

G A O
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Highlights

Highlights of [GAO-04-62](#), a report to the Chairman, Committee on Education and the Workforce, House of Representatives

Why GAO Did This Study

Over the last decade, a series of educational reforms have increased opportunities for private companies to play a role in public education. For instance, school districts have sometimes looked to private companies to manage poorly performing schools. The accountability provisions of the No Child Left Behind Act of 2001 may further increase such arrangements because schools that continuously fail to make adequate progress toward meeting state goals are eventually subject to fundamental restructuring by the state, which may include turning the operation of the school over to a private company.

GAO determined the prevalence of privately managed public schools and what could be learned about student achievement in these schools from publicly available sources. To do so, GAO examined existing data on the number and location of privately managed schools and reviewed a variety of reports on student achievement. In addition, GAO compared standardized test scores of students attending privately managed public schools with scores of students attending similar traditional public schools. GAO identified privately managed schools that had been in operation for four years or more in 6 large cities and matched these schools with a group of traditional schools serving similar students. GAO then analyzed student scores on state reading and math tests at selected grade levels, controlling for differences in student populations.

www.gao.gov/cgi-bin/getrpt?GAO-04-62.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Marnie Shaul at (202) 512-7215 or shaulm@gao.gov.

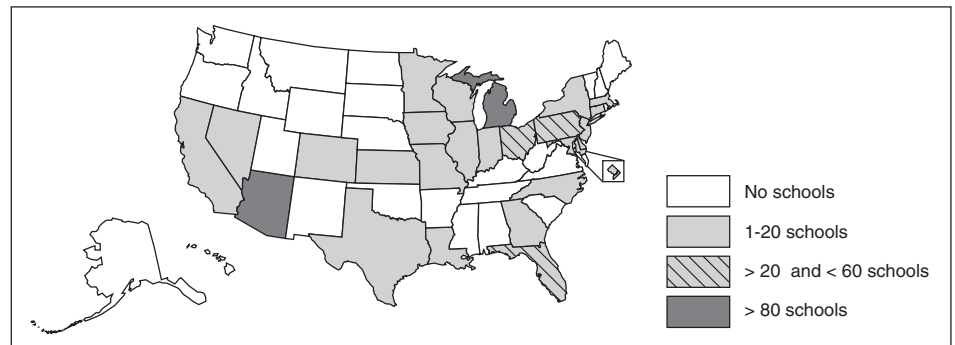
PUBLIC SCHOOLS

Comparison of Achievement Results for Students Attending Privately Managed and Traditional Schools In Six Cities

What GAO Found

The number of public schools managed by private companies has tripled in the last 5 years according to data compiled by university researchers, although such schools comprise less than 0.5 percent of all public schools. In the 2002-03 school year, nearly 50 private companies managed over 400 public schools nationwide. These companies managed schools in 25 states and the District of Columbia, with about one-half of the schools located in Arizona and Michigan. Information on student achievement at these schools was available in the form of state- or district-issued school report cards and annual reports issued by the management companies. Although these reports provided valuable descriptive information, they were generally not designed to answer research questions about the relative effectiveness of privately managed schools compared with traditional schools in raising student achievement. Consequently, GAO conducted test score analyses that provide further insight into student achievement in these schools.

Location of Public Schools Operated by Private Management Companies in School Year 2002-03



Sources: GAO analysis of Arizona State University data; copyright © Corel Corp. All rights reserved (map).

GAO's analyses of student test scores in 6 cities yielded mixed results. Scores for 5th grade students in Denver and San Francisco were significantly higher in both reading and math in two privately managed schools when compared with traditional schools serving similar students. However, 4th grade scores in reading and math were significantly lower in a privately managed public school in Cleveland, as were 5th grade scores in two privately managed schools in St. Paul. In Detroit, where eight privately managed schools were studied, reading and math scores of 5th graders in privately managed schools were generally lower. In Phoenix, GAO found no significant differences. GAO's results are limited to the schools and grade levels examined and may not be indicative of performance at other schools.