School Closings in Philadelphia

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The closure of 30 schools has occurred amid a financial crisis, headlined by the district’s $1.35 billion deficit. School closures are one piece of the district’s plan to cut expenditures and close its budget gap. The closures are also intended to make Philadelphia’s school system more efficient. Superintendent William Hite summarized the strategy: “This path will lead to greater educational investments throughout our more than 200 schools and improved educational outcomes for students. This path will reverse our enrollment declines as we create safer, more modern learning environments and build sustainable community partnerships and coalitions” (Hangley Jr., 2013).

Research on the experiences of other major school districts that have undertaken large-scale school closings suggests a gap between the stated goals of the district’s plans and the likely outcomes, particularly regarding academic and financial benefits to district students, staff, and taxpayers (Shaw & Schott, 2013). Cost savings from school closures are limited, at least in the short-term (Dowdall, 2011), while students’ academic performance is unlikely to improve, and may in fact decrease if they are not transitioned to high-performing schools (de la Torre & Gwynne, 2009; Ozek, et al., 2012; Engberg, J. Gill, B., Zamarro, G., & Zimmer, R., 2012). The plan, which displaces 15,000 students, is further challenged at a time of district-wide cuts.

Furthermore, the closure plans and decisions, made by the state- and mayoral-appointed School Reform Commission, have engendered substantial political pushback. Philadelphia’s City Council, by a vote of 14 to two, passed a resolution calling for a halt to the process (Limm, 2013), and community groups filed a Civil Rights complaint with the U.S. Department of Education (Hurdle, 2013). City-wide planning meetings drew upwards of 1,000 students and parents (Herold, 2013). Protests leading up to the decision drew thousands, leading to 19 arrests, including the head of a national teacher’s union (Hurdle, 2013).

Despite existing evidence and significant opposition, large-scale closings proceeded in Philadelphia. The intent of this article is to examine why. The following investigates school closings, the policies and factors contributing to these decisions, existing research on this subject, and what these developments may portend for the years ahead in Philadelphia.

The Role of Policy Decisions in School Closings

Over the past decade, 70 large- or mid-sized cities closed schools—averaging 11 buildings per district (Engberg, Gill, Zamarro, & Zimmer, 2012). This trend has impacted some of the nation’s largest urban school systems, and shows no signs of slowing:

- **Chicago** closed 40-plus buildings in the early 2000s and voted in May 2013 to close 49 more. It is the largest one-time closure uncovered in our research (Yaccino, 2013).

- **New York City** has closed more than 140 schools since 2002; officials are shuttering, or phasing out, an additional 22 schools beginning in the 2013-14 school year (Baker, 2013; CBS New York, 2013).


While the factors contributing to each closure decision vary, broad themes are relatively consistent. Federal and state policies incentivizing closures and continued growth in the charter school sector are driving more districts to embrace closures and to move aggressively to shutter schools affected by intra-district enrollment shifts. Meanwhile, the lingering impacts of the national recession have stressed district budgets, reinforcing the move to close low-enrolled or poor-performing schools in an effort to save costs.

Beginning with external policy forces, school closings have been promoted as a reform model at the national level for more than a decade, a period when the federal government’s involvement in education has increased dramatically under presidents of both parties (McLendon & Cohen-Vogel, 2009). Closings were identified as strategies to address chronic low-performance through the
School choice—a bipartisan reform promoted at the federal, state, and local levels—contributes to closures by drawing students from traditional public schools. Charter enrollment has tripled nationwide since 2000, with most of the gains occurring in urban districts (Research for Action, 2013). For example, from 2004 to 2012, Chicago’s district-run schools saw a seven percent decline in enrollment, while its charter share increased eight percent. Washington, D.C.’s enrollment declined 16 percent, while its charter growth increased by the same number. Research has shown that these types of enrollment shifts can lead to negative consequences for both individual traditional public schools and districts at-large (Bifulco & Reback, 2011; Ni, 2007). Studies from districts in Michigan and New York found choice policies and attendant intra-district enrollment shifts led to “acute financial pressure” on urban districts statewide; in the case of two New York districts, the pressures resulted in school closures (Bifulco & Reback, 2011; Ni & Arsen, 2011).

Finances are often cited as a factor in closing decisions; consequently, school closures have become especially prevalent during the financial downturn. State education budgets, a major revenue source for urban districts, have continued to tighten even in the wake of the recession. During the 2012-13 school year, 26 states spent less per-pupil than during the previous year. After adjusting for inflation, 35 states are spending less than before the recession. Additionally, the loss of students in district-run buildings has led to inefficiencies—specifically costs and staffing associated with maintaining buildings with excess space. Schools with empty seats are particularly prominent targets for closure amid fiscal distress.

The convergence of federal accountability measures and rapid charter expansion has laid the groundwork for closings as a mainstream policy option; severe financial conditions have accelerated the pattern, and focused the stress squarely on urban school systems. Each of the factors highlighted in this section have contributed to closures in Philadelphia. The following section examines key moments building to the decision to close schools in Philadelphia, beginning with the state takeover in the early 2000s.

Factors Contributing to School Closings in Philadelphia

Philadelphia’s focus on accountability and choice has evolved and expanded since the state assumed responsibility for the district in 2002. Accountability and choice policies have been promoted through federal legislation, specifically the No Child Left Behind (NCLB) Act of 2001. NCLB aimed to introduce new “state and local flexibility” options to give parents a voice in their child’s education (The White House, 2002) which, in theory, leads to “more effective and efficient public education systems” (Linkow, Streich, & Jacob, 2011; Lubienski, 2004). From the outset, Philadelphia was held up as a district at the vanguard for these reforms.

In 2002, shortly after the takeover, the district’s new governing body launched what was then the nation’s largest experiment in the private management of public schools. Under its diverse provider model (DPM), district administrators contracted out the management of 46 low-performing schools to seven private for-profit and non-profit organizations, and restructured another 21 schools that remained under district control. State takeover and private management were two reforms prescribed for low-performing districts under NCLB (Gill, Zimmer, Christman, & Blanc, 2007). Rod Paige, then the U.S. Secretary of Education, proclaimed Philadelphia had “embarked on one of the most aggressive implementations of NCLB…. [They] have blurred the line between public and private…. Everyone in the nation should take notice of these partnerships” (Christman, Gold, & Herold, 2006, p. 14).

Philadelphia’s diverse provider model did not lead to achievement gains for all students. A report co-authored by RAND and Research for Action (RFA) used a fixed-effects approach to examine the relative student achievement in schools before and after management changes, and compared the trends with other district students (Gill, et al., 2007). After four years of the intervention, researchers found no statistically significant effects, positive or negative, in reading or math, for students attending privately managed schools. Schools that were restructured under the district-led intervention posted “significantly positive effects” for reading in the first year of the initiative, and durable gains in math over all four years. This is notable as the district-led intervention lasted only three years so math gains persisted an additional year.

The logic informing the diverse provider model relies on market principles: School officials promote innovation and improvement through competition and alternative options (Gill, et al., 2007). Yet Philadelphia’s diverse provider model was not a perfect reflection of the theory from which it was drawn. For example, there were no school choice options within the DPM, and the providers themselves had little autonomy with regard to hiring decisions (Christman, et. al, 2006). Soon after the DPM was abandoned, district officials moved toward furthering the market-based improvement strategies through the expansion of school choice.

When Pennsylvania’s governor assumed responsibility of Philadelphia’s school system, the district had 237 district-managed schools and 40 charters (Buckley, Henig & Levin, 2010). Today, the city’s 84 charter schools comprise about half of the statewide total, accounting for one-in-four public school options in the district (Pennsylvania Department of Education, n.d.) and 30 percent of Philadelphia’s public school population. Since 2003, enrollment in Philadelphia’s charter schools has increased by more than
40,000 students while enrollment in the city's district-run schools has decreased by about 50,000 students (Eichel, 2013). In Philadelphia, enrollment has not so much declined, but shifted.

District officials publicly acknowledged Philadelphia’s shifting enrollment in 2008, and formally addressed the issue in 2009 when then-Superintendent Arlene Ackerman incorporated a Facilities Master Plan (FMP) into her Imagine 2014 initiative. Ackerman’s strategy described a goal of providing students with adequate educational space to “accelerate student achievement,” and to ensure the “equitable allocation of district resources through a process to create, close, reconfigure, replace, and renovate schools” (The School District of Philadelphia, n.d.). This FMP would serve as the eventual framework for the closing of 30 schools.

Beginning in the 2011-12 school year, under then-acting Superintendent Leroy Nunery, the district identified 10 schools for closure based on enrollment trends—declining population leading to under-utilization—and the available space in neighboring schools. Building level metrics, including physical condition and “education adequacy”—played a secondary role. The school year ended with the shuttering of six schools and phase-out of two others at an expected annual savings of $6 million. The push to close schools would be amplified in the following year, as the district’s $1.35 billion deficit came into focus.

In September 2012, the district’s Chief Recovery Officer, Thomas Knudsen, released a five-year financial plan that included a recommendation to close approximately 40 schools at an expected annual savings of $33 million (The School District of Philadelphia, 2012). By April 2013, 24 schools were approved for closure by the School Reform Commission. These closures, along with grade reconfigurations and co-locations, are expected to eventually achieve $24.5 million in annual savings (Matheson, 2013).

The elements contributing to the district’s financial challenges—and these closure plans—are notable. Philadelphia’s deficit is primarily the result of a loss of federal stimulus dollars and state funding reductions. During the 2011-12 school year, state funding to Philadelphia was cut by $287 million dollars as federal stimulus dollars were not replaced (Pennsylvania Budget and Policy Center, 2013). The following year, state funding cuts to Philadelphia resulted in a $1,327 loss per student, well above the state average.

Philadelphia’s charter school policies play a secondary, but important role in its financial challenges. Consultants analyzing the district’s budget reported the public school system’s costs increase by an average of $7,000 for each new charter enrollee (Boston Consulting Group, 2012). This is due to two factors. First, one-third of all charter students come from outside district schools, creating a new cost for the district. Second, while a student transferring from a traditional public school to a charter school reduces some of the district’s burden, fixed costs at a student’s former public school, such as school administration, facilities cost, and central office services, remain (Boston Consulting Group, 2012, p. 34).

Philadelphia’s school choice policy consumes a significant portion of the school system’s long-term budget projections. Charter growth is assumed to increase by $220 million over the next five years (The School District of Philadelphia, 2012). If realized, at a total of $811 million, charter schools would be the district’s largest single-line expenditure. The district’s policy response towards charters during its financial crisis has focused not on closing schools due to poor performance or cost concerns; rather, it has attempted to control charter growth by capping enrollment in these schools (Woodall, 2012).

While large-scale school closings are a recent development in Philadelphia, the factors leading to the decisions have roots dating to the early 2000s. Policies promoted at the federal level and adopted by Philadelphia’s school officials have focused on turning around low-performing schools through the introduction of market reforms. Roughly one-in-three public school students attend charter schools. These enrollment gains have led to declines in traditional public schools. Within this financial climate, school officials have responded by closing more than one-in-ten of the district’s public school building compliment. The next section draws on recent research examining closings in mid-sized and large urban school systems, providing some insight into what this development may mean for Philadelphia’s school system and its students.

Financial & Academic Implications of Closure Policies

Officials have looked to closures as one piece of an extensive austerity plan intended to counteract the revenue strain of funding loss and charter growth. The research on long-term savings from large-scale school closures is limited, though the short-term returns appear consistent. A 2011 Pew analysis of six major districts nationwide found that average annual savings in the years immediately following closures were under $1 million per building (Dowdall, 2011). To put that figure in perspective, Philadelphia officials expect to save roughly $24 million through their closure process, which amounts to one percent of the total district budget (Graham, 2013). The majority of these savings were derived from personnel reductions including principals, assistant principals and clerical, food service, and custodial employees (McMillan, 2010).

When schools close, expenses associated with closures, such as maintaining vacant building sites, moving property, and transitioning students and staff, are often overlooked (Dowdall, 2011). For example, D.C. officials initially projected approximately $10 million in implementation expenses associated with its 2008 closings. The actual impact was far higher. According to a 2012
Building re-sales can also prove problematic as districts often lack experience in real estate. Shuttered schools frequently sell below initial projections. Philadelphia’s recent attempts to sell vacant schools reflected this difficulty, as the sale of three properties together netted $720,000—roughly $440,000 below the total original asking price (The Philadelphia Public School Notebook, 2012). These efforts are complicated by a challenging real estate market and difficulty in finding suitable occupants in depopulated or declining neighborhoods.

Additionally, charter schools were found to be the most common receiver of shuttered buildings, which may compound financial difficulties by adding another tax-exempt property, eliminating another potential source of revenue from the city and district while commensurately challenging district finances through higher expenses as a result of factors mentioned above (Dowdall and Warner, 2013).

While finances have dominated the school closing conversation, the need to understand the impact on student achievement is equally important. Research has found that closings seldom improve student performance, and in some instances, lead to long-term negative effects. Recently published studies have revealed the following:

- A study of closings in Chicago found negative short-term effects on test scores for transferring students, but no long-term negative impacts. The study reported larger academic gains for the six percent of displaced students sent to schools with high average achievement levels (de la Torre & Gwynne, 2009).

- An examination of Washington, D.C.’s closure and consolidation policy also found negative impacts on test scores for displaced students in the year following closure. However, student performance rebounded to rates similar to their unaffected peers in the next school year (Ozek, et al., 2012).

- Research on the effects of mass closings in an unnamed, medium-sized urban district found small, consistently negative effects on test scores for displaced students. These negative effects persisted over the three year period; the negative effects were smaller when students were sent to better achieving schools (Engberg, et al., 2012).

Research does suggest that displaced students relocated to higher performing schools show signs of improved academic performance. But again, there are challenges. Philadelphia’s proposed plan for transitioning students who had been enrolled in closing schools found that 20 of the 56 receiving options perform at similar levels, 16 perform worse, while 22 schools, or 40 percent, performed better based on adequate yearly progress (AYP). Furthermore, the majority of the better-option schools are still low-performing as measured by NCLB, with only one receiving option making AYP for the 2011-12 school year (Research for Action, 2013).

The lack of better-performing options is due, in part, to the geographical concentration of low-performing schools in the city: One-third of Philadelphia’s “Corrective Action” schools are located in the city’s north-central region, where the majority of closures took place. RFA’s analysis also found that the highest performing schools are at or over capacity (Research for Action, 2012b; Shaw & Schott, 2013).

A second concern arises with the inequity in the types of populations impacted. A study of New York City’s closings found shuttered schools had greater numbers of economically disadvantaged, special needs, African American, and English language learner students compared to respective district averages (New York City Working Group on School Transformation, 2012). The same held true for the eight schools voted to close or begin to be phased-out at the end of the 2011-12 school year (Research for Action, 2012a). Perhaps more concerning are indications that in the case in New York City, several schools targeted for closure experienced dramatic increases in high-needs student populations in the five years prior to phase-out, indicating that the school system’s student assignment policies contributed to the conditions leading to closure (New York City Working Group on School Transformation, 2012).

Philadelphia’s closing strategy is estimated to save approximately $24 million dollars annually. This estimate seems realistic based on the experiences of other districts. However, the savings in light of a $300 million annual deficit are modest while the challenge of transitioning 15,000 students is significant. The district’s current financial deficit places added stress on a district as it manages system-wide reductions of academic and support personnel. In districts without similar budget deficits, there is scant evidence suggesting Philadelphia’s closings lead to academic improvements for its displaced students. In the current context, Philadelphia’s challenge appears extraordinary.

Moving Forward
Philadelphia’s closures are the result of both deliberate policy decisions and significant disinvestment in public education over time. Choice policies within the district have drawn students away from traditional public schools and toward charters, leaving large numbers of traditional public schools with empty seats. In a period of severe budget shortfalls, Philadelphia’s school officials have focused their attention on schools with low enrollment in the hopes of saving costs, improving system efficiencies, and ultimately raising student outcomes. Ironically, a plan to expand student choice has contributed to the forced displacement of students through school closures.

Closures have succeeded in removing excess capacity, a goal targeted throughout Philadelphia’s process. According to its calculation, the district’s utilization rate has increased from 67 percent before the first series of closures to a projected 78 percent by the end of the 2012-2013 school year. Yet, the current rate is still short of the district’s optimal goal of 85 percent utilization. This fact has led school officials to suggest more closures may be on the horizon (Varghese, 2013).

Future closings appear likely, as the factors contributing to school closings persist. State government, the entity responsible for overseeing school policy decisions in Philadelphia, has reduced its investment in the school system, raising questions about the district’s ability to provide services and supports for teachers and administrators during a time of transition for 15,000 students. Second, while officials have commented that charter enrollment has reached a “saturation point”, district leadership has signaled that choice will remain a policy priority in the years ahead (Hangley Jr. 2013; Jablow, 2013).

As research indicates, any financial or academic benefits expected from closures are unlikely. Time will measure whether the district’s closing strategy will help lead to greater educational investments, improved student outcomes, modernized learning environments, and lasting community partnerships. However, the current policy environment, the district’s long-term budget projections, and experiences of other large urban districts do not generate cause for optimism.

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REFERENCES:


