



EDUCATION INDUSTRY ASSOCIATION ~ ESEA ORGANIZING PRINCIPLES
December 28, 2009

Background

The Education Industry Association (EIA) represents the rapidly growing group of education entrepreneurs who are providing products, services, and strategies that both complement and supplement education services. Our 450 members include online education providers, school improvement and management services, charter school operators, alternative education and special education services, professional development providers, after-school tutoring providers, and educational content providers. These organizations range from non-profit organizations to for-profit companies that leverage innovative approaches to improve teaching and learning.

Based on the deep and broad experience of our members, who operate in virtually every school and in every community nationwide, EIA believes it can offer a unique perspective into ways ESEA could be reformed to help deliver on its promise of helping all children achieve their full potential.

EIA Policy Platform

ESEA reauthorization offers an opportunity to strengthen Federal reforms, policies, and programs to engage the private sector and education innovators to help every child reach their full potential. EIA believes that ESEA reauthorization must be constructed around four broad themes:

- 1. Excellence and equity in education is the most important issue for the America economy and society;*
- 2. Expanding access to high quality learning experiences which requires cultivating a policy and regulatory environment that supports innovation with new learning tools, school models, and services provided both by non-profits and the private sector;*
- 3. Expanding online learning and targeted, intensive tutoring which holds tremendous promise for extending learning time, improving productivity, and expanding access to quality instruction;*
- 4. Funding education research and innovation that can serve as a catalyst for transforming our education system. Such an approach requires focused investment that must include an equal role for the private sector, just as the Federal government has private sector partners in other significant innovation efforts ranging from ARPA-E to In-Q-Tel to NIH.*

The ability of our nation to educate over 55 million students and achieve the President's ambitious education goals is not possible without the active participation and support of the private sector. From alternative education to supplemental educational services, assessment

and curriculum developers to special education schools, data management companies to large and small publishing firms, private sector education innovators are delivering solutions at scale to school systems and students across the country.

The Obama Administration has turned to public-private partnerships to address other pressing social challenges such as providing financial incentives to accelerate the adoption of health information technology to improve health care, funding cleantech innovators to address climate change, and supporting broadband providers to help generate economic growth. EIA believes this same partnership approach must be brought to bear to the education crisis in order to ensure that every child has access to a quality education and graduates from school ready for college, career, and life. The reauthorization of ESEA offers the opportunity to foster the next generation of standards-based reform by providing real incentives for innovative solutions to our nation's most pressing education challenges that include unacceptably low reading proficiency, high dropout rates, and a lack of a common standard of rigor in what is expected from students in order to graduate.

To that end, EIA offers the following guiding principles that should undergird the development of new ESEA programs and policies:

1. Empower Parents By Giving Them a Meaningful Voice in Where Their Children Are Educated, Including Online Learning Opportunities, Charter Schools, and Supplemental Education Services.

As our nation's student population continues to become more diverse, and as we continue to have persistent gaps in student academic achievement levels, parents should be given maximum opportunities in federal funded programs to choose the educational program that best meets the individual needs of their children.

- ESEA should provide assistance to the states to develop student-level data reporting systems that are timely, transparent and accurate to drive continuous quality improvement.
- School systems nationwide should encourage and empower parents to become more actively engaged in their child's education. To that end, schools should be required to provide parents with timely and easily understood information concerning their educational options.
- Supplemental Education Services (SES) should be strengthened and improved as a critical intervention for students who are trapped in chronically underperforming schools. SES provides low-income students with access to the same kind of high-quality tutoring that has always been available to middle class families. According to the U.S. Department of Education, more than 530,000 students benefited from SES in 2006–07, more than double the 233,000 students served in the 2003-04 school year. A growing body of evidence points to the benefits of SES for hundreds of thousands of underperforming students, and to the more than 80 percent of parents who say that SES has had a direct, positive impact on their children. EIA supports aggressive turnaround interventions for underperforming schools, such as those prescribed in Race to the Top and the School Improvement Grants. But students currently in these schools need extra assistance with their education while their schools go

through the process of putting in place the systems and providers to help them turnaround. EIA is committed to working with the Administration and Congress on a series of reforms that can strengthen SES, address some of the concerns that have arisen with the current program structure, and deliver results for schools, students, and parents.

2. Level the Playing Field for All Providers in Federally Funded Programs

Education innovators are driving measurable improvements in teaching and learning. They are also scaling these solutions faster, in many instances, than nonprofit organizations. For example, nearly twice as many students are served by nonprofit charters with for-profit management organizations, and 82 percent of students that attend schools operated by the 22 largest operators are served by for-profit partners.

Private sector alternative education and credit recovery programs are also helping school district partners to address the dropout epidemic. Philadelphia Public Schools, for example recently launched the Renaissance Schools initiative, an ambitious effort to turnaround 30 low performing schools by bringing in new leadership from education management organizations, charter schools, or teams of district educators. Private providers are also working with school districts to better serve students with disabilities. For example, more than seven percent of all special education students in DC, New Jersey, Maryland, and New York receive services from private providers.

Given the enhanced potential for quality at scale, private sector providers should have equal opportunity with their non-profit counterparts to provide tutoring, school improvement, online learning, and school management services. This requires that education innovators are allowed to participate, when appropriate, in all federal funded competitive grant programs and that any barriers that limit participation to just non-profit or public entities be eliminated. This will encourage public-private partnerships, attract more innovators to the education sector, and help encourage more private capital to scale successful education interventions.

With the distinction between for-profit and non-profit organizations becoming increasingly irrelevant, EIA believes that ESEA must permit a diverse array of providers, including for-profit and non-profit entities, to compete in the marketplace, and let local and state officials have final control over who they choose as partners. The challenge in our education system is too great and the need too urgent to limit eligibility of quality solution providers based on their tax status.

3. Provide States and LEAs with More Flexibility and Choice to Select the Solutions and Providers That Meet Their Unique Needs

With over 15,000 school districts in the country, there is a vast diversity of environments in which our public schools operate. Prescriptive procedures for meeting specific education objectives (e.g. increasing graduation rates, improving student proficiency, reducing achievement gaps, etc.) can limit a district's ability to bring innovative solutions to its students. In pursuing programs that best fit the needs of their students,

school districts should be given maximum flexibility to leverage solutions that exist in the marketplace, including partnership with private sector education providers and entrepreneurs. For example, many school districts are turning to special education service providers who help at-risk learners get the individualized, high-quality instruction they need to get back on track. Districts can turn to these solution providers because IDEA specifically allows, and in fact encourages, these types of partnerships. This same approach should be used under Title I, School Improvement Grants, teacher quality programs, Title II Part D, and under interventions prescribed under any new accountability framework introduced as part of ESEA reauthorization.

4. Support Innovation In Learning Tools, School Models, and Services In Support of Providing Equity and Excellence in Education

ESEA reauthorization should support instructional systems and strategies that personalize the delivery of content, use adaptive assessments, provide comprehensive learning platforms, offer targeted tutoring, and enable innovative school models.

- ESEA should authorize the U.S. Department of Education to make research and development investments with and through private providers with the capacity to deliver quality solutions. This authority should also include the potential to co-invest in companies to help them scale, similar to the SBIR, SBA programs, Department of Energy loan programs, and In-Q-Tel.
- ESEA should expand federal support for transformative educational options to all families. This includes the expansion of public charter schools, the creation of new models of school leadership and management, preserving and expanding the availability of parent-selected after school tutoring options, and implementation of instructional practices that use innovative technologies such as online learning.
- ESEA should support replication and expansion of the most successful charter schools, particularly in areas with large numbers of underperforming schools.
- Incentive programs that encourage the elimination of charter school caps and other restrictions should also include the requirement to remove online learning enrollment caps and restrictions (such as policies that limit enrollment to a specific geographic area).
- ESEA should provide incentives for portability of credits among institutions and across state lines.
- ESEA should encourage States and school districts to shift from policies based on seat-time toward competency-based learning where students are awarded credit when they have mastered the specific learning objectives and standards.
- ESEA funding should provide flexibility for students to enroll in education programs located throughout the country. For example, a student should have the opportunity to use a portion of their Federal funding to enroll in an online Advance Placement course offered by a virtual school in another state.

EIA intends to offer specific legislative recommendations that build upon these principles once we better-understand the approach to school reform as proposed by the Administration early in

2010. EIA is committed to working with the Administration and Congress to develop solutions, policies, and programs that ensure all students will graduate with the skills the need to succeed and thrive in the 21st century. On behalf of the members of EIA, I hope you find our thoughts helpful and useful. I look forward to receiving your questions, comments and feedback.

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