

Release of Data On Numbers of Schools Failing AYP or Identified for Improvement Suggests Where Opportunities Exist

*A Technology Monitoring and Information Service (TechMIS)
SPECIAL REPORT*

*Prepared by:
Education TURNKEY Systems, Inc.
256 North Washington Street
Falls Church, Virginia 22046-4549
(703) 536-2310 / (703) 536-3225 FAX*

February 28, 2004

As of December, most states had released data on the number of schools which failed to meet AYP or which have been “identified” for improvement during the 2003-04 school year. These data suggest states and districts that offer opportunities for firms that have instructional software and related products and/or services which are being positioned as solutions under different strategies (e.g., partnering with high-performing schools or districts vs. actually providing supplemental education services).

According to Title I Reports (January) and the Center for Education Policy’s 2nd Year Assessment of NCLB implementation, approximately 25,000 schools across the country failed to meet AYP based on 2002-03 tests. According to Title I Reports estimates, approximately 40 percent of districts have failed to meet AYP under the NCLB standard. While the number of schools identified for improvement grew by almost 1,000 this year, both Title I Reports and CEP project substantial growth next year among those 25,000 schools failing AYP for the first time that will once again fail to meet AYP; this will increase substantially the number of schools that have to provide choice. As the CEP report noted, only six percent of schools that failed to meet AYP two years ago met AYP this last year and, therefore, were no longer “identified” for improvement. Up to 80 percent of the schools failing to meet AYP in Florida and South Carolina could conceivably be “identified” for improvement by next Fall. States with the highest percentages of schools failing to meet AYP include: Florida (87%), Alaska (57%), California (45%), Hawaii (67%), Massachusetts (52%), Missouri (60%), North Carolina (49%), and South Carolina (79%), among others. In many districts, schools are looking for solutions which will have immediate impact on improving student achievement, especially among special education and limited-English-proficient students. Solutions should generally be positioned as “preventative” medicine.

The number of schools that were “identified” for improvement this year for having failed two consecutive years increased to about 6,000 -- located in about 1,600 districts -- and continues to increase in some states which are still analyzing assessment data from 2002-03. The states with large percentage increases over the previous year in the number of schools identified for improvement include Alaska (270%), Arizona (350%), Illinois (146%), Louisiana (200%), Michigan (90%), Nevada (125%), North Carolina (775%), Oregon (100%), South Carolina (203%), South Dakota (146%), and West Virginia (312%). For districts containing these schools, several alternative

approaches might make sense, including:

- Partner with the district or a high-performing school to offer supplemental education services for after-school programs and/or provide training because these schools must reserve 15 percent “off the top of the Title I reserve” for staff development;
- Approach an independent third-party operator of an after-school program which wants to expand the number of students served and receive more Title I funds which would “follow the child.”
- Work with the district’s office that administers supplemental services (see related article on the examples in Los Angeles and Boston, among others).

A recent survey by the Council of Great City Schools of its 46 large district membership, reported that 498 schools in 2003-04 were in their first year of school improvement this year. An additional 510 schools were in their second year of school improvement, 471 were identified for “corrective action,” and 215 for “restructuring.”

Title I Reports has preliminary estimates that approximately 3,700 schools have been identified for improvement for two consecutive years (or failing AYP for three consecutive years). This estimate can be expected to increase considerably because many of the largest states (e.g., Michigan, New York, Illinois) have not finalized their results. An approach here, once again, would be to partner with the district or a high-performing school in the district, which has been approved as an SES provider by the state, in establishing virtual schools or after-school programs for students in the failing schools.

Another approach would be to partner with an independent state-approved SES provider. According to Siobhan Gruman of the National Journal in a recent report for the American Enterprise Institute, as of November 2003 there were slightly over 1,000 different tutoring providers; as the result of multiple state approvals, the actual number of providers across all states totals more than 1,550. Approximately 25 percent of providers were state-approved public school systems, while 70 percent were private groups. Gruman projects that the greatest growth in SES providers to emerge in the near future will be community-based groups such as YMCA, Boy’s and Girl’s Club, and even churches that “have added on or expanded tutoring operations because of Federal tutoring money”...An increased number of 21st Century Community Learning Centers established by the Federal government in the 1990s to provide after-school care are getting in on the supplemental services market.”

Agreeing with comments of some of the high-level officials from Sylvan Learning and Princeton Review, she concludes that, in the long run, the largest providers will be school districts; the way to get “market share” will be through selling materials to schools as opposed to providing supplemental education services.

Within the subset of the 1,600+ districts with one or more schools identified for improvement, there

is a subset which should be targeted for the above and additional reasons. There are approximately 200 districts which have five or more schools identified for improvement. These are more likely than others to have set aside a large percent of Title I funds -- up to 20 percent -- in September 2003 or shortly thereafter, to cover potential costs of transportation and supplemental services. Not all of these costs will have actually been incurred by the end of this school year. Once again, as last year, many of these districts will have to decide whether to spend the money on other allowable products or services beginning in May/June, or to carry over funds to next year. Because many of these districts carried over the maximum 15 percent from last year to this year, the maximum they can carry over this year is likely to be five percent. Moreover, if these districts also receive an increase in Title I funding for next school year, they are even less likely to carry over such funds. These are the districts to target now!! For more information give Charles a call directly at (703) 536-2310.