

A Private Solution

Increasingly, School Districts Are Turning to Private Companies to Serve At-Risk Kids

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"It's boring," says 16-year-old Amonte Porter. And maybe that's OK. Relaxing around a table with his four classmates, Amonte laments the lack of sports at his school and the kind of excitement only a big high school can bring.

The sprawling Fairfax County Public Schools in northern Virginia has plenty of big high schools, including six with more than 2,000 students. And then there is Richard Milburn High School, this tiny school in a frame house on the rougher edge of town.

Amonte has been expelled from regular school. So have his classmates. But they still dream about the future.

Amonte wants to be a musician. Or maybe a teacher. Or maybe a counselor, to help kids like himself. He smiles, looks at the ceiling. He really doesn't know.

At regular school, Kim Ryals, 16, was tempted by her friends to skip.

"Here," she says, pulling back her long blond hair, "there's no reason to."

History and English teacher A.T. Johnson is a big, soft-spoken man who can calm you with his gaze. A retired Air Force master sergeant, he has just finished the afternoon class, a special segment on heroes that coincides with Black History Month.

"These kids are no different than anyone else," Johnson says. "It just takes a little extra effort and a lot of patience."

Privately Run

But Richard Milburn High School is different, and not just because of its size. It is a private school operating within the nation's 11th largest school system.

Fairfax sends up to 100 students a year to two Richard Milburn campuses. Mainly serving students who have been expelled, Richard Milburn is what Fairfax County administrator Douglas Holmes calls “a program of last resort” for students who otherwise would be on the street. It is a privately run school among the vast array of district-run alternative programs.

Why turn to a private company? Robert H. Crosby, president of the Woodbridge, Va., business, explains: “We’ll take your most difficult kids. We’ll keep them in school—85 percent of our kids stay in school or graduate—and we’ll do it for approximately the same per-pupil costs as the school district’s cost.”

Or perhaps for considerably less. Fairfax spends more than \$7,000 per student throughout the district, but only about \$3,500 for the typical student at Richard Milburn. This represents the cost of six courses—and few of the amenities of a regular high school. Parents are responsible for transportation. Lunch is not provided.

In addition to offering lower costs, privately run schools can tailor their programs to the specific populations they serve, making them better equipped to help these students, industry leaders say.

“Would it ever be the priority of a public school or system” to teach at-risk kids? Timothy P. Cole, president of Youth Services International, Inc., which operates schools for adjudicated youth and hopes to get into the at-risk market, raises that question, then answers it himself: “If it was, would we be having this problem now?”

But some educators are wary. “Contracting out” might be a legitimate option for transportation and food services, they say, but the practice raises practical and philosophical problems when applied to instruction.

Some school board members and administrators are concerned about the loss of day-to-day control. Some fear private companies will be overly concerned with the bottom line. Others say that turning over some educational services to a profit-making enterprise could create a separate group of second-class students.

“I’m a heavy-duty skeptic on contracting out delivery of educational services,” says John S. Davis, a member of the Tacoma Park School Board, in Tacoma Park, Wash.

Davis says school boards should not leap to the often-popular notions that government is, by nature, wasteful, and that the profit motive is the most powerful incentive for achieving excellence. He points to

Washington state's efforts to raise student achievement and increase the accountability of schools and districts.

"Those conditions are as big an incentive to local schools as profits are to a company," Davis says.

Contracting Out

The practice isn't new. Contracting out various educational services to public agencies—and, at times, private companies—has long been an option for districts that have small numbers of students with special needs. For example, a child with a relatively rare condition such as autism might be better served by an agency specially suited to handle that disability.

But increasingly, districts are looking to private companies to serve a broader population of students deemed "at risk," says John M. McLaughlin, president of the Education Industry Group, a trade organization in Sioux Falls, S.D. "At risk" is a designation that can mean anything from students who have been expelled or suspended to those with a variety of academic problems. And with the sheer numbers of students expected to rise through at least 2006, the number of children needing alternative schools will grow as well.

"I have a feeling that school boards over the next 5 to 20 years are going to be looking more at outsourcing instructional services," McLaughlin says.

According to *Private Options for Public Schools*, a 1995 report from the National School Boards Association (NSBA), districts have been far more likely to contract out for management services than for instruction. Among instructional programs cited in the NSBA report, special education led the way with 14 percent of districts opting for privatization. Eight percent used private technology programs, and 7 percent contracted for at-risk programs.

Urban districts were more likely to privatize instructional programs, the report said. Fourteen percent of urban districts had privatized at-risk programs, compared with 6 percent of suburban districts and 5 percent of rural districts.

Among the larger companies serving at-risk students are Richard Milburn High School; Ombudsman Educational Services of Libertyville, Ill.; Kids 1 of East Brunswick, N.J.; and Options for Youth in La Crescenta, Calif.

The benefits of contracting out aren't only economic, McLaughlin says. It has been estimated that 95 percent of management time is spent on 5 percent of the students, he says, adding: "When solutions are found for these students, then the energy, the resources of the school can be turned in another direction."

That is what is happening in the Houston Independent School District, where a private company, Community Education Partners, is charged with educating certain students who have been expelled or are in danger of expulsion. According to the district's contract, CEP is required to raise the math and reading achievement of each student attending for 180 days to a level specified by the state's alternative education standards, says Susan Sclafani, the district's chief of staff for educational services. If CEP cannot meet this goal, it must provide its services free of charge until the student attains it. Students attending between 90 and 180 days must advance at least one grade level in reading and math, Sclafani says.

The program's cost, at \$8,500 per student, is higher than the district's average per-student cost of \$5,400 but less than the \$10,000 average per-pupil cost at the now-defunct alternative schools that used to educate these students.

The company pays its teachers less than the district does but pays teacher aides more than the district, says Gayle Fallon, president of the Houston Federation of Teachers. And the staff has been unionized, she says: "We organized everything that moved that was not administration."

Fallon's response to the program might seem unusual for a union leader.

"It's one of the most impressive educational programs I've ever looked at," she says. "... They're dealing with children who we're about to expel but who have not yet been picked up by the police."

Filling a Niche

Richard Milburn High School was founded in 1975 in Quantico, Va., to teach basic skills and GED, or high school equivalency, instruction to soldiers in the U.S. Marine Corps. Now operating in eight states, the company offers nontraditional secondary education programs for students in more than 40 districts. The school's two Fairfax locations offer three-hour sessions in mornings and afternoons.

The Fairfax students who attend Richard Milburn represent a fraction of the 2,000 district high school students attending alternative programs, says Holmes, hearing officer for the district's Hearing and Legal Office. He says Richard Milburn is more isolated than other programs, and less comprehensive. For example, unlike Fairfax's small alternative high schools, Richard Milburn doesn't offer laboratory sciences or elective courses.

But the school fills an important niche for students who have been expelled because of disciplinary problems.

"It keeps kids in school who otherwise would probably face the street," Holmes says.

Ombudsman Educational Services, another large company in the field, operates alternative programs in 10 states. The programs serve 2,500 students in about 200 school districts.

"I think probably the bottom line is economics," says Ombudsman President James P. Boyle. "If school districts are doing it themselves, they're probably spending two or three times as much."

"Usually," he adds, "they're trying to create something from nothing. They reinvent the wheel."

Boyle says Ombudsman can cut costs by offering three sessions a day, with students attending three hours a day. Instructional programs are individualized and, unlike the instruction at Richard Milburn, are heavily computer-based.

"The model is essentially the same in all areas," Boyle says. "We teach our teachers like McDonald's teaches people to fry hamburgers."

Like Richard Milburn's Crosby, Boyle says 85 percent of his company's students are successful, meaning they either graduate or return to their regular schools.

Founded in 1991, Youth Services International, Inc., concentrates mainly on adjudicated youth. The company, which recently merged with Correctional Services Corporation, operates 28 residential programs in 12 states and 9 after-care programs in 7 states. However, President Cole says YSI hopes to contract with school districts to serve at-risk students.

It's a niche market that he says is growing.

"It requires a special program and a special mentality to work with these kids," Cole says. "A lot of teachers don't want to function in the combat zone."

And public school systems, he adds, “don’t want to deal with them. They either expel them or push them through.”

In a 1995 guidebook published by NSBA—*Guidelines for Contracting with Private Providers for Educational Services*—McLaughlin says that privatization expands the number of options available to districts. But they need to answer a variety of questions before taking that route.

Are their needs being met under the present arrangement? If not, why not? And do state laws give boards the power to enter into private contracts for educational services?

“It doesn’t work the same way in any of the 50 states,” McLaughlin says.

If a district is seriously considering contracting, it should initiate a Request for Proposals as part of an open and competitive bidding process, McLaughlin says. The contract’s length should be addressed, as well as the scope of the proposed services and a well-specified description of the quality expected.

Ivan Hernandez, who directs alternative education programs at the Lincoln County School District in Newport, Ore., says his district will be reviewing its contract with a regional consortium that educates students who have been expelled or are on the verge of expulsion. He is concerned about student absenteeism—50 percent of the students are gone 25 percent of the time, he says—and wonders if the contract should contain more performance criteria.

One benefit of the arrangement is that the district pays part of the teachers’ salaries. “That link is critical, I think, for the future success of the program,” Hernandez says.

But whether or not districts use their own teachers, they still have to answer for the quality of the education provided. And regardless of whether they decide to keep instructional services “in-house” or turn some over to private businesses, they remain ultimately responsible.

“They do not lose—and they cannot by law lose—that right and responsibility,” McLaughlin says. “That responsibility still rests with the school district.”