships. [65]

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Public-Private Partnerships--How Have They Worked?

How have such public-private partnerships fared? Most of the publicity about private management companies has been produced by their administration of schools in Hartford, Connecticut; Baltimore, Maryland; Minneapolis, Minnesota; and Miami Beach, Florida.

In Baltimore, the efforts of EAI (Educational Alternatives, Inc.) have received close scrutiny. Even with concerted opposition from teachers' unions, EAI was able to produce gains in student math achievement scores but only marginal improvement in other areas. Furthermore, it is worth noting that the scores of the fifth graders who had attended EAI schools for the three years of the experiment rose two percentage points in reading and one percentage point in math, while a control group of fifth graders lost five points in both reading and math during the same period.[66] EAI, which eventually lost its Baltimore contract, reclassified large numbers of students who had been labeled "learning disabled" and put them into mainstream classes. This meant that the scores of those reclassified students would now be counted in the overall EAI test results and, as the University of Maryland report on the subject points out: "...the inclusion in test score reporting for (EAI) schools of the students who, in other schools, would be identified as Level IV special education students and whose scores would thus not be reported, almost certainly accounts for some of the lack of increase...in test scores." [67] To be fair to EAI, one must also bear in mind that the nine Baltimore public schools which were turned over to EAI had the district's lowest test scores. [68]

In Minneapolis, after 18 months of operating the district, Public Strategies Group, as reported by the *Minneapolis Star Tribune*, "has met many of its objectives and earned much of the maximum amount called for in its contract..." The initial contract, described as a "pay for results" agreement, identifies specific goals which Public Strategies Group agrees to meet, such as improvement on standardized tests, reducing the performance gap between minority students and other students, boosting parent participation, and reducing suspensions.[69] In August 1995, the Minneapolis School Board unanimously approved PSG's contract for the 1995-96 school year. [70]

In Hartford, another public-private venture involving EAI, strong teacher union opposition led the private provider to suggest singling out a few sympathetic schools instead of undertaking the type of district-wide reform which it originally intended.[71] A dispute over the terms of the continuing contract resulted in the cancellation of the contract with EAI. Myron Lieberman, senior research scholar at the Social Philosophy and Policy Center at Bowling Green State University, called the main problem in the Hartford case "mass sabotage from the unions." [72]

Miami Beach, Florida was another EAI-run privatization effort. On reading and math comprehension tests, the EAI-operated South Pointe Elementary School was compared with the South Pointe control group; the EAI students outdistanced their public school peers. Over three years, EAI students showed an improvement of 12 to 33 percentage points in test scores. During the same time period, the members of the public school group ranged from a *drop* of 17 percentage points to a gain of eight points on the same tests.[73] Interestingly, EAI's good results did not lead to its renewal, but its training of teachers at South Pointe was sufficient for

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the school district to use those instructors to train others in the district. Therefore, even though EAI still sells materials to the Dade County schools, it is no longer under contract with them to provide teaching training and supervision. [74]

The results of public-private partnerships have been modest to good, but in some cases, less than promised by the provider. Therefore, in all but the case of Minneapolis, even though the private companies were able to show some improvement in academic outcomes and general improvement in financial and plant management, they lost their contracts.

Contracting at Turner--Privatization of a Different Sort

The term privatization also refers to governmental entities, such as municipalities or school districts, contracting with private companies to provide specific services which the governmental unit had previously provided with its own employees. School districts already make widespread use of this kind of privatization when they hire independent custodial concerns, bussing companies, and food service firms. Under this kind of privatization, *the employees providing the services are employees of the independent contractor, not of the district*. The privatization of Turner Elementary falls into this category. However, what makes the Turner case unique is that the services being contracted are *teaching services*. The private company with which the district has contracted has the authority to replace the existing teachers with instructors of its own choice, and to replace them if they cannot or will not meet APS standards. By taking this unprecedented step, the Wilkinsburg School District is attempting to incorporate more features of private enterprise and ownership into a school district than other "public-private" privatization plans have allowed, while maintaining public supervision. Can privatization of this sort improve education for Turner students? If so, how?

How Can Private Operation Improve Performance?

The three keys to this type of privatization success are: *incentives, performance goals* and *productivity*. Incentives are of two kinds. First, there are incentives for provider-companies. APS's business revenues are directly tied to producing better student performance. If Turner students fail to learn, APS stands to lose its contract. The threat of losing the contract makes private providers *intensely interested in getting the educational job done*. Speaking of his company's privatization efforts in the Minneapolis public schools, Public Strategies Group president Peter Hutchinson says: "Under the contract we proposed, the board owes us nothing unless we make a difference in the results actually produced within the district...We don't get paid for showing up--we get paid for making a difference." [75] One could say that privatization harnesses the horse of financial incentives to the educational cart.

APS is operating under such incentives. It, in turn, provides incentives for its staff of teachers. As mentioned above, APS is making efforts to link student success to direct and indirect teacher compensation. This approach is common in business but foreign to public education. Nevertheless, such incentives produce results that no other motivation can match over the long-run.

APS'S BUSINESS REVENUES ARE DIRECTLY TIED TO PRODUCING BETTER STUDENT PERFORMANCE. IF TURNER STUDENTS FAIL TO LEARN, APS STANDS TO LOSE ITS CONTRACT. THE THREAT OF LOSING THE CONTRACT MAKES PRIVATE PROVIDERS INTENSELY INTERESTED IN GETTING THE EDUCATIONAL JOB DONE.

The second emphasis of privatization is upon *performance that gets certain educational results*. APS is legally bound to an educational contract with the WSB and indirectly with Wilkinsburg parents and students. That contract sets specific, identifiable goals which APS intends to attain. The stress is upon concrete educational objectives agreed upon in advance. The contract defines the targets clearly. As already mentioned, under the contract, students must show improvement on regularly administered standardized tests. An increasing average score is one of the main results that APS promises to deliver. These performance goals can be easily understood and monitored by school board members and parents.

Unfortunately, clear performance objectives have not been the hallmark of public education. Most often, one finds public schools with goals like "producing life-long learners", or "promoting a caring environment" or "ensuring success for each student". Objectives like these are vague and difficult for boards and parents to assess. They can mask poor quality education year after year. But Turner is now experiencing instruction which is paying more attention to performance. APS will not be permitted the luxury of excuses if performance does not improve. APS has no escape clauses under which it can blame "poverty" or "disadvantage" for poor educational results. The need for an emphasis upon performance is echoed by school board members from other parts of the country. "Our school district, and most other school districts," say Hartford, Connecticut board members, "hold neither students nor employees to high performance standards. It must happen for both groups, but it begins with management--the school board, superintendent, and private management--being held to high performance expectations, too." [77]

The third feature of privatization efforts by providers like APS is an insistence upon productivity. Increased productivity is the way economists refer to "producing more for less." APS is already increasing productivity by expanding hours worked by the staff with students--192 longer days versus 180 shorter days in the first year. The target for the second year is 212 instructional days. In addition, APS has restructured the teaching staff so that more use is made of aides and support teachers. Prior to the privatization initiative, there were twenty-four teachers on staff at Turner. Under APS's restructuring, Turner students are being taught by 17 classroom teachers, 8 apprentice teachers, 8 assistant teachers (aides), 2 special education teachers, and one music teacher. Additional APS staff members include a school nurse, a family services staff member, two secretaries, a security person and a part-time curriculum consultant. [78] APS maintains that the new mix of teachers and aides called for by the restructuring will produce more contact between students and knowledgeable adults which will, in turn, enhance the education of Turner students. Moreover APS is providing these enhanced services for \$5,400 per student for the first year. APS does receive benefits which are paid for by the Wilkinsburg School District--utilities, custodial and maintenance services-- valued at \$600. Therefore, total per pupil expenditures are equivalent to \$6,000 under APS management. This is well *under* the Pennsylvania average current expenditures per pupil of nearly \$7,000 (1994-95) [79] and under the Wilkinsburg School district per pupil cost of \$8,800 a year. [80]

Increasing productivity requires the flexibility to cut costs, increase hours, and devise new instructional arrangements which will produce better results than the former structures. The typical union collective bargaining contract in Wilkinsburg (and in most of public education

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today) prevents flexibility of that sort. Achieving the increase in teaching days from 180 to 212, for instance, would have taken years of negotiation under the most favorable of circumstances. Realistically, the host of structural changes that APS was able to institute immediately would have been unachievable under the existing WEA contract.

Private management does not guarantee educational improvement in every case. Not every private company will be able to change things for the best. An ineffective, poorly-staffed private company which manages to obtain a privatization contract will undoubtedly make little positive impact on a given school's low performance. Moreover, a private company which adopted a curriculum or set of teaching methods which proved ineffective could produce meager educational results. But in a system of private contracting, such an inferior provider will *not* be tolerated for long. If that provider produces no results its contract will be cut short and it will not be renewed.

Conclusions

In March of 1995 student performance at Turner was unacceptably low and very costly on a per pupil basis. The Wilkinsburg School Board justifiably determined that only a fundamental restructuring would produce the dramatic improvement in the educational opportunities open to Turner students, many of whom were African-Americans from low and moderate income families. The Wilkinsburg Board adopted a novel method of contracting out virtually the entire academic program of Turner Elementary to a private company (Alternative Public Schools, Inc.). The APS contract contains many key features which distinguish it from certain highly publicized "public-private partnerships" and which increase the likelihood of the experiment being successful. APS is given power to hire and fire teachers, prescribe the curriculum, and make other changes which it deems pedagogically sound. At the same time, APS must produce of specific educational results and be given control over an experiment which is of manageable scale, given the size of the provider. None of these changes, it should be noted, could have been expeditiously put in place under the terms of the preexisting collective bargaining agreement, considering the state of labor relations between the Wilkinsburg Board and the Wilkinsburg Education Association. In short, the Wilkinsburg School Board has harnessed the horse of private sector incentives to the cart of public education. And, for the first time for a long time in Wilkinsburg, the educational cart has begun to move.

Recommendations

- APS should conduct its own program of baseline standardized testing. The best time to administer the baseline test would be as close to the beginning of the school year as possible. If that is not possible, then it should accept the CTBS test results of the spring of 1995 or the spring of 1996 as its baseline.
- A repeat test administered near the end of each school year will provide the best available gauge of change in learning. Given the failing condition of the system prior to the changeover to APS, adequate time should be given by the Wilkinsburg School District to

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allow APS methods to produce results. A sufficient period of time is probably at least two years and more realistically, three years.

- The testing should be administered according to the highest ethical and professional standards. Ideally, independent third parties should monitor the procedures and administrations, but it must be recognized that such an administration is difficult to arrange.
- Care should be paid to progress on the non-academic indicators under the APS contract as well as the academic, since improving non-academic behavior and maintaining civility and order have a great deal to do with furthering academic progress.
- The performance of Turner students under APS should be carefully compared (using normative data) with the performance of other elementary students within the Wilkinsburg district and with other similar student groups in Allegheny County and statewide.
- If the performance results, both academic and non-academic, improve as required by contract, or show substantial improvement when compared to other similarly situated districts, the Wilkinsburg School District should consider the extension of the APS contract to other students within the Wilkinsburg District, on a gradual basis, extending the APS contract to the other Wilkinsburg elementary schools and, perhaps, at the same time, to post- elementary grades.

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Appendix: Legal/Constitutional Questions and the Turner Initiative

The Legal Issues Surrounding the Turner Initiative

The two legal issues swirling around the Turner Elementary initiative are: (1) Does the School Board have the statutory and constitutional authority to enter into contracts for services, including educational services? (2) Can the Board legally furlough existing teachers? These two issues began to surface in March 1995 when it became apparent to the Wilkinsburg Education Association (WEA) that the Wilkinsburg School District (WSD) was serious about contracting with APS to provide education to Turner students and intent upon furloughing existing Turner teachers.

The Contracting Issue

Is it lawful for a school district's board to employ an independent contractor to provide its students with educational services? The Public School Code appears to say "yes." It contains a number of provisions which clearly support such "contracting out". First, Section 501 grants broad powers and places duties on school boards to establish and equip elementary schools. [A] Section 508 of the Public School Code expressly gives school boards the authority of "entering into contracts of any kind". [B] By contracting with APS, the WSD is carrying out its duty to establish and equip elementary schools under Section 501 while using a means (making a contract) which is provided for by Section 508.

The WEA has argued that the School Code must contain *a specific grant* of power to a school board to contract out for teaching services[C], and that general grants of power are not enough to do so. However, no such detailed grants exist for the retaining of construction managers, educational consultants or public relations persons, all of which have been lawfully hired by Pennsylvania school districts.[D] Moreover, many other contracts are regularly entered by districts based upon the broad powers which school boards possess to see that good public education is provided. School districts regularly lease equipment, adopt early retirement and incentive programs, and contract for cafeteria and custodial services, all without specific, detailed grants of power from the legislature.[E]

The Supreme Court of Pennsylvania should have no difficulty finding that there is ample authority, express and implied, under which the Wilkinsburg School Board can contract with APS to improve and reform educational services for Turner students. In fact, in its opinion of October 27, 1995 mentioned above, the Court seemed to indicate that if the Public School Code were interpreted (by a lower court) to prohibit the Wilkinsburg board from subcontracting with new teachers through APS, such an interpretation could well be contrary to the Pennsylvania Constitution, which requires the maintenance of a "thorough and efficient system of public education." [F]

It is worthy of note that if Governor Ridge's charter school legislation passes, the APS/WSB contract calls for the school board to convert Turner into a charter school.[G] The charter school, under the Ridge bill, can then contract with "a private entity to provide instruction, administer, operate or maintain any or all aspects of the charter school". [H] Therefore, if the Ridge charter school provisions pass, Turner Elementary would become a charter school which would retain APS to provide educational services, and the issue of contracting out would be moot.

The Furloughing Issue

Is it lawful for the WSB to furlough Turner teachers under the circumstances in which the district found itself March 1995? Section 1124 of the Public School Code suggests an affirmative answer. [I] Under that section school boards have the power to furlough professional teaching employees where a "curtailment or alteration" of educational programs is recommended by the superintendent with the concurrence of the school board and the Pennsylvania Department of Education. The superintendent of the WSD, with the support of the school board, sought the necessary approval from Secretary of Education Eugene W. Hickok. The Secretary not only gave his approval but stated that the Wilkesburg District's own statistics showed that the students were not receiving quality education and that a major change was necessary to meet the needs of students and parents. [J] It is evident that under Section 1124, the Wilkesburg School Board has acted lawfully in furloughing teachers due to the need for a dramatic change in educational provision.

In conclusion, neither the issue of contracting out nor the issue of furloughing should prevent the efforts of the Wilkesburg School Board to improve the education of Turner students via private contracting.

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- [E] Brief Amicus Curiae, PSBA, 10.
- [F] School District of Wilkinsburg v. Wilkinsburg Education Association, A.2d. ., 1995.
- [G] APS, "Agreement," Provision 12.
- [H] Pennsylvania House Bill No. 38, Session of 1995, Section 1703- A.(C), January 20, 1995.
- [I] 24 Pa. C.S.A. section 11-1124(2) (Public School Code).
- [J] Brief Amicus Curiae, PSBA, 19.