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PRESS RELEASE
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To: News editors, education reporters and editors,
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Edison Schools loses Miami contract
as for-profit firm slides into irrelevance

Edison Schools, the once-hailed for-profit school management firm now largely forgotten as a failed experiment, has quietly lost another of its earliest clients. Florida's Miami-Dade County school district in mid-February severed its contract with Edison to run Henry E.S. Reeves Elementary School

Reeves was Edison's only Florida school, though Edison formed a highly publicized alliance in 2001 with the Miami-area teachers' union, United Teachers of Dade, to jointly open 10 schools. The much-touted plan withered and died unrealized after a couple of years. Edison still maintains a different kind of presence in Florida: The state employees' pension fund owns a large chunk of the company.

The loss of the Miami contract, which Edison apparently did not contest, brings to 20 the number of school districts nationwide that have severed ties with Edison. Edison's first client – Sherman, Texas – was the first to get rid of it, followed by the rest of Edison's earliest customers (Boston; Wichita, Kan.; and Mount Clemens, Mich.).

Edison Schools, founded in 1995 by flamboyant entrepreneur Chris Whittle and for a time publicly traded on the Nasdaq, promised to improve student achievement at troubled schools for lower cost than regular public schools, and make a profit as well. But Edison schools have never been shown to perform better than other schools, and many school districts complained of Edison's higher costs.

As for profits, Edison has reported only one profitable quarter in its existence and no longer discloses financial information.

Edison stock traded publicly from 1999 to 2003, soaring to nearly \$40 a share in early 2001 and then plummeting to 14 cents. In November 2003, the company stock was taken private in a buyout at \$1.75 a share. The Florida state pension fund invested \$174 million in the purchase. Media reports noted that Florida Gov. Jeb Bush was a trustee of the board that supervises pension investments and a supporter of Edison and other school "reforms" favored by conservatives.

Along with losing Miami, the company is in trouble with other clients around the country, including its second-largest, Chester-Upland schools in Pennsylvania. Edison is blamed for many problems in the beleaguered school district, which is in financial meltdown, and several officials are calling for non-renewal of Edison's contract. New York State's Charter Schools Institute is recommending closure of Edison's struggling Charter School of Arts and Technology in Rochester.

A February 2005 local news report about Chester-Upland sums up other Edison problems. "Edison has come under fire similarly in many of the other markets where it runs schools or school districts," Delco Times reporter Josh Cornfield wrote before the Miami cancellation. "Districts and schools around the country from Miami to Inkster, Mich., are taking long, hard looks at whether to renew contracts with the New York-based company."

Only a few years ago, education pundits and the mainstream press showered Edison with praise. The San Francisco Chronicle in January 2001 described "thrilled" parents and "soaring" test scores. A March 2001 Salon headline declared that Edison had "worked miracles." A March 2001 Page 1 New York Times article about San Francisco's effort to sever its Edison contract emphasized claims of high test scores and portrayed Edison skeptics as ideologues who, the story said, "failed to offer concrete evidence" to support their criticism. That article appeared nationwide via wire service and worldwide in the International Herald-Tribune.

By contrast, four years later the press ignored the severing of Edison's Miami contract, except for a passing mention in the 22nd paragraph of a Feb. 18, 2005, Miami Herald article.

In recent years, Edison has quietly moved away from its mission of "revolutionizing" public education, and into marketing conventional supplemental services such as testing, summer school and tutoring. Almost all of its new business involves providing such services rather than trying to manage schools.

Edison's website now lists a number of schools that it still manages, in accordance with its original business plan. But the newest additions to the website list are 13 schools in Charleston and Allendale, S.C., to which Edison provides consulting services rather than full management.

Edison employs a longtime deception on its website, claiming to manage far more schools than it actually lists. "Edison Schools currently operates 157 public schools," the website stated in February 2005. A count of the listed schools shows 111 – and that counts the 13 South Carolina schools that Edison consults for but does not operate. (The count also includes the Miami school from which Edison was just removed.)

Edison once attracted ideological support from backers of privatization and school vouchers, and from such powerful conservative bastions as the Wall Street Journal editorial board and the Hoover Institution. But its name is no longer mentioned when "school reform" supporters propose solutions for public education.

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