

Privately run city schools cost more to improve

Edison's administrative expenses twice as high as public schools'

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Three Baltimore elementary schools run by the for-profit Edison company are making progress, but it's costing more to run them than other city schools that have seen bigger jumps in test scores, according to a new Abell Foundation report.

The state brought in Edison Schools Inc. with fanfare in 2000 to run the three schools, which were failing so badly that the state had taken control of them. The company brought with it a new curriculum and method for organizing schools.

Among the findings of the report, scheduled for release this week: Edison, the nation's largest for-profit school management company, retains the equivalent of \$1,425 for each child it serves at Furman L. Templeton, Gilmor and Montebello elementary schools.

And its administrative costs per pupil are nearly twice those of the city school system.

The state deducts the amount of money it gives to Edison from the money it allocates to the city school system. Last school year, Edison received \$20.1 million.

State Superintendent Nancy S. Grasmick, who contracted with Edison to run the schools through 2007, vigorously disputed the report's findings. She said the company has turned around the schools for the same amount that other public schools in the city receive.

"I don't care whether it's a for-profit company," she said. "They're doing the job for children."

Robert C. Embry Jr., president of the Abell Foundation, said the purpose of the report is to spark a discussion about the efficiency of contracting with private companies to run public schools.

Edison and several other companies have capitalized on the charter school movement to secure contracts around the country.

While the report does not take a position on Edison's role in Baltimore, Embry was critical of for-profit school management firms in a guest column that appeared on The Sun's Op-Ed page in March.

He voiced concerns about the "potential for cheating" on state tests.

"Particularly troubling," he wrote, "is when a for-profit firm such as Edison Schools, Inc., which operates three public schools in Baltimore, is compensated in part based on its test scores - information that is solely under Edison's control with no external monitoring."

Embry, a former chairman of the state and city school boards, said in an interview yesterday that there are three "givens" with Edison running the three city schools:

One, "the schools have done better." Two, "comparably bad schools have done even better." Three, "Edison's only in it to make money. ... It has to cover its overhead and it has to make a profit."

"The question is," Embry continued, "is it reasonable? Maybe it is. Maybe it isn't. But ... it's not something that's ever been publicly discussed."

The report is based on a study conducted for Abell by William S. Ratchford II, former director of the state Department of Fiscal Services, who has worked as an analyst for the city and advised the school system last year during a fiscal crisis.

Laura Eshbaugh, executive vice president of Edison Schools Inc., declined to comment on specific figures in the report. She said in a statement: "Edison is proud of the educational progress made by students in all three schools over the course of our engagement and pleased by the increased involvement of parents and the community in these schools."