

# The Cure

*Will NCLB's restructuring wonder drug prove meaningless?*

BY MICHAEL J. PETRILLI

This past spring, the U.S. Department of Education released data showing that approximately 1,700 public schools across the country were eligible for “restructuring” under the No Child Left Behind Act (NCLB) for 2005–06. That’s up 42 percent since 2004–05, and the numbers are likely to continue to surge. After all, some 25,000 schools did not make adequate yearly progress (AYP) under the law last year; those that miss the mark for five years running will also find themselves facing an overhaul. Assuming a steady rate of growth in the failing category, there could easily be as many as 5,000 of these schools in need of restructuring, or at least eligible for it, by 2008–09, the earliest date that most observers believe the federal law will be reauthorized.

What can be done? What *should* be done?

One of the greatest frustrations for reformers so far has been

the government’s eagerness to put these failing schools on life support rather than forcing them to radically change their ways. According to Center on Education Policy case studies in California and Michigan, officials are using an NCLB loophole, opting for superficial interventions—such as hiring improvement “coaches” or changing the curriculum—over implementing the bold reforms envisioned by the law’s crafters.

Which bold reforms? Two strategies are particularly attractive: reopening these schools as charter schools, or contracting with a for-profit or nonprofit manager to run their day-to-day operations. A combination of the two could be especially powerful. Imagine a school district shuttering a failing school for a year. Meanwhile, a company such as Edison Schools or a nonprofit such as KIPP applies for a charter to run a replacement school out of that very facility. A new, effective school has been transplanted into an old, failing one.

Of course, there are numerous impediments to that sort of fresh-start approach. Districts jealously guard their facilities, even when they are underused or decaying. Teacher unions fight to block new charters, especially the vast majority that do not fall under collective bargaining. And neither the feds nor the states are forcing districts to head down this promising but politically painful road.

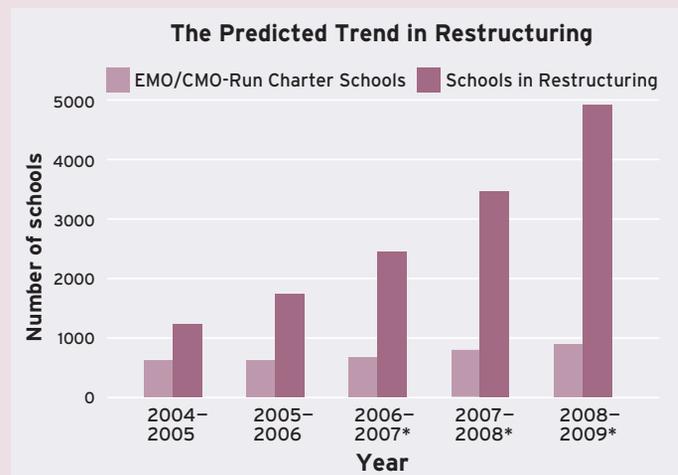
But the biggest impediment may be that there aren’t enough school-management organizations to go around. Not by a long shot. Over the past five years, the number of schools operated by for-profit education-management organizations (EMOs) grew at an annual rate of about 9 percent. Nonprofit charter-management organizations (CMOs) are just now scaling up; the sector increased 30 percent over the past two years. With similar growth trends going forward, only 250 additional privately managed schools will come online by 2008–09, while more than 3,000 schools will likely enter restructuring.

Can philanthropy help close that gap? The Charter School Growth Fund, seeded by the Pisces and Walton foundations, among others, aims to create 100,000 seats in high-performing charter schools by 2015. Still, assuming 400 students per school, that only works out to another 250 schools—and not for almost a decade.

Although transplants for failing schools should be attempted and then perfected, reformers are going to need to come up with Plan B for the vast number of schools in restructuring; they are going to need to get healthy on their own.

## Demand Outstrips Supply

*Even though education-management organizations and charter-management organizations could save many schools in need of “restructuring,” there simply aren’t enough of these new enterprises to go around.*



\*Estimates, based on recent growth.

**SOURCES:** “Schools eligible for restructuring” data for 2004–05 and 2005–06, U.S. Department of Education release, as of March 2006. EMO data include schools run by all known companies from Alex Molnar, David Garcia, Carolyn Sullivan, Brendan McEvoy, and Jamie Joanou, “2006 Annual EMO Report,” Arizona State University, Commercialism in Education Research Unit (Tempe, AZ: May 2006). CMO data compiled by Thomas B. Fordham Foundation and represent schools associated with Green Dot, Achievement First, KIPP, Aspire, Uncommon Schools, YES College Prep, and Mastery Learning Institute