

The ABCs of “AYP”



Updated Summer 2004

As states implement and refine systems for measuring progress under the No Child Left Behind Act (NCLB), parents, teachers, school officials, and policymakers have raised many questions and concerns about what the law requires.

This guide is an effort to summarize the accountability requirements of Title I of the No Child Left Behind Act and to clear up some of the most common misconceptions.

The Overall Bargain

By participating in Title I—a voluntary federal program that provides more than \$12 billion per year to participating states to help educate low-income children—states agree to commit themselves to the goal of bringing all students to proficiency in language arts and math by 2014. In order to tell whether schools and districts are on-track to meet that goal, each state sets benchmark goals to measure whether schools and districts are making “Adequate Yearly Progress” (AYP) toward teaching all students what they need to know. While this report speaks in terms of school-level accountability, the same basic rules apply in determining whether school districts have made AYP.

In the past, states had complete freedom in defining progress under Title I however they saw fit. But many states fell down on the job. Some set goals so modest that it would have taken more than a hundred years to see meaningful progress; one even defined “progress” as not falling backward very far. In addition, many failed to measure and report the achievement of low-income and minority students.

Accordingly, when Congress passed NCLB, it made the accountability provisions both clearer and stronger. The AYP provisions in NCLB set a new standard for defining success. Schools are now expected to meet **clearly defined goals** for teaching **all students** to state standards.

- **Clearly defined goals:** To ensure that all schools are on-target for teaching kids up to state standards, each state sets specific benchmark goals for the percentage of students in each school that are expected to demonstrate proficiency on state tests in language arts and math. These goals are raised over time.
- **All students:** Schools are accountable for overall student achievement and for the achievement of low-income students, students from each major racial and ethnic group, limited-English proficient students, and students with disabilities. Old accountability systems allowed schools and districts to be deemed successful even while groups of students—often low-income and minority students—were not getting the education they deserved. Under NCLB, if a school doesn’t make AYP for one of these groups, it doesn’t make AYP.

These are ambitious goals. To reach them, public education will have to change the way it does business. But early evidence from states at the forefront of implementing rigorous accountability and instructional support systems demonstrates beyond any reasonable doubt that public schools are capable of meeting the expectations in the law.

What is AYP, exactly?

What AYP means for States, Schools, and Students.

States decide whether schools are making Adequate Yearly Progress through a five-step process.

1) States determine what all students should know and be able to do.

Each state begins by setting academic *standards*—a process of deciding what all students should know and be able to do. States then develop tests that measure whether schools are teaching students what the state expects students to know. Students need to learn many things to be successful, but language arts and math are the building blocks for all further learning. NCLB focuses school accountability on the fundamental literacy and math skills that all kids need to learn.

Under NCLB, each state must set a specific score on its tests that indicates whether students at different grade levels are “proficient” in language arts and math.

Expecting students to be proficient in language arts and math isn’t the same as expecting every student to become an expert or to get 100% on the state reading and math tests. Being proficient simply means that the student is on grade level. It’s another way of saying that the student received a passing score on the state test.

2) States calculate the starting point for AYP.

The goal of NCLB is for all students to be proficient in language arts and math, but the law doesn’t expect that to happen overnight. It allows states to set a much lower beginning target (for example, 40% of students meeting the standard) and to raise that target incrementally until it reaches 100% by 2014. Using achievement data from the 2001-02 school year, states calculated initial AYP goals and applied them for the first time in 2002-03.

The beginning targets needed to be set at least as high as **the greater** of the following two numbers:

- the percent proficient in the lowest performing group of students in the state (low-income students, students with disabilities, students who are limited-English

proficient, or students from each major racial and ethnic group); or,

- the percent proficient in the school at the 20th percentile of student enrollment within the state.¹

States calculated separate baselines in math and language arts. Chart 1 shows how the calculation might work for elementary reading in a hypothetical state.

Chart 1: State Starting Point Calculation
Elementary Reading Assessment Results, 2001-02

State starting point will be the larger of:

State average proficiency by subgroup

African American	38%
Asian	62%
Latino	39%
Native American	32%
White	64%
Limited English Proficient	25%
Low-income	36%
Students with Disabilities	30%

- or -

20th percentile school within state	40%
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State Starting Point= 40%

States could compute one baseline for all grade levels or calculate separate baselines for elementary, middle and high schools.

States could not, however, set separate starting points for different groups of students. If the beginning target in a state is that 40% of all students in a school must pass the test, then 40% of all groups in a school must pass the test. Whether it is a whole school or a particular group of students below the initial target, educators need to focus immediate attention on helping those students.

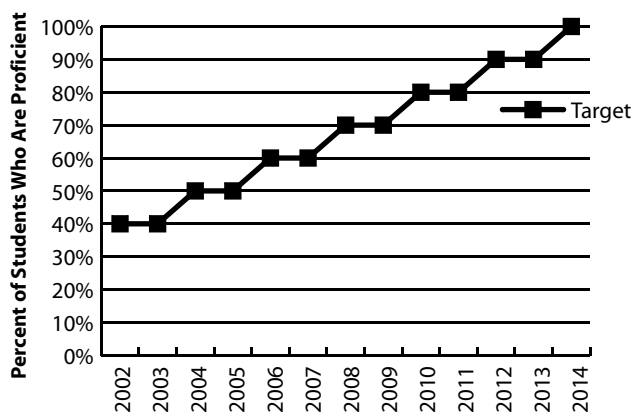
¹ To find this number, states first ranked all schools according to the overall percentage of students meeting proficiency on the state assessment — from the highest achieving to the lowest. Then, starting with the school at the bottom of the list, they moved up, adding the numbers of students in each school along the way, until they had counted 20% of the state’s student enrollment. The performance of students in this school represented the performance of the school at the 20th percentile of student enrollment.

3) States set specific targets to measure whether all groups of students are making Adequate Yearly Progress in language arts and math.

Once the baseline is established, states set targets for increasing the number of students who are proficient over time, culminating with 100% proficient in 2014.

For example, see Chart 2. In the first year, only schools in which all students or specific groups of students were below the starting point of 40% did not make AYP. But as the years progress toward 2014, states are required to periodically increase the target percentage of students meeting proficiency.

Chart 2: An Example of AYP Targets



The first increase needs to occur by 2004-05, and the others must be no more than three years apart. The increases must be in equal increments—a state that starts at 40% in 2001-02 might raise the bar to 50% in 2004, 60% in 2006, 70% in 2008, etc. *These targets must be the same for all schools serving the same grades and for all groups of students within schools.*

States also have to set one additional measure of academic progress. For high schools, this additional indicator must be the graduation rate. For elementary/middle schools, the state selects the additional indicator (many states have chosen to use attendance rates).²

State plans for measuring AYP were submitted to the U.S. Department of Education on or before January 31, 2003. All states now have accountability plans that

include the specifics of their AYP systems. As states have moved forward with their accountability systems, many have sought to modify their accountability plans to 1) include provisions that ensure the accuracy of their accountability determinations (some of these provisions are discussed later in this guide); 2) reflect the adoption of statewide reading and math assessments in additional grades; and 3) respond to new regulations from the U.S. Department of Education (these regulations are also discussed later in this guide).

4) States measure the performance of students and schools.

Beginning no later than 2005-06, states must assess reading/language arts and math every year in grades 3-8, as well as once in grades 10-12.³

“Regular” AYP

Under NCLB, a decision has to be made every year about whether or not a school is meeting the state-established achievement targets described in the section above. To make this determination, states compare the percentage of students in each school who meet proficiency standards—as well as the percentage of students in each group *within* each school who meet standards—to the statewide goals for the year in question

To ensure that test results accurately reflect the achievement of the entire student body, at least 95% of all students and all groups of students must take the tests. States can average test participation rates over two or three years to meet this requirement. Students who do not participate because of a medical emergency are not included in participation rate calculations. States also have to measure whether the school met the statewide goal for the additional academic indicator.

If the school as a whole and each individual group *within* the school has met or exceeded the statewide goal in math and language arts, 95% of all students and groups of students have taken the tests, and the school has met the statewide goal for the additional academic indicator, then the school has met AYP.

Since the 2002-03 school year, the U.S. Department of Education has announced new AYP rules for students with disabilities and students with limited-English proficiency.

² Unlike goals for reading and math proficiency, goals for the additional indicator do not need to increase over time.

³ By 2007-08, states must also assess students in science annually in at least one grade in each of these grade spans: 3-5, 6-9, and 10-12, but results from science assessments are not part of the accountability system/AYP calculations.

To account for those students with serious cognitive disabilities for whom grade-level standards are not appropriate, school districts and states can exempt up to 1% of all students (about 9% of all students with disabilities) from grade-level tests.⁴ Alternate assessments tied to individual-appropriate standards can be used to assess the progress of these students. The scores of these students count toward AYP determinations in the same way as the scores of students being assessed on grade-level standards.

The 1% cap serves as a check on systems that have had lower expectations for students with disabilities and ensures that all students who can access grade-level standards, given the appropriate accommodations, have the opportunity to do so. If a school district determines that more than 1% of all of its students are severely cognitively disabled, the district can apply to the state department of education for a waiver from the 1% rule. If a whole state needs to exempt more than 1% of its overall student population from grade-level tests, it can apply for a waiver from the U.S. Department of Education. Because some schools are intended to serve large numbers of severely cognitively disabled students, the 1% cap does not apply at the school level.

There are two new rules for holding schools accountable for the achievement of limited-English proficient (LEP) students:

- 1) AYP determinations will not be based on the achievement of LEP students in their first year in an American school.⁵ Newly arrived LEP students must be assessed in math and English-language proficiency, but achievement on these assessments will not be considered in AYP determinations.
- 2) After students have demonstrated full English proficiency and moved out of LEP status, they can continue to be counted in the LEP category for an additional two years for AYP purposes. This gives schools credit for the progress they've made with formerly LEP students.

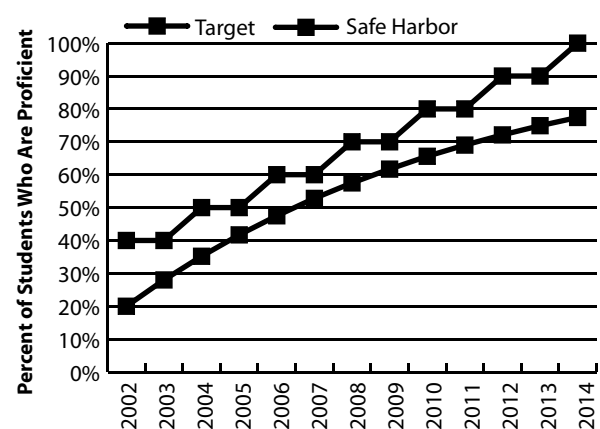
“Safe Harbor” AYP: Flexibility in Meeting AYP

Even if a school *doesn't* meet the statewide goal in a given year, the school will still make AYP if it reduces

the percent of students who are not proficient by 10% from the previous year (and makes progress on the other academic indicator). Schools can apply this analysis to all students or any group of students that does not meet the statewide goal.

For example, Chart 3 shows a school where only 20% of low-income students meet proficiency in 2003, meaning that 80% of low-income students *do not* meet proficiency. If the state achievement target for 2004 is 40%, but only 28% of the low-income students are proficient in 2004, the school has missed the 40% target. However, because the percentage of low-income students *not* meeting proficiency declined by 10%, from 80% to 72%, the school made AYP after all (as long as low-income students made progress on the other academic indicator). A school can steadily decrease its percentage of students who are not proficient by 10% every year (as in Chart 3) and always make AYP, even if it *never* meets the state performance target. This is referred to as the “safe harbor” provision. It ensures that schools get credit for making significant year-to-year improvement, even if they miss the overall target.⁶

Chart 3: How “Safe Harbor” Works



Some states have taken advantage of the flexibility offered under the law to include additional provisions for recognizing improvement in their accountability systems. For example, New York and Massachusetts use index scores rather than straight proficiency targets in their AYP determinations. These index scores give schools

⁴ By letter of June 27, 2003, to every Chief State School Officer, the U.S. Secretary of Education made this rule retroactive for the 2002-03 school year.

⁵ Even if the LEP students meet the state's definition for having been enrolled for a “full academic year” prior to testing, LEP students' test scores do not need to be included in AYP calculations for their first year in an American school.

⁶ For real examples of schools that have made AYP through Safe Harbor, see “What New ‘AYP’ Information Tells Us About Schools, States, and Public Education.” The Education Trust, 2003, available at www.edtrust.org.

additional credit for making significant progress with their lowest achieving students, even if they don't meet the standard for proficiency.

There are a number of additional provisions in place to ensure that AYP determinations are as fair and accurate as possible. They include:

- **Averaging scores** - States can average scores from the current year with scores from either the previous year or the previous two years when calculating the score that will be compared to the state performance target for the purposes of determining AYP. Schools can also average scores across all grades within a school.
- **Only full-year students** - Schools are only accountable for the performance of students who have been enrolled in the school for at least one full academic year.
- **Minimum number of students for accountability** - Schools are only accountable for groups that are large enough to reveal "statistically valid and reliable" data; each state has discretion to set the minimum number of students required for group accountability.
- **Confidence intervals**- To minimize the chances of schools not making AYP, some states are using confidence intervals, a statistical technique that can add to the reliability of determinations, particularly for smaller groups of students.

The last two methods—setting a minimum number of students and using confidence intervals—can enhance accountability determinations. However, if they are abused, they can obscure real problems that deserve attention.

5) Steps are taken to help students in schools that do not make AYP.

Once there is a process in place for determining whether schools are making AYP, states are required to take a variety of steps to help schools that are struggling—that is, consistently *not* making AYP. For schools that receive funds under the federal Title I program, which provides additional funding for the education of low-income students, certain actions must be taken. Below is how it would all play out for a school not making AYP:

- **IN YEAR ONE:** A school is going about its business as usual.
- **IN YEAR TWO:** School finds out that it did not make AYP for the previous school year. Under the law, there

are *no consequences* for not making AYP for one year. Schools and districts should use this information to identify areas that need attention and make necessary adjustments, but nothing happens under NCLB.

- **IN YEAR THREE: IN NEED OF IMPROVEMENT.** If a school does not make AYP for **two consecutive years in the same subject**, it is identified as **in need of improvement**. Schools must identify the specific areas that need improvement and work with parents, teachers, and outside experts to develop a two-year plan to raise student achievement. Parents need to be notified and given the option to transfer their children to a higher performing school in the district. Priority needs to be given to the lowest achieving low-income students in that school. Student transfers are paid for exclusively with a set-aside of federal funds.
- **IN YEAR FOUR:** If a school fails to make AYP for another consecutive year, then tutoring and other supplemental educational services must be made available to low-income students at that school. Like student transfers, supplemental services are paid for with federal funds.
- **IN YEAR FIVE: CORRECTIVE ACTION.** If a school does not make AYP for four years, it is identified for **corrective action**. Children can continue to transfer to other schools or to receive tutoring and other services. In addition, the district and school are required to implement at least one of the following corrective actions:
 - Appoint an outside expert to advise the school.
 - Institute a new curriculum, including appropriate professional development.
 - Extend the school year or the school day for the school.
 - Restructure the school's internal organizational structure.
 - "Significantly decrease management authority" at the school level.
 - Replace the school staff who are "relevant to the failure to make AYP."
- **IN YEAR SIX: PLAN FOR RESTRUCTURING.** If the school fails to make AYP for five years, the school must continue corrective action and develop an "alternate governance" plan.

The “alternate governance” plan must include one of the following:

- Reopen the school as a public charter school.
 - Replace all or most of the staff responsible for the lack of progress.
 - Enter into a contract with a private company to operate the school.
 - Turn over operation and management of the school to the state.
 - Implement other fundamental reforms approved by the state.
- **IN YEAR SEVEN: RESTRUCTURING.** If a school does not make AYP for six years, the “alternate governance” plan that was developed the previous year must be implemented.

Just as it takes two consecutive years of *not making* AYP to be identified for improvement under NCLB’s accountability system, it takes two consecutive years of *making* AYP for a school to no longer be identified as needing improvement. If an identified school makes AYP for one year, it does not proceed to the next level of the improvement process (i.e., offer supplemental services, implement corrective action or restructuring, depending on what level the school was in). If the school makes AYP for a second consecutive year, it is no longer identified as needing improvement. If the school only makes AYP for one year and then does not make AYP the next, it must continue implementing NCLB’s school improvement process.

The steps described above briefly outline what AYP means, and what actions must be taken under NCLB to help schools where students persistently fail to make academic progress.

What AYP Doesn’t Mean For States, Schools, and Students.

Unfortunately, the AYP provisions of NCLB have generated a number of misconceptions regarding what the law does and does not mean. Here is our attempt to separate the myths from the realities of AYP:

Myth: *States or schools that don’t make AYP will be penalized by losing federal funding.*

REALITY: **There are no financial penalties in NCLB for schools that do not make AYP.**⁷ In fact, the law requires states to set aside a portion of funds received under the federal Title I program to provide *additional* assistance to schools that have been identified for improvement. In 2004, more than \$470 million will be given to states to assist schools in the improvement process.

A state could jeopardize federal funding for its schools and children if it categorically rejects the goals embodied in NCLB by refusing to implement a system of standards, assessments, and accountability. But NCLB doesn’t penalize schools for low student achievement—it penalizes states that refuse to *measure* student achievement, hold schools accountable, or help them improve.

Myth: *The federal government will determine whether or not local schools are succeeding.*

REALITY: **Student success under NCLB is defined and determined by states, not the federal government.** Each state decides what its students need to learn by setting academic standards. Each state decides how to measure its students’ success in meeting those standards by developing state-specific tests in reading and math. Each state decides the score students need to reach on those tests to be deemed proficient in meeting the standards. In determining whether schools and students are making Adequate Yearly Progress, states have a great deal of discretion to define what students need to learn, how well they are learning, and what level of learning constitutes success.

While states set all the substantive standards, NCLB does require them to have a real process in place for identifying schools that are not making progress toward meeting those standards, focusing resources and reform efforts on these schools, and communicating with parents about what is happening.

Myth: *AYP penalizes states with high standards and creates incentives for states to lower their standards.*

REALITY: **Standards are an expression of what states expect their public school students to know and be able to do after receiving a public education.** By now, virtually every state has set standards. And when they did, state leaders loudly claimed that they were for “all” students.

⁷ The Congressional Research Service confirmed this to the U.S. House of Representatives Committee on Education and the Workforce in a memorandum dated February 20, 2003.

But standards are only meaningful if they are used to measure learning, to set clear goals, to identify schools that need to improve, and to focus additional energy and resources on the schools that have the farthest to go. That's basically what NCLB asks states to do. For if a state has high standards but does not establish a system to ensure that schools are meeting those standards, then they have "high" standards only on paper or in speeches. Children need more than that.

It is possible that some states might lower standards to reduce the number of schools identified for improvement. It is indeed possible that some of them may have overshot—setting standards at a level that students are not really expected to meet. More often, however, discussions about lowering standards reveal a lack of confidence among state leaders that their schools can teach or that their students can learn up to the state standards. Surely, teachers and children deserve more credit than that.

Myth: *AYP is unfair because the number of schools not making AYP varies wildly across states.*

REALITY: **Because each state develops its own standards and assessments (and then sets its own cut-score for what constitutes "proficient"), there will always be differences in the numbers of schools identified in different states.** Under the prior version of Title I, states had wide discretion in establishing not just the standards and assessments, but the accountability systems too. Some of the accountability systems developed under the old law were very weak. Others were stronger in identifying schools but weaker in ensuring that meaningful assistance reached those schools.

NCLB does ensure that all states have in place a process for identifying and assisting individual schools that need improvement, but it leaves decisions about what children need to know and how to assess that learning firmly with the states. AYP results reflect the condition of education within each state, as measured against the state's own standards. As such, comparisons across states regarding the number of schools making AYP are invalid.

Myth: *Identifying a school as "needing improvement" labels the school as "failing."*

REALITY: **Nothing in NCLB requires states to label schools that have been identified as "needing improvement" as "failing."** Indeed, some schools identified as needing improvement may be succeeding with most students, but not with one group. This is not a "failing" school, but it clearly needs to improve in specific areas.

This also means that some "needs improvement" schools will need more assistance than others. For example, a school that has not met the state target for one group will likely need different strategies from a school that has not taught any group to state goals.

Myth: *Every school identified for improvement is treated the same, regardless of why it didn't make AYP.*

REALITY: **Local educators and state officials retain vast discretion to tailor improvement efforts to the unique circumstances in each school.** The only constants across Title I schools identified for improvement are that schools in the first year of identification (after two years of not making AYP) have to offer families the choice to send their child to a school with higher student achievement, and schools in their second year of identification (after three years of not making AYP) have to offer low-income students supplemental educational services. Both of these options for parents are paid for entirely through a set-aside of federal funds.

It is true that NCLB identifies schools as "needing improvement" whether they have one student group not making AYP or several groups below AYP goals, but AYP does not prescribe particular interventions or reform strategies. Obviously, a school that has not met AYP because it did not meet the 95% participation rate requirement will choose a very different (and much less complicated) strategy from a school that falls below state goals in reading for its African American and Latino students. AYP is only a signaling system. The right—and the responsibility—to determine *how* to address a school's particular needs remains with local and state educators and officials.

Myth: *An unreasonably large number of successful schools will be identified as needing improvement.*

REALITY: **By measuring school success on a school's lowest-performing group of students, NCLB raises the**

bar for what it means to be a successful school. NCLB will undoubtedly shed new light on the performance of many schools. Some schools that have traditionally been considered to be successful based on their highest performing students or on school-wide averages will find themselves labeled as “needing improvement” because they are not making progress with particular groups of students.

This is not an unintended consequence of NCLB. Rather, it is one of the main reasons the law was passed. If a so-called “successful” school is identified as “needing improvement,” it is because the school is NOT being successful with at least one group of students. Defining success based on *average student progress*—across student groups—has long masked achievement gaps between groups and left the most vulnerable students behind.

Myth: *Schools that educate the most severely disabled students will be penalized under AYP.*

REALITY: All students with disabilities can take assessments that have been modified to accommodate their special needs, as long as the assessments still measure grade-appropriate achievement in reading and math. There are of course some students with disabilities so severe that grade-level tests are not appropriate. States and districts can exempt up to 1% of all their students (approximately 9% of all students with disabilities) from taking grade-level assessments. Individual schools can exceed the 1% limit (for instance, a school that specializes in serving students with disabilities), as long as the district as a whole stays below the 1% level. States and districts that need to exempt more than 1% of students from grade-level assessments can apply for waivers.

Putting aside the most severely disabled students, the law envisions most special education students meeting state standards. Given what research shows about the over-identification of students in special education—particularly of minority students—states and districts need to examine their policies to ensure that students with special needs are accurately identified and that they receive the help they need to achieve up to state standards.

Myth: *AYP means that schools must improve test scores every single year to avoid being labeled as needing improvement.*

REALITY: AYP stands for *adequate yearly progress*, not *annual yearly progress*. This language in the law can be misleading, because it implies that every school has to make progress every year in order to make AYP. In fact, if a school makes great gains in one year, only to fall back slightly in the next year, it still makes AYP as long as it stays above the state’s target performance level.

For example, take a school in which 40% of students are proficient in 2002. Assume that the state improvement plan specifies that 50% of students must be proficient in 2004. The school makes great improvement in 2003, increasing the number of students who are proficient from 40% to 55%. In 2004, however, performance declines somewhat, to 52%. Does this drop in test scores from 2003 to 2004 mean that the school will be labeled as needing improvement? No, because the school’s 52% score in 2004 remains above the state target of 50%.

In addition, to account for fluctuations in test scores, AYP determinations can be made on the basis of two- or three-year rolling averages. In other words, the percent proficient for the school in this example in 2004 could be based on a proficient rate of 53.5%—the average of the most recent two years of test scores.

Moreover, remember that it takes **two consecutive** years of failing to make AYP for a school to be identified as needing to improve. No consequences apply to a school that misses AYP for one year.

Challenges Ahead

AYP is basically a signaling system—it is identifying schools that aren’t meeting state goals and bringing sharper focus to existing achievement gaps. The important next step is to use this information to put into place new practices so that schools will make much-needed progress in raising overall achievement and closing gaps between different groups of students.

The challenge for educators and state policymakers now is to stay the course on AYP even as it is revealing disturbing deficiencies and disparities, even in schools

that the public has believed are just fine. High average scores can no longer substitute for making sure that *all* students get the education they deserve. At the same time, it is imperative to identify the extent to which various schools “need improvement,” so that greater resources and attention can be provided to the schools and students that are the farthest from meeting the state’s goals.

In the end, holding schools accountable for student learning makes sense only if one believes that schools are capable of raising student achievement, even among very poor children. There is abundant evidence that this is possible. Across the country, schools, districts, and even whole states are pointing the way. The challenge is to make educational excellence the rule for all students in all schools.

But the belief that these schools are “outliers” is pervasive. It can be heard in the voices of educators who think it’s unfair to be judged on the performance of “those” kids and seen in the data that demonstrate schools educating the highest concentrations of poor and minority students get less than their fair share of every important resource, especially high quality teachers.

Until policymakers, practitioners, and the public at large summon the will to provide solid educational opportunities to poor and minority students, AYP determinations will tell us as much about our own prejudices as they tell us about student achievement. To make AYP meaningful, we must dedicate ourselves to providing a high-quality public education to every child.

About The Education Trust



The Education Trust, Inc. was created to promote high academic achievement for all students, at all levels—kindergarten through college. While we know that all schools and colleges could better serve their students, our work focuses on the schools and colleges most often left behind in education improvement effort: those serving Latinos, African American and low-income students.

The Education Trust works side-by-side with policy makers, parents, education professionals, community and business leaders—in cities and towns across the country—who are trying to transform their schools and colleges into institutions that genuinely serve all students. We also share lessons learned in these schools, colleges and communities with policy makers.

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