

LANDSCAPE REVIEW: ALIGNED INSTRUCTIONAL SYSTEMS

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Landscape Review: Aligned Instructional Systems

February 12, 2007



THE PARTHENON GROUP

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An Aligned Instructional System is...

A systematic and coherent combination of Curriculum, Assessment, Professional Development, Information and Student Support Services to support student achievement

Agenda

- What Is the Problem?
- What Is AIS?
- What Is the Potential Market Approach?

What Is the Problem?

AIS Strategy is Designed To Address These Key Questions

Instructional Challenges

- How do we create alignment and coherence where it does not exist today?

Organizational Weaknesses

- How do we change district behavior that perpetuates low coherence?
- How do we build capacity for teachers and administrators to be successful?

Market Deficiencies

- How do we ensure that alignment is self-sustaining from a market perspective?
- How do we support innovation where there is a problem of invention?

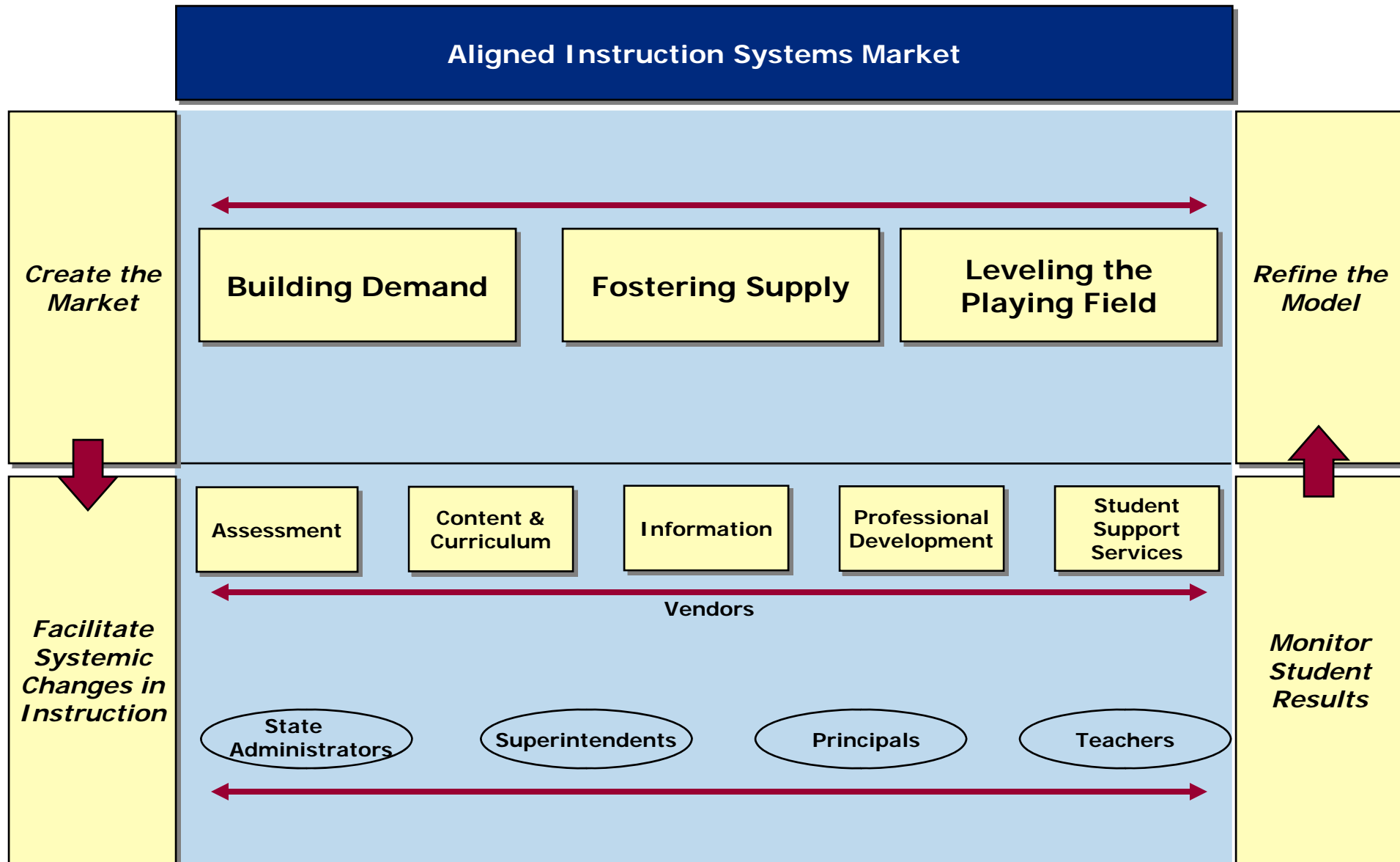
What Is the Problem?

Many Districts Lack Coherence Across Instructional Systems

	Problem Areas	What We Heard
Instructional Challenges	<ul style="list-style-type: none">• Multitude of curriculum materials within one district, leading to inconsistency in delivery of instruction• Decentralized PD design and implementation• HS teachers perceive autonomy over curriculum as critical to their job	<ul style="list-style-type: none">• <i>"We used to have over 100 different curricula in our high schools" – Chicago</i>• <i>"Schools used to have a lot of autonomy in professional development, with some central support and direction, but not really any non-negotiables or targeted support. Now we have more professional development, offering more choices and with even more focus than in the past." – Dallas ISD</i>• <i>"We had a uniform curriculum but it failed at the high school level because teachers and principals rejected it" – San Diego</i>
Organizational Weaknesses	<ul style="list-style-type: none">• Decision-making and budgeting silos• Limited capacity at states and districts	<ul style="list-style-type: none">• <i>"Our central organization was quite dysfunctional and very siloed" – Portland</i>• <i>"The system on its own did not have the capacity to develop this quality of curriculum, nor did it have the capacity to do the professional development for teachers" – Chicago</i>
Market Deficiencies	<ul style="list-style-type: none">• Lack of sufficient investment / interest from vendors, particularly in professional development	<ul style="list-style-type: none">• <i>"We always ask what professional development supports are available when we purchase. We need PD support to go along with the products so that teachers can implement them with fidelity" - Clarksville-Montgomery</i>

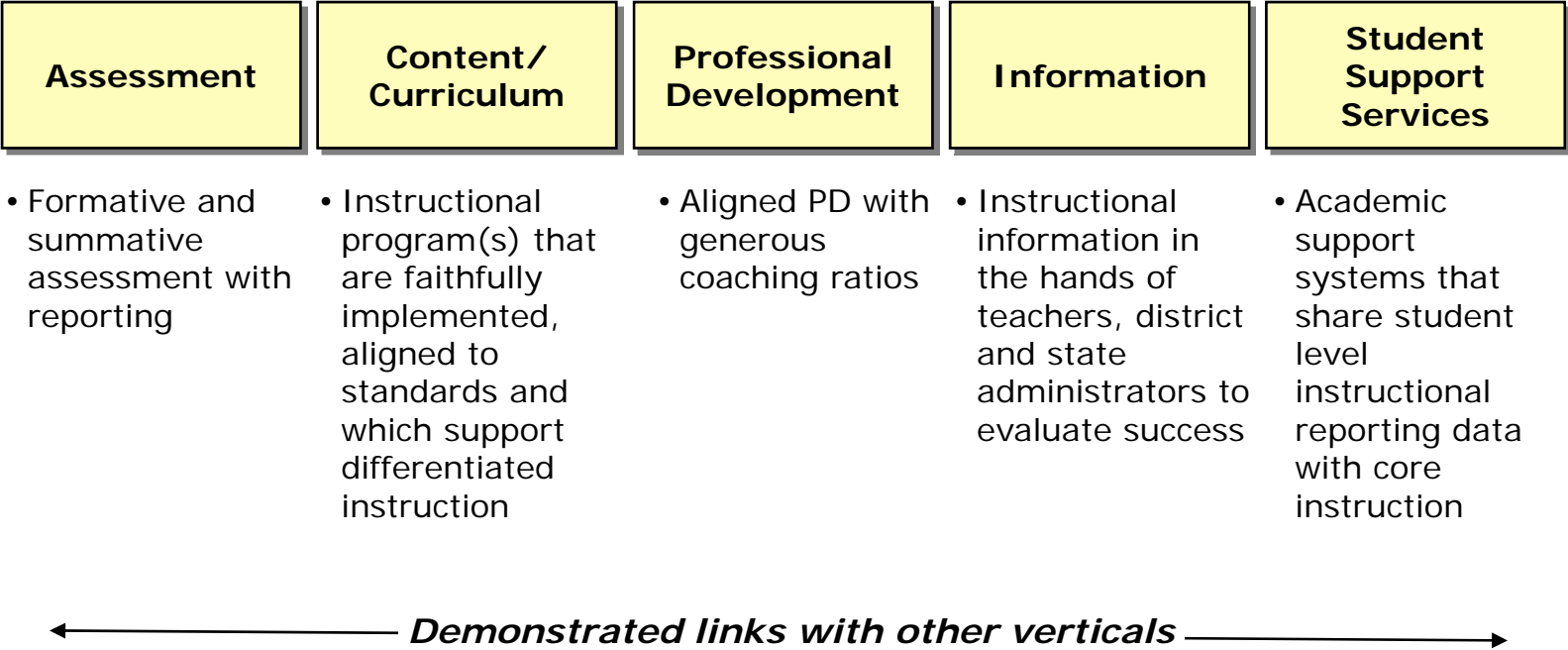
What Is the Problem?

The Market Approach to AIS Involves Several Key Components



What Is the Problem?

Addressing This Problem Requires Greater Alignment Within and Across Five Verticals



Sample Providers:	<ul style="list-style-type: none">• Houghton (Edusoft)	<ul style="list-style-type: none">• Carnegie Learning	<ul style="list-style-type: none">• Pearson Achievement Solutions	<ul style="list-style-type: none">• SchoolNet	<ul style="list-style-type: none">• Kaplan (Score!)
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What Is the Problem?

Assessment and Content & Curriculum Markets Are Healthiest and Most Likely to Drive AIS Market Response

	Assessment	Content & Curriculum	Information	Professional Development	Student Support Services
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• K-12 Market Size	\$1.2B	\$7.4B	\$785MM	\$7.0B	\$1B
• K-12 Profit Pool	\$160MM	\$1.6B	\$80MM	\$70MM	\$20MM
• K-12 Growth (Projected)	6%	5-6%	7%	3%	7%
• Concentration (Top 5 as a % of Total)	69%	63%	38%	<10%	37%
• Percent of Market that is 9-12	24%	32%	28%	23%	10%



Though no single solution exists, players in these markets generally enjoy stable markets and profit streams

Maturing markets

Early stage / Undeveloped markets

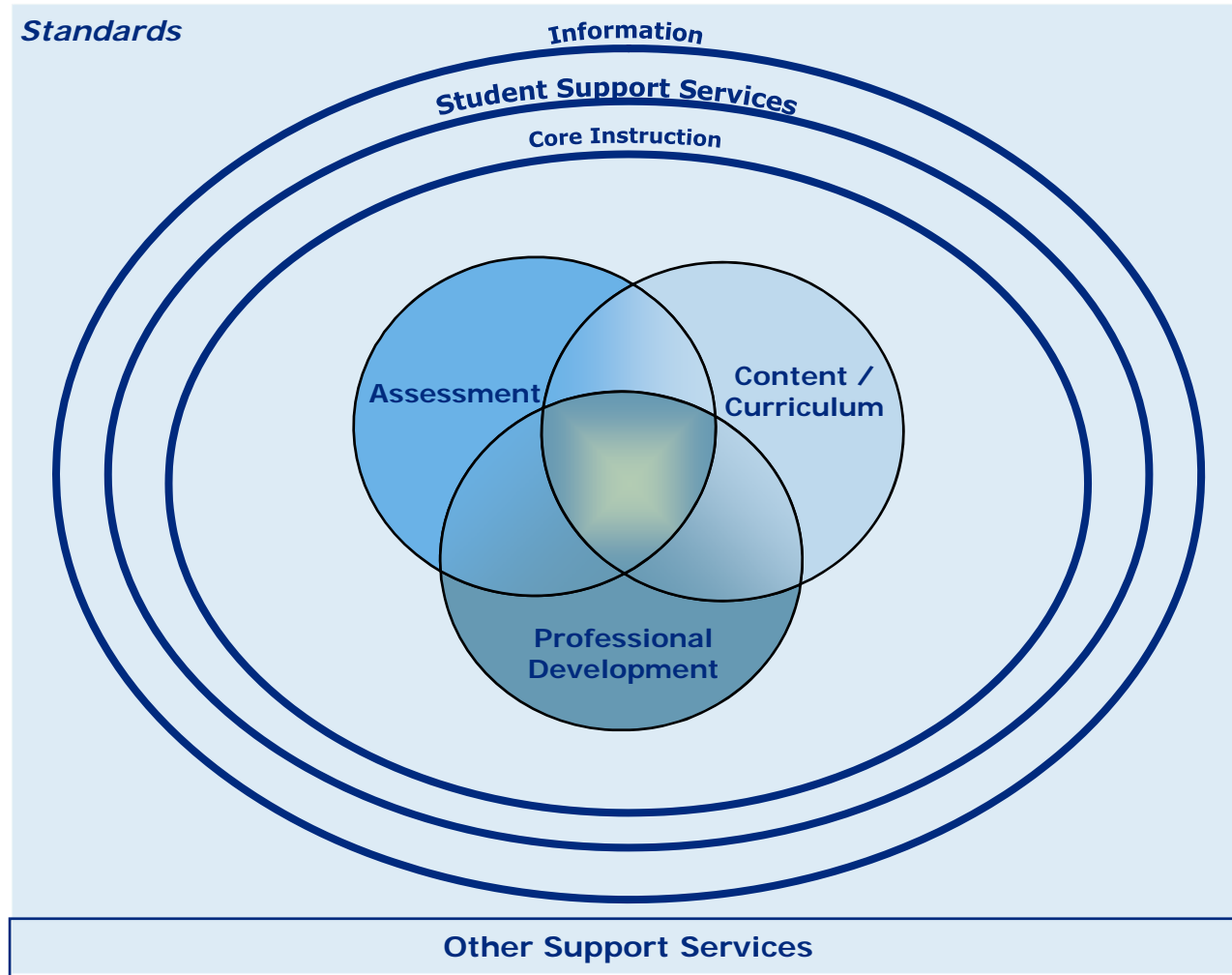
Agenda

- What Is the Problem?

- What Is AIS?

- What Is the Market Approach?

What Is AIS?



Aligned Instructional Systems (AIS) will drive improved outcomes through a systematic combination of Content / Curriculum, Assessment, Professional Development and Student Support Services

What Is AIS?

AIS Is Not...

A Uniform Curriculum

- Every district demonstration project will make use of varying amount of existing instructional infrastructure
- Managed choice will promote a menu of options based on school performance
- State-level intervention strategy implementation of AIS will be tailored to capacity/existing assets of districts

A Uniform School Model

- Alternative models are an important source of innovation within the context of school districts
- Alternative models will fall under the same assessment and information requirements as mainstream schools

A Single Vendor Solution

- In an AIS environment it is critical that vendors are inter-operable to form a matrix/menu of AIS components
- The task of integrating all components may fall to the buyer (district/state) or an independent integrator

A “Top-down” Initiative Only

- Strong instructional leadership is absolutely critical, but there are many approaches to gaining teacher buy-in

What Is AIS?

AIS Is Designed to Create A Sustainable Market

Structural Design Elements

- **9-12 math and reading** as initial focus, all subjects eventually
- Schools **opt-in** to the program
- **Schools contribute** meaningful dollars to help cover the program cost (one fifth to half of program costs)
- The AIS program gets **control over** previously fragmented **PD** time and dollars
- The initiative **ramps up over time**, gradually covering some or all of the district's high school students

AIS Core Elements

- **Deep alignment** between the three AIS pillars: content & curriculum, assessment and PD
 - Links to student supports and information are important but not initial prerequisites
- **Generous coaching ratios**
- **PD that is relevant and timely** for teachers' immediate classroom needs
- Both **formative and summative** assessment with timely reporting mechanisms
- Approach to **curriculum development** that is consistent with the strategy and philosophy of district leaders



By carefully shaping the “ask,” Districts will explicitly impact vendor solutions that come to market

What Is AIS?

AIS Does Not Yet Exist In Mainstream Education Due to Supply and Demand-Side Issues

A number of AIS-ready components exist, but...

- *"We have non-negotiable curricula and standards in the district. Our goal is to help teachers develop common assessments and use the data to guide instructional decision-making in the classroom."*
- Portland

...challenging obstacles exist in established markets...

- *"State behavior is siloed - everything is purchased separately"*
- Pearson Education

...and PD and student support services are not AIS-ready

- *"The economics of professional development mean that publishers have to include it 'gratis' with basal sales – it's not a revenue generating business – and the quality reflects that"* - McGraw-Hill

There are few demonstrations of AIS but interest is increasing...

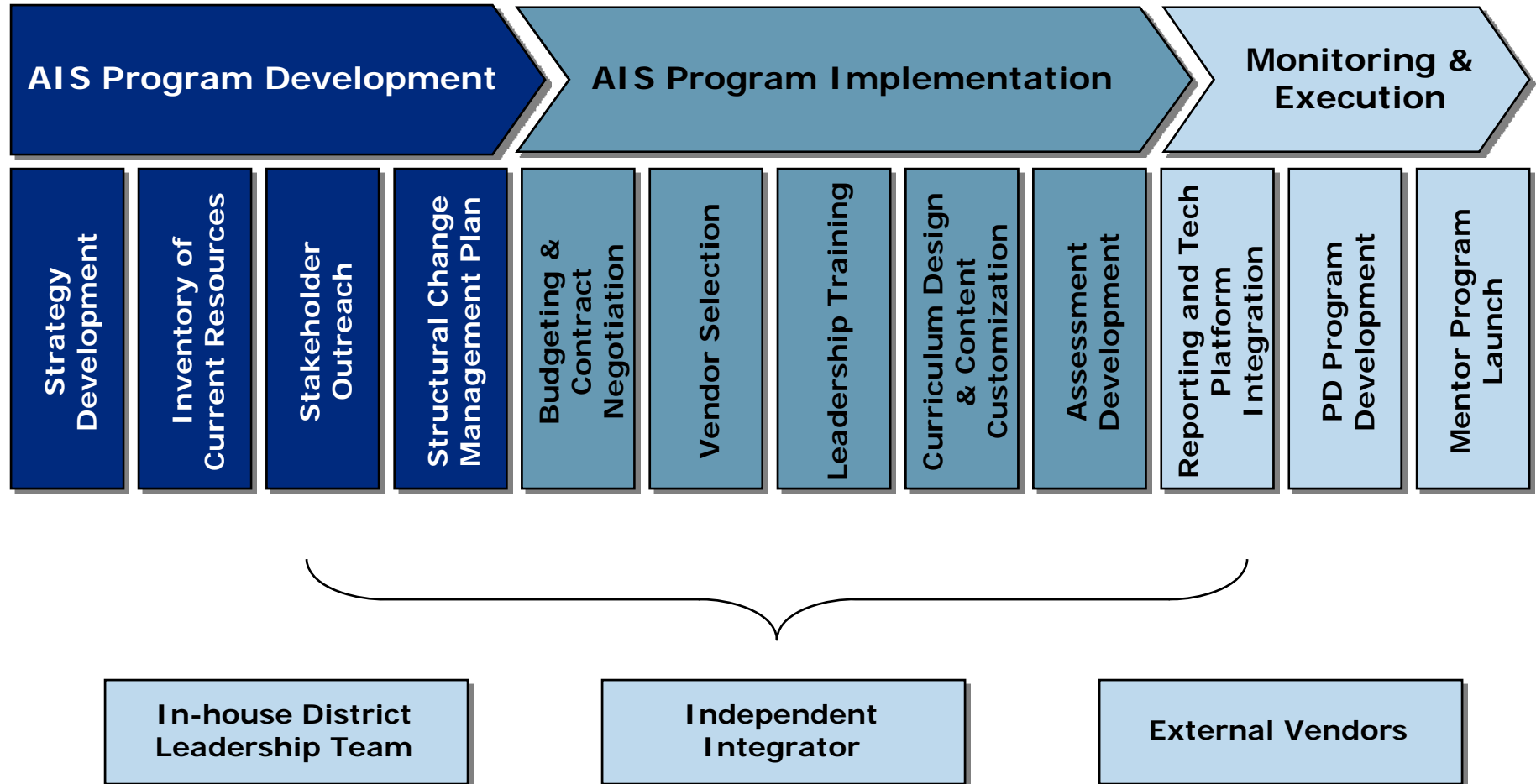
- *"There are some common areas right now that all districts are grappling with. We need a critical mass of districts to buy into using some kind of tool so that everyone is not out there reinventing the wheel every day."* - Portland

...however, challenging obstacles exist for driving alignment

- *"Teachers are very badly prepared to do this. Ed schools simply do not train teachers to teach this way. And the psychology of High School teachers makes them almost hostile to the very notion"*
- Chicago Charter School Foundation

What Is AIS?

District-Level Demonstration Projects Phase In Alignment



What Is AIS?

Chicago Is An Early Example of a District Demonstration Project

Program Development

- ~18 months planning time
 - New internal staff
 - Partnership with BCG
- Each program includes customized content and curriculum, PD programs, and coaching support (1:15 coaching ratio)

Program Implementation

- RFP to select 7 partners to provide integration solutions for math, English, and science
- ~30 schools applied to participate
 - Outreach efforts to principals and teachers
- 14 schools selected for first cohort
- Launched at grade 9, adding an additional grade each year

Monitoring & Execution

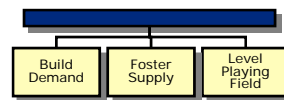
- New cohort of high schools will be added in 2008-2009
- Vendors worked with AIR to design specialized assessment for each program
- Schools contribute \$250 per participating student

Agenda

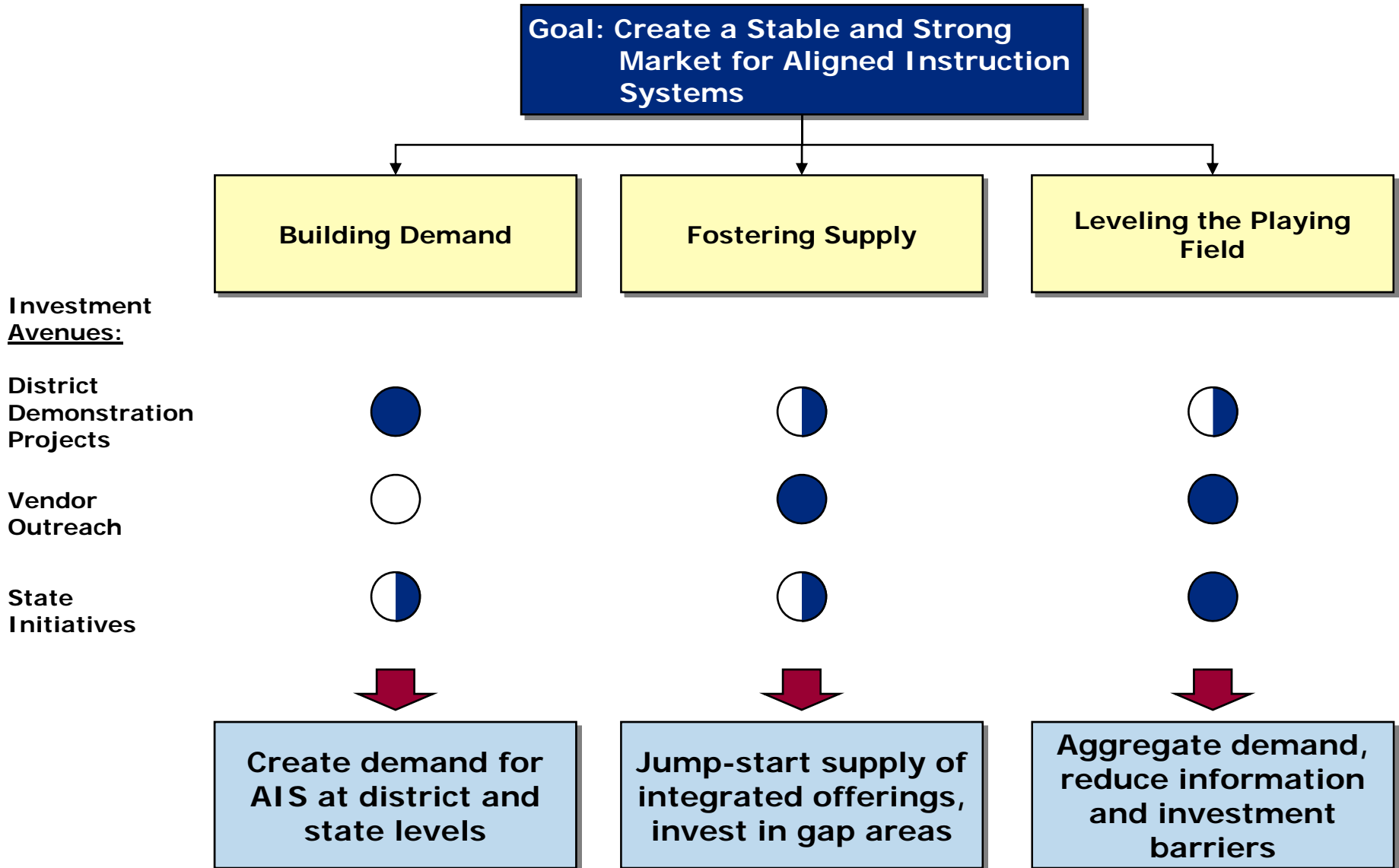
- What Is the Problem?
- What Is AIS?

- What Is The Market Approach?

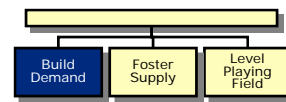
What Is The Market Approach?



Three Primary Avenues for Investing in AIS Exist



What Is The Market Approach?



Why Do We Need to Build Demand?

Quality, scalable AIS solutions do not exist today

- There is a significant gap in today's market
- Existing products are not aligned across verticals and home-grown solutions are not scalable

Most districts do not currently have the internal capacity to build home-grown AIS solutions

- Home-grown solutions require significant internal capacity and long implementation timelines
- For most districts, leveraging vendor capacity will be an important bridge until they can bolster the internal team

Vendor solutions offer better opportunity for systemic change

- Vendor-driven solutions are more likely to lead to scalable and consistent AIS solutions
- Vendors are positioned to share AIS learnings across districts
- Market solutions may lower the total system cost, as some development costs are shared across districts

Vendors will respond to demand when districts clearly define the "ask"

- The market is not fundamentally broken
- If a significant number of districts demand AIS solutions, vendors will respond
- Districts must define and communicate the AIS "ask" in the marketplace in order to lead vendors towards the desired solutions

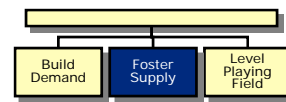
A self-sufficient market is the best long term solution

- Private dollars can jump start the market, but ultimately a self-sustaining market is required
- AIS projects will combine new district dollars with repurposed spend



Opportunity exists to help accelerate the demand so that the AIS market more quickly develops with a range of vendors who can partner with districts

What Is The Market Approach?



Why Do We Need to Foster Supply?

Content & Curriculum and Assessment are AIS ready but evolution is still required

- Markets are stable with healthy investment and R&D
- Many of the building blocks of AIS exist and firms have demonstrated an ability to respond to market changes
- Firms will invest in district level solutions
- Traditional players innovate by acquiring small innovators and incorporating their products
- While formative assessments are readily available, training and reporting are inconsistent

Information is a maturing market and some AIS solutions exist, but successful implementations are limited to large districts

- Normal adoption cycle and decreasing prices will eventually allow penetration of robust IMS and LMS products to smaller districts
- Aggregation of spending and demand may be required to speed adoption

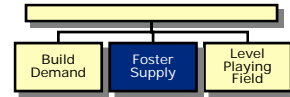
PD is critical, but structural market factors and current lack of demand are hindering sustainable and scaleable solutions

- Aggregation of district professional development spending is required to effectively present a market for AIS
- Creating a stable flow of funds for curricula linked to professional development and coaching can effectively create a market for outsourced PD as part of an AIS

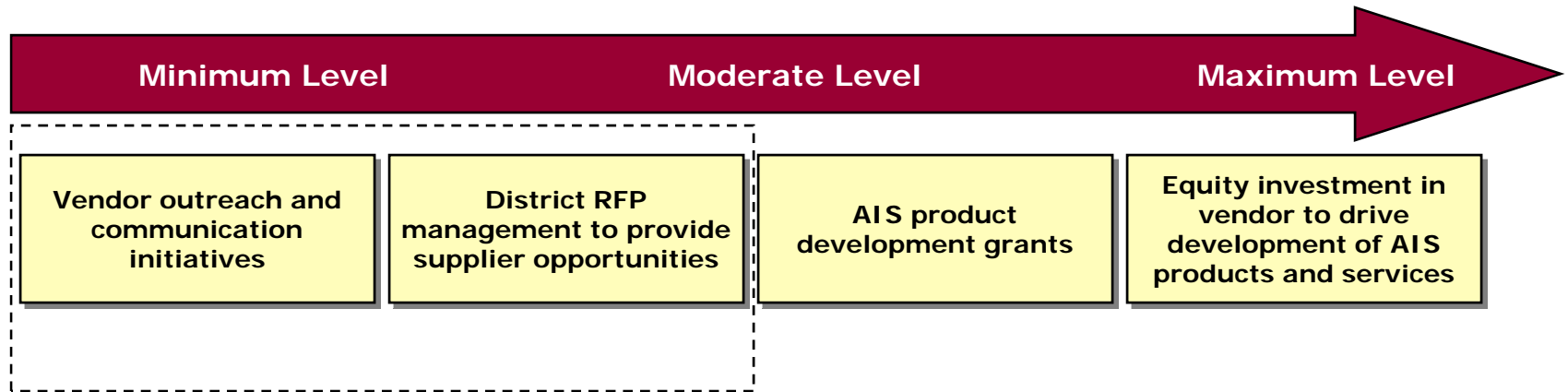
Student Support Services are not currently adequate

- Improvements to the formulation of Title I funding for Supplemental Education Services are required
- Student support can be addressed through advocacy

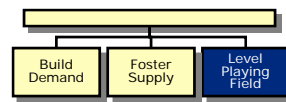
What Is The Market Approach?



Range of Options Exist to Jump-Start the Supply of Aligned Systems from Vendors



What Is The Market Approach?



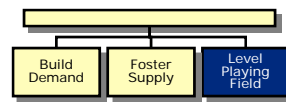
Why Level The Playing Field?

	Structural Challenges for Districts and Suppliers	Structural Solution
Distribution	<ul style="list-style-type: none">Fragmented budgeting and decision-making; many decisions at the school levelRequires large sales forces	<ul style="list-style-type: none">Force centralization in failing schools, reducing cost for smaller players to sell to individual schools
Marketing	<ul style="list-style-type: none">Lower brand recognition for smaller players	<ul style="list-style-type: none">Specifically identify or suggest smaller players who might not otherwise be chosen
Customization	<ul style="list-style-type: none">Players must customize content at the state or district level in order to compete	<ul style="list-style-type: none">Create greater consistency of content and curricula across the state though EOC examsMake it easier for smaller players to compete within specific state
Data collection	<ul style="list-style-type: none">Lack of consistent data and reporting capabilities on what works and what doesn't	<ul style="list-style-type: none">Tools for automating and standardizing information and fidelity of implementation






State and District level AIS initiatives will drive scale structural changes

What Is The Market Approach?









Three State-Level AIS Entry Points Exist to Level the Playing Field

	Intervention Strategies	Information Systems	EOC Assessments
Description	<ul style="list-style-type: none"> States implement AIS strategies in state-takeover schools Projects in target schools would look similar to a district demonstration project 	<ul style="list-style-type: none"> States develop and roll-out robust information systems, which serve as a platform for AIS 	<ul style="list-style-type: none"> State implements mandatory EOC exams Drives greater specificity in standards and greater accountability to those standards
Examples	<ul style="list-style-type: none"> Texas - High School Redesign and Restructuring Grants 	<ul style="list-style-type: none"> Florida Sunshine Connections NYLearns 	<ul style="list-style-type: none"> NY Regents Exams
Overall Attractiveness	<ul style="list-style-type: none"> High 	<ul style="list-style-type: none"> Medium 	<ul style="list-style-type: none"> Medium
			
	<div>Smaller scale, but tighter control and greater likelihood of success</div>	<div>Large scale, but relatively blunt tools for achieving AIS</div>	

What Is The Market Approach?

Cost Drivers For Projects

	Low Cost		High Cost
Content & Curriculum	<ul style="list-style-type: none">Less customized, more off-the-shelf solution		<ul style="list-style-type: none">Highly customized content and materials
Materials	<ul style="list-style-type: none">Traditional materials		<ul style="list-style-type: none">Traditional materials plus computer labs, graphing calculators, etc.
PD	<ul style="list-style-type: none">Low coaching ratioOff-the-shelf PD modules		<ul style="list-style-type: none">High coaching ratioCustomized PD modules
Information	<ul style="list-style-type: none">Rudimentary student information system		<ul style="list-style-type: none">New technology that enables timely reporting
Assessment	<ul style="list-style-type: none">Customized summative assessmentLimited formative assessment		<ul style="list-style-type: none">Extensive formative assessments in addition to summative
Integration	<ul style="list-style-type: none">Faster planning processLess expensive external partners		<ul style="list-style-type: none">Longer lead time for planning and buy-inMore expensive external partners

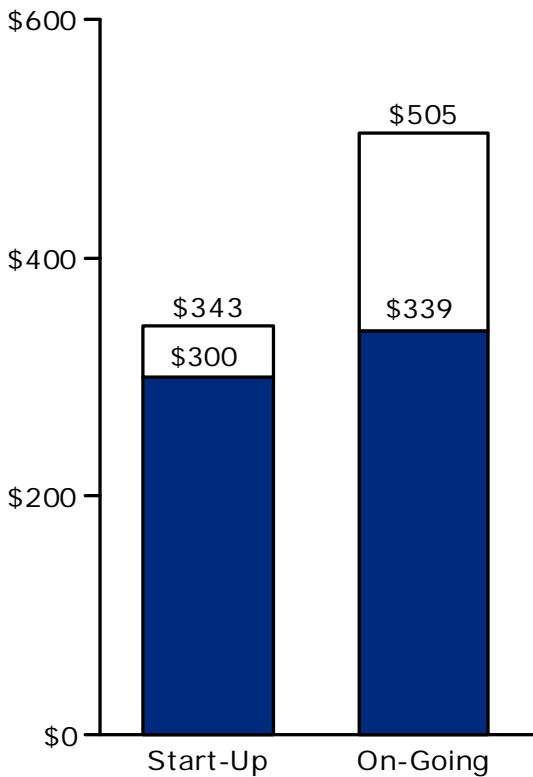


Demonstration program will require a significant financial commitment by both the district and participating schools – not all funding will be incremental

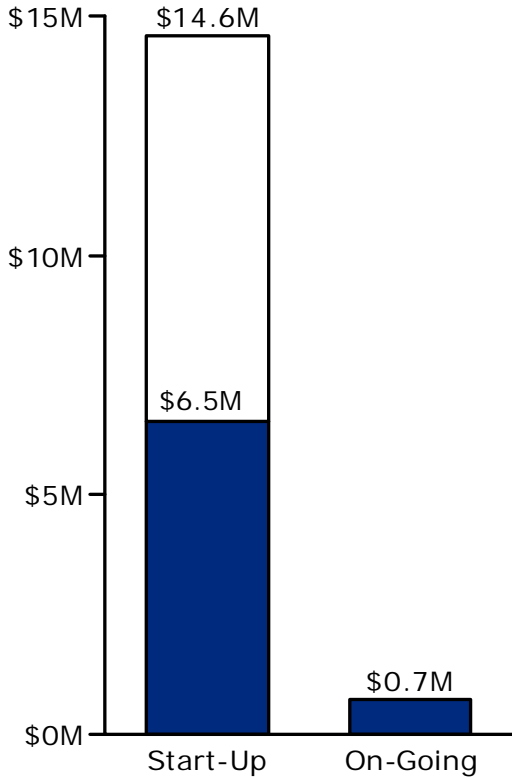
What Is The Market Approach?

Project Costs Will Vary Based on Program Design and District Size

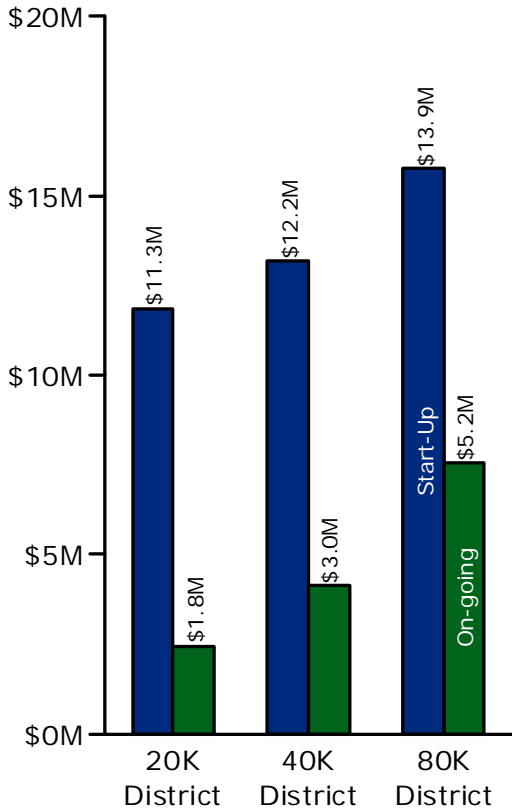
Variable Cost Per Student_ with Two Subject Areas



Fixed Program Costs



Approximate Cost per District

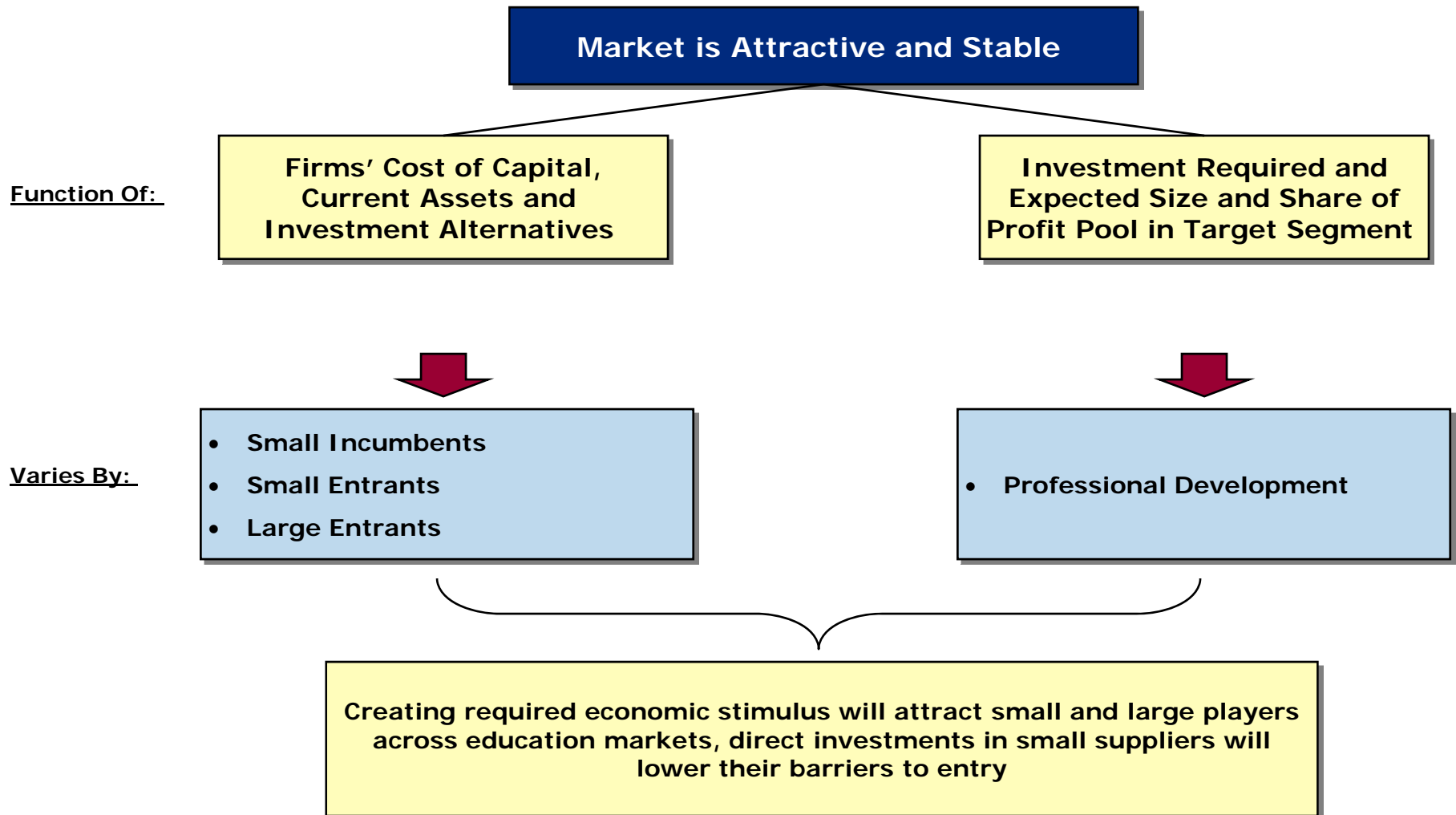


Foundation	75%	0%	75%	0%
Districts*	25%	100%	25%	100%

*District contribution may include school contributions per pupil and/or external local funding

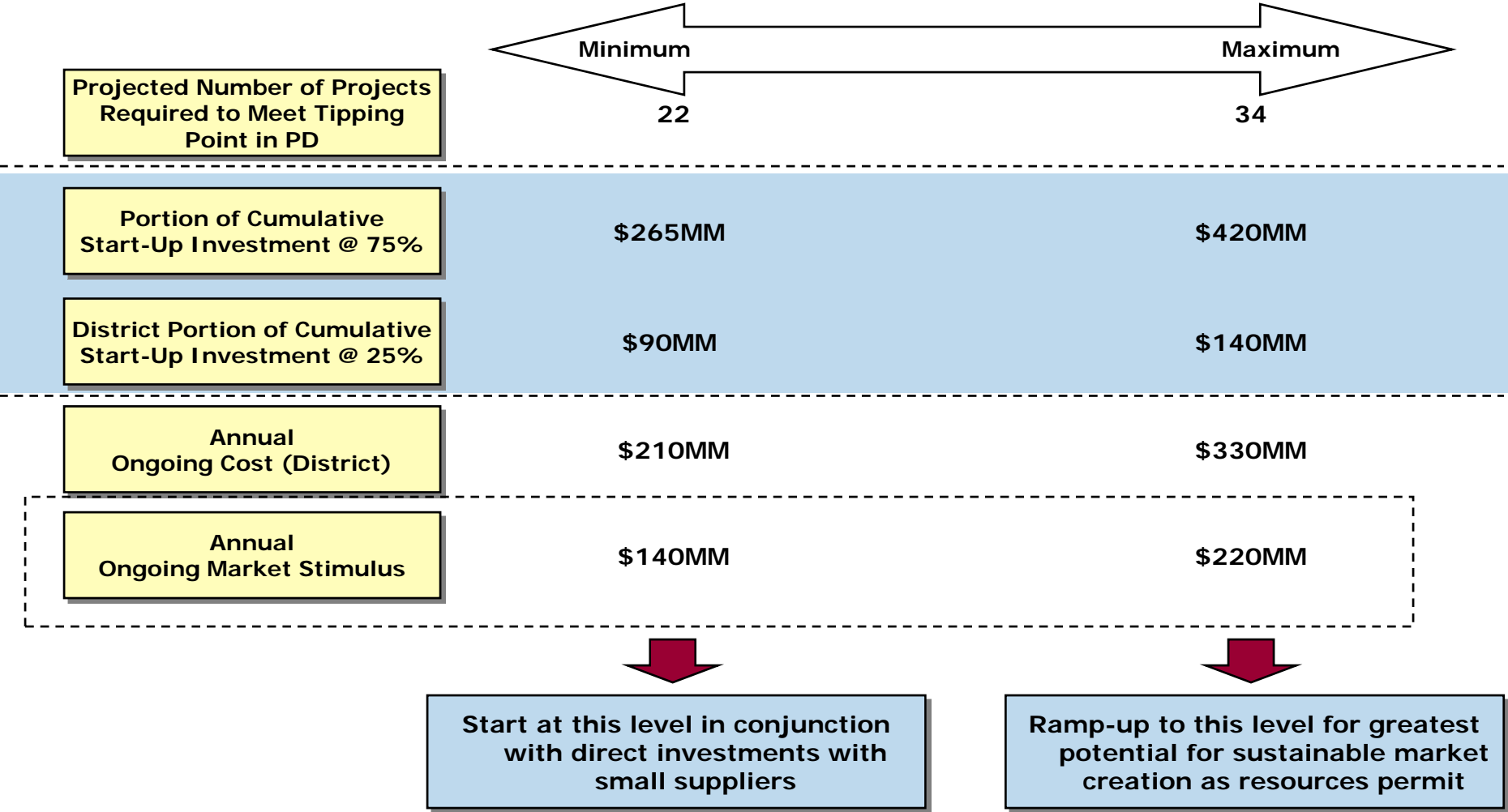
What Is The Market Approach?

The Market for AIS Will be Stable and Attract Vendors if the Expected Returns Can Meet Investment Hurdles



What Is The Market Approach?

Per District Cost Implies 22-34 Projects to Achieve Required Stimulus Over 5 Years



Note: Analysis assumes projects are high school only in math and reading

What Is the Market Approach?

Given the Resource Gap, A Phased-in Approach is Necessary

