

# Board of Education Agenda Item

Item: C.

Date: April 20-21, 2005

Topic: Final Review of Proposed Criteria for Virginia Board of Education Review of Private Educational Management Companies

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## Origin:

Topic presented for information only (no board action required)

Board review required by

State or federal law or regulation

Board of Education regulation

Other: Requested by Board of Education Committee on Lowest Performing School Divisions

Action requested at this meeting  Action requested at future meeting: none

## Previous Review/Action:

No previous board review/action

Previous review/action

date March 23, 2005

action First Review of Proposed Criteria for Virginia Department of Education Review of Private Educational Management Companies

## Background Information:

At its March 23, 2005, meeting, the Board of Education received for first review a set of proposed criteria against which to evaluate private educational management companies. In response to feedback provided by the board, a criterion on effectiveness was added to ensure that the private educational management companies could provide evidence of their ability to turn around a school. An additional indicator has also been added to the section on finance and organization to address the ability of the private educational management company to build capacity so that once the company exits, the school and school division can sustain the administrative and instructional progress that has been made.

The Board of Education has demonstrated its commitment to assist schools and school divisions that have failed to make progress toward student achievement goals by reviewing and approving models and programs that have proven to be successful with low-achieving students. As some of Virginia's schools move into Year Three of School Improvement, which requires corrective action, the board desires to offer additional options to schools to comply with NCLB.

Section 1116(b)(7)(C)(iv) of the *No Child Left Behind Act of 2001* describes the corrective actions required for schools in Year Three of School Improvement: “. . . by the end of the second full school year after the identification [of a school for School Improvement], the local education agency shall—

- (i) continue to provide all students enrolled in the school with the option to transfer to another public school served by the local educational agency, in accordance with paragraph (1)(E) and (F);
- (ii) continue to provide technical assistance consistent with paragraph (4) while instituting any corrective action under clause (iv);
- (iii) continue to make supplemental educational services available, in accordance with subsection (e), to children who remain in the school; and
- (iv) identify the school for corrective action and take at least one of the following corrective actions:
  - (I) Replace the school staff who are relevant to the failure to make adequate yearly progress.
  - (II) Institute and fully implement a new curriculum, including providing appropriate professional development for all relevant staff, that is based on scientifically based research and offers substantial promise of improving educational achievement for low-achieving students and enabling the school to make adequate yearly progress.
  - (III) Significantly decrease management authority at the school level.
  - (IV) Appoint an outside expert to advise the school on its progress toward making adequate yearly progress, based on its school plan under paragraph (3).
  - (V) Extend the school year or school day for the school.
  - (VI) Restructure the internal organizational structure of the school.

Rather than undertaking one of these actions on its own, a school division may prefer to contract with a third party to implement one or more of these corrective actions in a low-performing school. The proposed criteria would ensure a minimum level of assurance that a company is able to provide such services effectively. However, the companies would operate under a contract with the school division, and any performance measures and stated outcomes would be agreed on between the school division and the management company.

In addition to providing options for corrective action, a private educational management company may also allow a school division to provide additional alternatives for public school choice. For example, a management company may be able to offer the structure for a charter school, a school within a school, or other innovative ways to provide a choice of educational opportunities for students.

### **Summary of Major Elements:**

Attached is a list of proposed criteria that the Board of Education will use to assist school divisions in identifying potential private educational management companies. The six categories are:

1. Financial and organizational capacity, including financial soundness, management structure, legal status, and transition plan;
2. Effectiveness, including positive impact on student achievement and evaluation by an independent party;
3. Instructional capacity, including academic accountability, links to research/best practice, and proven record of success;
4. Personnel capacity, including teaching and administrative personnel;
5. Professional development capacity, including professional development capacity for teaching and administrative staff; and
6. Communication capacity, including ways to maintain contact with parents, the community, the local school board and other stakeholders.

### **Superintendent's Recommendation:**

The Superintendent of Public Instruction recommends that the Board accept for final review the proposed criteria for review of private educational management companies to provide services to Virginia schools.

### **Impact on Resources:**

The impact of this activity can be absorbed within existing resources at the Department of Education at this time.

### **Timetable for Further Review/Action:**

Upon approval the Department of Education will make the criteria available to school divisions interested in employing the services of a private educational management company as well as incorporate them into a proposed process to review such companies.

**Virginia Board of Education**  
**Proposed Criteria for Review of Private Educational Management Companies**  
**April 20, 2005**

**Introduction**

The Board of Education is committed to assisting school divisions that have failed to make progress toward established student achievement goals in establishing partnerships with private educational management companies. Listed below are the criteria that the board will consider when assisting school divisions that may want to partner with a private management company to improve student achievement and academic performance of the school.

**Criteria**

**I. Financial and Organizational Capacity**

**a. Financial Soundness**

The organization provides evidence that it is financially sound. The evidence may include: a description of how the organization currently receives funds (i.e., grants, fees-for-service, investments, etc.); audited financial statements; credit ratings from an independent rating agency; organizational budgets that account for revenues, expenses, cash flow activity; and/or proof of liability insurance.

**b. Management Structure**

The organization provides evidence that it has a sound management structure. The evidence may include: a business plan or profile; proof that adequate organizational resources are available to meet project needs; senior staff résumés; and/or a description of an established system of management.

**c. Legal Status**

The organization provides documentation required to conduct business in Virginia. The evidence may include: a copy of a business license; and/or formal documentation of legal status.

**d. Transition Plan**

The organization provides a plan to ensure that the local school division is restored as the management entity for essential leadership, administrative, and instructional functions. The evidence may include: a plan that demonstrates how the organization will ensure that it will provide consultative services to the local school division and school after it has exited; and/or past evidence of how this has been accomplished with other clients.

**II. Effectiveness**

**a. Positive Impact on Student Achievement**

The organization demonstrates that it has the ability to have a positive impact on student achievement. The evidence may include: student achievement results on a valid, reliable performance measure that demonstrates success, especially with low-income, minority students; a research report or study that documents the organization's success; and/or additional evidence of improved outcomes such as reference letters, improvement in non-academic factors such as attendance, drop-out rate, graduation rate, student behavior/discipline, or parent/student satisfaction.

**b. Evaluation by Independent Party**

The organization demonstrates that an objective evaluation by an independent party has been conducted that verifies its effectiveness. The evaluation should include evidence of experimental or quasi-experimental research. It must include at a minimum evidence of case studies or other evidence of success. The evidence may also include: a copy of the independent evaluation; a link to a Web site where the evaluation is posted; and/or contact information for the independent evaluator.

**III. Instructional Capacity**

**a. Academic Accountability**

The organization provides evidence that it uses specific programs and practices to diagnose student needs and prescribe appropriate instructional programs, and evaluates and monitors student progress. The evidence may include: a description of the specific process or program; and/or a timetable that demonstrates how the program or practice results in the desired outcome.

**b. Link to Research/Best Practice**

The organization provides evidence that key instructional practices and central design elements of the organization are linked to current research and best practices. The evidence may include: a description of how the instructional practices and central design elements are high quality, based in scientifically-based research, and designed to increase student academic achievement; and/or a plan of how the company will ensure that the instructional practices and central design elements are linked to current research and best practice.

**c. Proven Record of Success**

The organization provides evidence that demonstrates a proven record of successful implementation of the program. The evidence may include: a contract, warranty, or memorandum of agreement.

**IV. Personnel Capacity**

**a. Teaching Personnel**

The organization provides evidence that it can hire highly qualified staff who meet the licensure requirements for Virginia teachers in the subject matter they will be teaching as defined in the licensure requirements for Virginia teachers. Evidence of experience in working with low-income, minority, migrant, students with disabilities, and limited English proficient students is also required. The evidence may include: a summary report of staff qualifications; and/or copies of Virginia educational licenses.

**b. Administrative Personnel**

The organization provides evidence that it can hire highly qualified staff as defined in the licensure requirements for Virginia administrators. Evidence of experience in working with low-income, minority, migrant, students with disabilities, and limited English proficient students is also required. The evidence may include: a summary report of staff qualifications; and/or copies of Virginia educational licenses.

**V. Professional Development Capacity**

**a. Professional Development for Teaching Staff**

The organization provides evidence that it can provide research-based, ongoing, sustained, high-quality staff development for the teaching staff. Evidence of experience may include: past professional development plans and evidence of success; and/or an implementation plan for this school division.

**b. Professional Development for Administrative Staff**

The organization provides evidence that it can provide research-based, ongoing, sustained, high-quality staff development for the administrative staff. Evidence may include: past professional development plans and evidence of success; and/or an implementation plan for this school division.

**VI. Communication Capacity**

**a. Parent/Community Communication**

The organization provides evidence of an accurate, consistent, timely, regular system of communication with the parents and community. Evidence may include: examples of successful communication plans used for other clients; and/or an implementation plan for this school division.

**b. Local School Board Communication**

The organization provides evidence of an accurate, consistent, timely, regular system of communication with the local school board. Evidence may include: examples of successful communication plans used for other clients; and/or an implementation plan for this school division.