EdSel(l)s: Assessing For-Profit Schools

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In 1992, a year after he launched The Edison Project, a for-profit venture designed to transform K-12 education in the United States, Chris Whittle lured Benno Schmidt, the president of Yale University, to be his CEO. In a front page story about the appointment, Whittle used a Cold War analogy to describe the revolutionary impact of his new company: “You have to have a West Berlin for East Berlin to fall and what we’re really doing here is building West Berlin.” Whittle predicted that by 2010 Edison would design, build, and run 1,000 schools with 2 million students.

Schmidt used World War II for his analogy: “The reason this hasn’t been done before is that this thing is a matter of D-Day dimensions...If this venture succeeds, there’s nothing, there’s nothing that could be done, aside from changing human nature, that would be more constructive for our society.”

The Edison Project and its parent, Whittle Communications, seemed to be flying high - for a while. By 1999, Channel One, Whittle’s twelve-minute cable news program, with two minutes of commercials, was watched by 8 million students in more than 12,000 schools on 25-inch television screens, which, along with videocassette recorders and satellite dishes, had been supplied by his company. Edison was running 61 schools, with 37,000 students in 17 states. Having raised $232 million from investors by 1999, Edison went public, netting $109 million from the sale of 6.8 million shares at $18 each.

But, as Samuel Abrams (director of the National Center of the Study of Privatization in Education, Teachers College, Columbia University) reveals in Education and the Commercial Mindset, Whittle’s empire turned out to be “a shimmering house of cards.”

The business model of The Edison Project depended on government vouchers to cover the high cost of tuition. Without vouchers, Whittle and Schmidt abandoned plans to build state of the art schools, lengthen the school day, redesign the curriculum, and provide home computers for every
student. Edison became a subcontractor, managing charter and public schools. Subject to conditions set by school district officials and legislators, and not always embraced by parents and students, Edison did not produce profits for Whittle Communications, which began hemorrhaging money well before 1999. In that year Whittle sold Channel One, his only profitable property, for $240 million, and dissolved Whittle Communications. Edison soldiered on, running schools in Baltimore and Philadelphia, but it had lost its swagger and its swag.

In *Education and the Commercial Mindset*, Abrams provides a detailed, informative and insightful account of the rise and fall of The Edison Project, as a case study of for-profit schools. To bolster his thesis that “much of our mistaken thinking about education policies derives from our commercial mindset,” Abrams compares Edison to the non-profit Knowledge Is Power Program (KIPP) and public school reforms in Sweden, Norway and Finland.

Abrams demonstrates that for-profit schools have no incentives to consider long term educational or social goals. Obsessed with achievement metrics that might persuade consumers to purchase their product, they often exclude students with cognitive, emotional or behavioral problems. Or with failing grades. They concentrate on reading and mathematics, for which annual standardized tests are required, to the exclusion of other subjects, including writing and the sciences. Not surprisingly, then, there is convincing evidence that administrators and teachers helped students cheat on these tests at Edison schools.

Study after study, moreover, finds little if any positive affect of tests on student progress and some indication that administering frequent examinations is counter-productive. Nor are tests necessary to discern whether students are learning. Using sophisticated sampling techniques, Abrams reveals, the Finns obtain all the information they need, reclaiming valuable time, energy and resources to teach their students in all subjects.

Abrams’ assessment of KIPP’s non-profit charter schools is more positive. KIPP’s “no excuses,” character-building model, which requires the active involvement of parents, can work, he reports, but its impressive track record should be placed in the context of the organization’s recruitment, attrition and replacement patterns. A significant number of students who do not prove to be a good fit drop out, return to public schools (which must accept them), and are replaced either by higher-performing individuals or no one at all. KIPP “does great work despite the force of poverty,” Abrams points out, but the non-profit depends heavily on philanthropists (to augment budgets), “tireless teachers, and students as well as families capable of abiding by rigid academic and behavioral expectations that limit its reach.”

What is needed, Abrams concludes, is an approach that will work for all students in disadvantaged communities. The strategy should include granting administrators more autonomy, increasing the salaries of teachers (and making the everyday experience of teaching more appealing), extending the school day, providing substantial remedial help, and raising expectations. Universal standardized tests should be replaced with assessments of reading, writing, mathematics and science, using small, but representative samples of students.
Running schools like businesses won’t solve the problem, Samuel Abrams makes clear. And, let’s face it, if we are really committed to leaving no children behind, we will have to make substantial public investments in them.