

INFORMATION MEMORANDUM

DATE: February 4, 2004

TO: MEMBERS, STATE BOARD OF EDUCATION

FROM: Geno Flores, Deputy Superintendent
Assessment and Accountability Branch

SUBJECT: *No Child Left Behind (NCLB) Act of 2001*: Identifying Title I-funded Local Educational Agencies (LEAs) for Program Improvement (PI);
Section 1116 (c) (3)

No Child Left Behind (NCLB) Act of 2001 Section 1116 (c) (3) requires states to identify for Program Improvement (PI) any Local Educational Agency (LEA) that for two consecutive years fails to make Adequate Yearly Progress (AYP). The first year in which an LEA will enter PI status will be the 2004-05 school year. The options presented for identifying LEAs for PI are the following:

Option 1: LEAs that do not meet all the components of AYP for two consecutive years, 2002-03 and 2003-04 would be identified for PI. Student data for all students and for all significant subgroups are aggregated to the LEA level.
Projected Number of PI LEAs: 320.

Option 2: If 75% or more of an LEA's Title I-funded schools are identified for PI for two consecutive years, the LEA would be identified as PI.
Projected Number of PI LEAs: 41

Option 3: Title I funded LEAs that failed AYP and had an LEA-wide API of less than 560 for the socioeconomically disadvantaged subgroup for two consecutive years would be identified for PI status.
Projected Number of PI LEAs: 33

Attachment: Identifying Local Education Agencies (LEAs) for Program Improvement
An Issue Paper (8 pages)

Identifying Local Education Agencies (LEAs) for Program Improvement

An Issue Paper

Purpose

The purpose of this issue paper is to describe various options for identifying local education agencies (LEAs)¹ that receive Title I funds for Program Improvement (PI) as required under the federal *No Child Left Behind (NCLB) Act of 2001*. It addresses the impact of the various options and recommends a preferred method. The paper consists of the following sections:

- I. Background on Adequate Yearly Progress
- II. State Responsibilities Regarding LEAs
- III. Consequences for LEAs Identified for Program Improvement
- IV. Principles and Options for Identifying LEAs for Program Improvement
- V. Summary and Policy Recommendation

I. Background on Adequate Yearly Progress

A. Definition of Adequate Yearly Progress

NCLB requires each state to define Adequate Yearly Progress (AYP) for all schools, LEAs, and the state. The California State Board of Education, in its NCLB Accountability Workbook, defined AYP for California. The definition requires all schools and LEAs to meet the following criteria in order to make AYP:

- meet Annual Measurable Objectives (AMOs), a measure of percent proficient or above, for English-language arts and mathematics for all students and for all numerically significant subgroups;
- meet a 95 percent participation rate on all applicable assessments for all students and for all numerically significant subgroups;
- show growth of at least one point annually on the Academic Performance Index (API) or have a minimum API growth score, which is 560 in 2002-03; and

¹ For purposes of this issue paper, LEA refers to districts, county offices of education (that operate schools), and direct-funded charter schools.

- (for high schools only) show progress on one of the three options for meeting the high school graduation rate requirement:
 - achieve a graduation rate of 82.8 percent or above for the 2002-03 school year, OR
 - improve at least 0.1 percent in the graduation rate each year, OR
 - improve at least 0.2 percent in the average two-year graduation rate.

B. Criteria for Identifying Schools for Program Improvement

Program Improvement status is a formal designation for Title I-funded schools and LEAs. Schools are identified for PI if they do not make AYP for two consecutive years on the same indicator (annual measurable objectives for English-language arts and mathematics, participation rate, API, graduation rate). NCLB (Section 1116(b)(1)(D)) allows LEAs to choose to review only the performance of students served, or eligible for services, in a Title I Targeted Assistance school (TAS).² A school is eligible to exit PI status once it makes AYP for two consecutive years.

There are certain types of required services and/or interventions that schools and LEAs must implement during each year they are identified for PI. *These apply only to schools and LEAs receiving Title I funds.*

II. State Responsibilities Regarding LEAs

States have specific responsibilities in the context of AYP and PI. Two of the major responsibilities are addressed below.

State Review of LEAs

NCLB requires states to annually review the progress of each LEA receiving Title I funds to determine if they meet the following requirements:

- the LEA's schools receiving Title I funds must make adequate yearly progress;
- the LEA must carry out their responsibilities in providing support to their schools in PI;
- parental involvement requirements must be implemented; and
- teachers and Title I paraprofessionals must be highly qualified.

² A school that receives Title I funds can either be a school-wide program (SWP) school or a targeted assistance school (TAS). In a SWP school, Title I funds are used to upgrade the entire educational program of a school that serves an eligible school attendance area in which not less than 40 percent of the children are from low-income families, or not less than 40 percent of the children enrolled in the school are from such families. In TAS, Title I funds are used to provide services to specific individual children that have been identified as being most at-risk of not meeting grade level academic standards.

In addition, the state must publicize and disseminate to LEAs, teachers, parents, students, and communities the results of the annual review (Section 1116(c)(1)(B)).

Identification of LEAs for Program Improvement

NCLB Section 1116(c)(3) requires states to identify for PI any LEA that, for two consecutive years, fails to make AYP as defined in the state's plan under Section 1111(b)(2). The state may choose to review only the progress of students served, or eligible to be served, in Title I targeted assistance schools (see footnote #2). Although the previous reauthorization of the *Elementary and Secondary Education Act* (ESEA) of 1965, the *Improving America's Schools Act*, required states to identify LEAs in need of improvement; no LEA in California has ever been identified for PI. ***The first year in which an LEA will officially enter PI status will be the 2004-05 school year after identification in summer 2004. An LEA may appeal their PI designation (Section 1116(c)(5)(B)).***

III. Consequences for LEAs Identified for Program Improvement

Any LEA identified for PI must meet the following requirements:

Year 1 in Program Improvement

- Develop or revise a LEA plan within three months of identification to include specific components and implement the plan no later than the beginning of the next school year following identification (Section 1116(c)(7)); and
- Set aside not less than ten percent of their Title I allocation for professional development (Section 1116(c)(7)(A)(iii)). (This is in addition to the minimum five percent reservation for professional development to help teachers become highly qualified.)

Year 2 in Program Improvement

- Continue to implement the plan developed in Year 1.

Year 3 in Program Improvement

The state may take corrective action at any time after an LEA is identified for PI. In the LEA's third year in PI, the state must impose on the LEA at least one of the following corrective actions:

1. Defer programmatic funds or reduce administrative funds.
2. Institute and implement a new curriculum that is based on state academic standards.

3. Replace the LEA personnel who are relevant to the failure of the school to make academic progress.
4. Remove particular schools from the jurisdiction of the LEA and establish alternative arrangements for governance and supervision of the schools.
5. Appoint a receiver or trustee to administer the affairs of the LEA in place of the superintendent and school board.
6. Abolish or restructure the LEA.
7. Authorize students to transfer to another LEA with paid transportation. (If the state selects this option, an additional corrective action from the options listed in items 1-6 must also be implemented.)

Additionally, an LEA in any year of PI may not be a supplemental educational services provider (Federal Regulation 34CFR200.47(b)(1)(iv)(B)).

IV. Principles and Options for Identifying LEAs for Program Improvement

This section outlines the principles underlying the various methods to identify LEAs for PI. It also presents three options embodying the principles for carrying out the state's responsibilities to identify LEAs for PI.

Any option for identifying LEAs for PI should meet the following principles:

- be consistent with the API measures of the Public Schools Accountability Act (PSAA) and the definition of AYP as required by NCLB;
- be straightforward and easily understood by LEAs, schools, and the general public;
- be fairly applied to all LEAs; and
- target available resources to effectively support LEAs most in need of assistance.

Following are three options for identifying LEAs for PI. Included with each option is a description of how the option is applied along with its impact. Pros and cons of each option also are included.

Option 1: LEAs that do not meet all the components of AYP for two consecutive years; 2002-03 and 2003-04 would be identified for PI.

Beginning in 2002-03, all LEAs received an AYP determination (in August 2003) based on all components of the AYP, which included:

- meeting AMOs– a measure of the percent of students proficient or above in English-language Arts and mathematics, for all students and for all numerically significant subgroups;
- meeting a 95 percent participation rate on all applicable assessments for all students and for all numerically significant subgroups;
- showing annual growth on the API of at least one point or having a minimum API growth score of 560; and
- (for high schools) showing progress on one of the three options for meeting the high school graduation rate requirement:
 - achievement of a graduation rate of 82.8 percent or above, OR
 - improvement of at least 0.1 percent in the graduation rate, OR
 - improvement of at least 0.2 percent in the average two-year graduation rate.

Option 1 aggregates student data for all students and for all numerically significant subgroups to the LEA level. Any LEA not meeting the aforementioned components of AYP in 2002-03 and 2003-04 would be identified for PI status.

Using this option, based on 2002-03 data, 58 percent of LEAs did not make AYP and are at risk of being identified for PI status, if they fail to make AYP for a second consecutive year in 2003-04. Based on simulations, it has been projected that 32 percent of LEAs (i.e., 320 districts) would fail to make AYP for 2003-04 and subsequently be identified for PI at the beginning of the 2004-05 school year.

**Projected Number of LEAs Identified for PI
Based on Student Data Aggregation to the LEA Level**

2002-03 data	58%=580 LEAs (at risk after one year)
2003-04 data	32%=320 PI LEAs

Pros

- This option uses the definition of AYP that currently applies to all LEAs.

Cons

- Using Option 1, it is possible that LEAs, whose schools all made AYP, could be identified for PI because of the aggregation of all student and subgroup results to the LEA level; this would be especially true for smaller LEAs.

- The aggregation of student data to the LEA level will identify LEAs for PI that may need to pay attention to some student populations but may not identify LEAs truly in need of improvement.
- California Department of Education (CDE) and the technical assistance support systems at the state and LEA levels currently do not have the capacity to provide quality assistance to such a large number of potential PI LEAs.

Option 2: If 75 percent or more of an LEA's Title I-funded schools are identified for PI for two consecutive years, the LEA would be identified for PI.

Option 2 is consistent with the general requirement that the state educational agency annually review an LEA to determine if Title I-funded schools are making adequate yearly progress. The impact of this option would result in a projected 4 percent of LEAs (i.e., 41 districts) identified for PI at the beginning of the 2004-05 school year, but a disproportionate number of those LEAs are small. Dropping the threshold to 50 percent or more of Title I schools in an LEA identified as PI for two consecutive years would result in 10 percent of LEAs (i.e., 106 districts) identified for PI with a more representative sample of small to mid-size LEAs.

Projected Number of LEAs Identified for PI Based on Percentage of PI Schools in LEA

2003-04 data	75% of schools in PI	41 LEAs
2003-04 data	50% of schools in PI	106 LEAs

Pros

- The smaller number of LEAs identified for PI allows CDE necessary time to build its capacity to work with these LEAs and to put in place the technical assistance networks and systems needed to assist them.
- Gradually reducing the threshold to, or beginning with, 50 percent would produce a more representative sample of LEAs identified for PI.
- The use of school level data that is aggregated to the district level is consistent with the requirement to review the AYP of Title I schools in annually reviewing the progress of LEAs.

Cons

- This option would result in a disproportionate number of small LEAs being identified for PI.
- Urban school districts would have a very high threshold to meet before being identified for PI; and, might never be identified, despite the fact that they receive the most Title I funds and serve the highest number of Title I students in the state.

- LEAs would be held accountable only for the achievement of their students enrolled in Title I schools, so that a minority of schools in a district could throw the LEA into PI.

Option 3: Title I funded LEAs that failed AYP and had an LEA-wide API of less than 560 for the socio-economically disadvantaged subgroup for two consecutive years would be identified for PI status.

In determining the AYP of LEAs, NCLB offers the following flexibility to states:

- aggregate student data to the LEA level to determine PI status of LEAs (Section 1111(b)(2));
- aggregate school level AYP data to the LEA level to determine PI status of LEAs (Section 1116(c)(1)(A));
- only review the progress of students that are receiving or are eligible to receive Title I services in targeted assistance schools to determine if those schools are making AYP and, in turn, if the LEA is making AYP (Section 1116(a)(4)).

This option proposes a combination of student data aggregation, and the use of the API for socio-economically disadvantaged students (the proxy for students receiving or eligible for Title I services) to determine the PI status of an LEA. There is consistency in using the 560 API threshold, since it represents the 20th percentile of API scores and is parallel to the required starting point for AMOs.

A data simulation using this option resulted in the identification of three percent of LEAs (i.e., 33 districts) for PI in the 2003-04 school year. Increasing the API threshold incrementally, similar to the structure used for the school API thresholds, would potentially identify the following number of PI LEAs:

Projected Number of LEAs Identified for PI Based on API Threshold

API less than 560 (in 03-04)	33
API less than 590 (in 04-05)	157
API less than 620 (in 07-08)	239

(These figures do not account for any growth and, thus, represent upper bounds for numbers of LEAs identified.)

Pros

- This option would result in a mix of LEAs, both small and mid-size, with the largest identified LEA having an enrollment of approximately 30,000 students for the first year.
- It would target available resources to effectively support LEAs most in need of assistance.

- It would hold LEAs accountable for the achievement of all of its students in English-language arts and mathematics, especially the socio-economically disadvantaged students who are eligible for or being served by Title I services.
- Using the API, allows CDE to use an accountability measure that is accepted statewide and which focuses on growth in student achievement from year to year. The API includes the California High School Exit Exam (CAHSEE) for high schools, the California Standards Tests in English-language arts, math, social studies (high school only), and science (high schools only), the norm-referenced tests, and the California Alternative Performance Assessment (CAPA).
- The increase in the API threshold from 560 to 800 eventually would result in a fair application across small, middle-size, and large school districts.
- There is consistency is using the API threshold, since it mirrors the school API threshold, represents the 20th percentile of API scores, and is parallel to the AMO target structure.

Cons

- Initially, large LEAs would not be identified using this option.
- The API portion of the criteria is based only on the achievement of the socio-economically disadvantaged subgroup and does not include other numerically significant subgroups.

V. Summary and Policy Recommendation

This paper summarizes the context and the state responsibilities for identifying LEAs for PI. Three options have been presented. In weighing the procedures, impact, pros, and cons of each option, Option 3 emerges as the best approach for meeting state responsibilities.

Therefore, **Option 3** is recommended for adoption because it:

- focuses resources on LEAs most in need of assistance;
- is based on criteria already familiar to LEAs, schools, and the general public;
- does not unfairly affect LEAs; and
- is consistent with the manner in which the law allows states to identify Targeted Assistance Schools for Program Improvement.