



**Cambium**  
LEARNING™

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**Many Children Left Behind**

**EdNet**

**September, 2008**

**“We can, whenever we choose, successfully teach all children whose schooling is of interest to us.**

**We already know more than we need to do that.**

**Whether or not we do it must finally depend on how we feel about the fact that we haven’t so far.”**

**- Ron Edmonds**

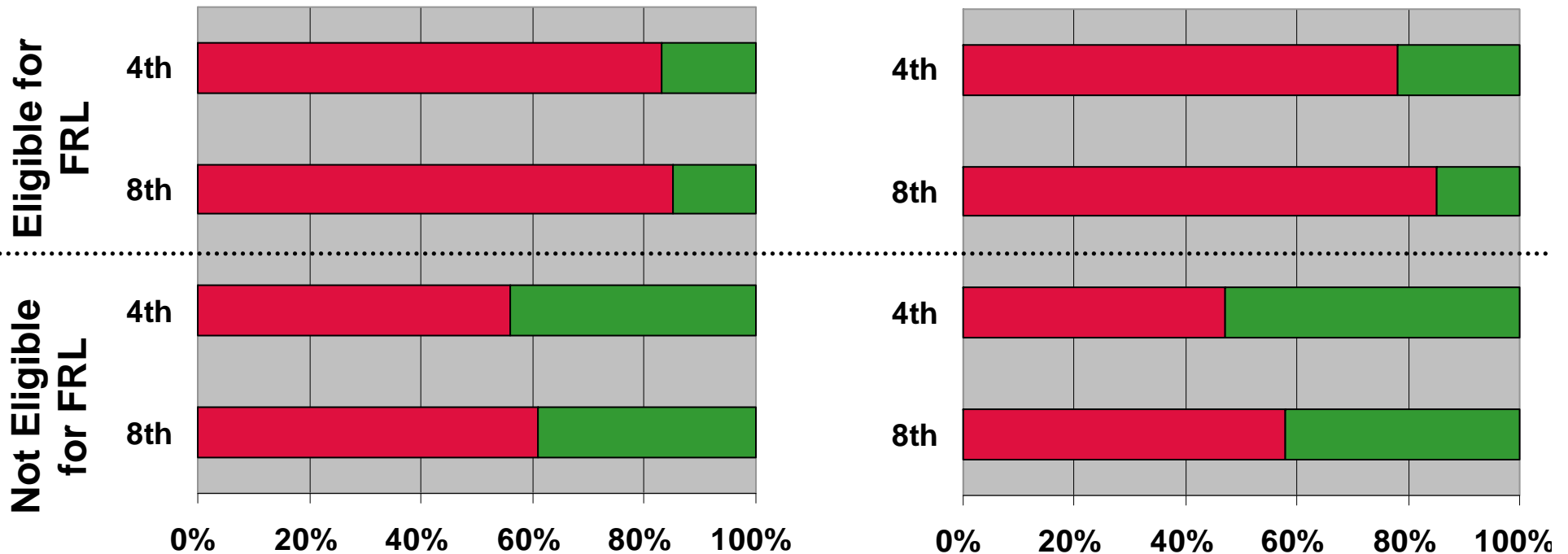


# NAEP 2007 Reading & Math: Economically Disadvantaged

**At or Above Proficient**

Reading

Math



Poverty does not “cause” academic failure – but brings with it many of the pre-conditions for the same – e.g. lower vocabulary.

Source: 2007 NAEP

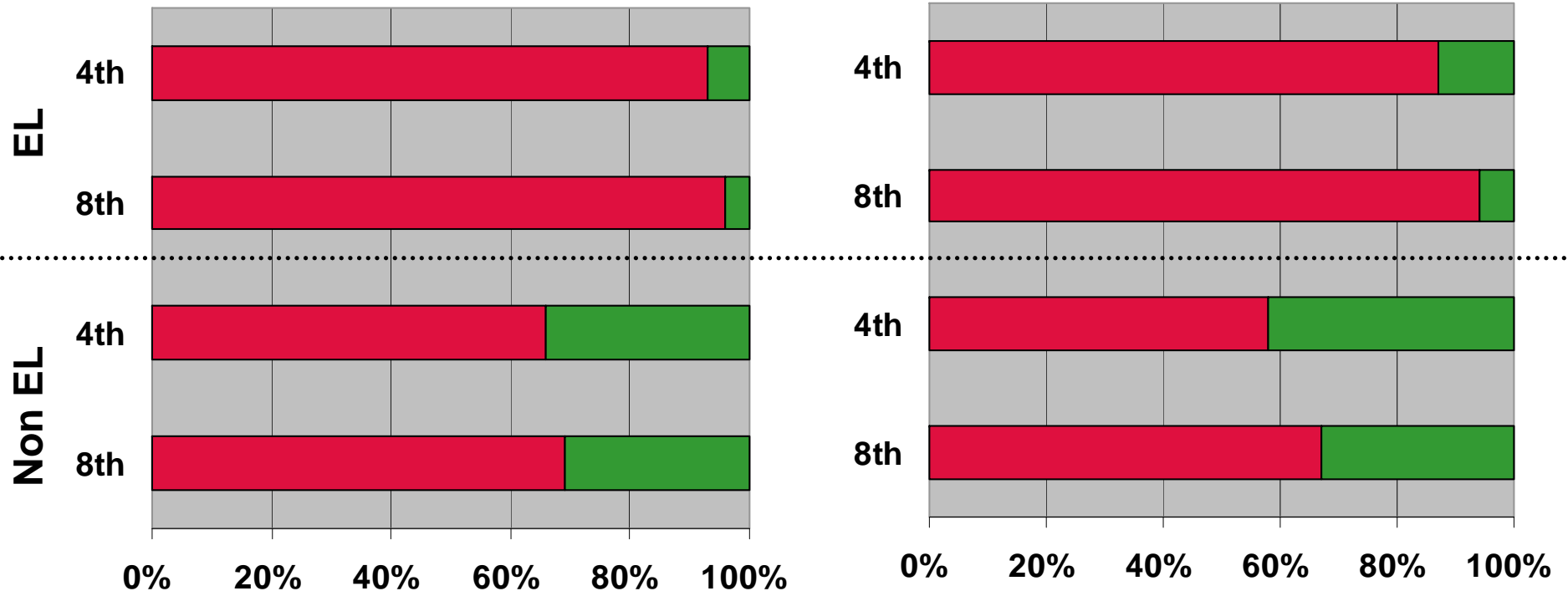


# NAEP 2007 Reading & Math: EL

**At or Above Proficient**

Reading

Math



**EL brings multiple issues – fluency in native language, fluency in English, and mastery of the content.**

Source: 2007 NAEP

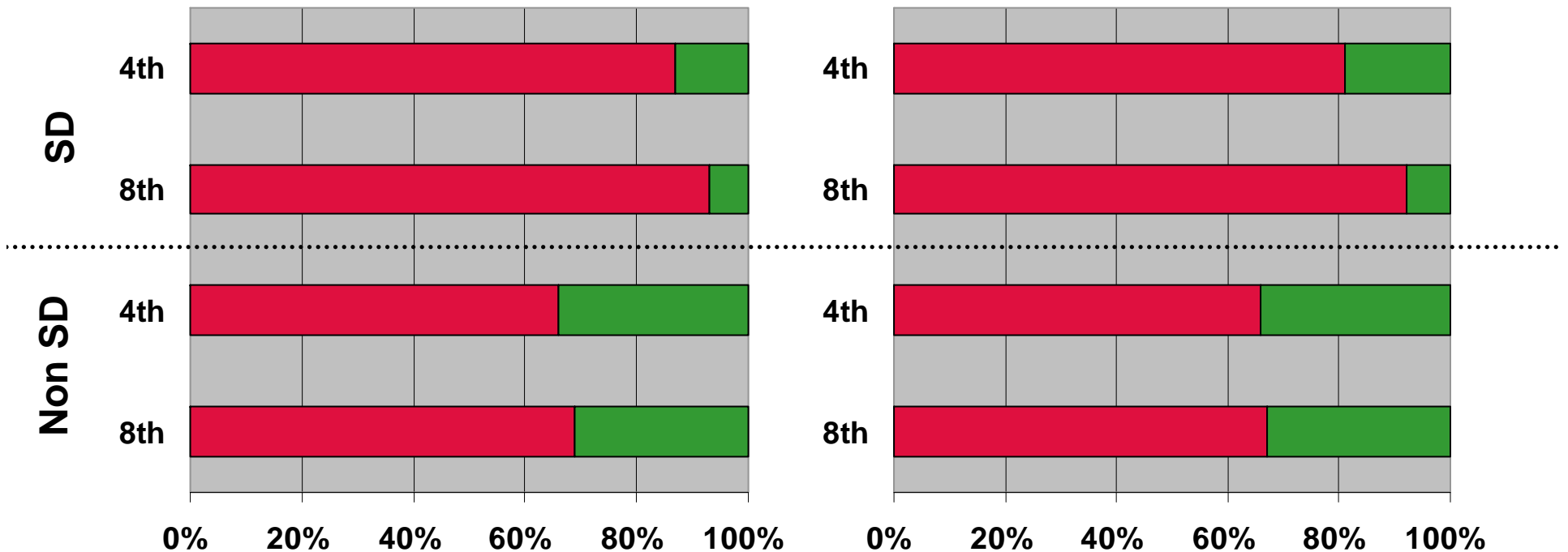


# NAEP 2007 Reading & Math: Students w/Disabilities

**At or Above Proficient**

Reading

Math



**Students with disabilities typically prove to be the hardest to reach.**

Source: 2007 NAEP



# 2007 NAEP Reading – 4<sup>th</sup> Grade

%Tile	10th	25th	50th	75th	99th	
NAEP Scale Score	0	174	199	224	246	264

SD (Standard Deviation) is represented by a circle above the 25th percentile score.  
EL (English Learner) is represented by a circle above the 10th percentile score.  
FRL (Federal Reserve Loan) is represented by a circle above the 50th percentile score.

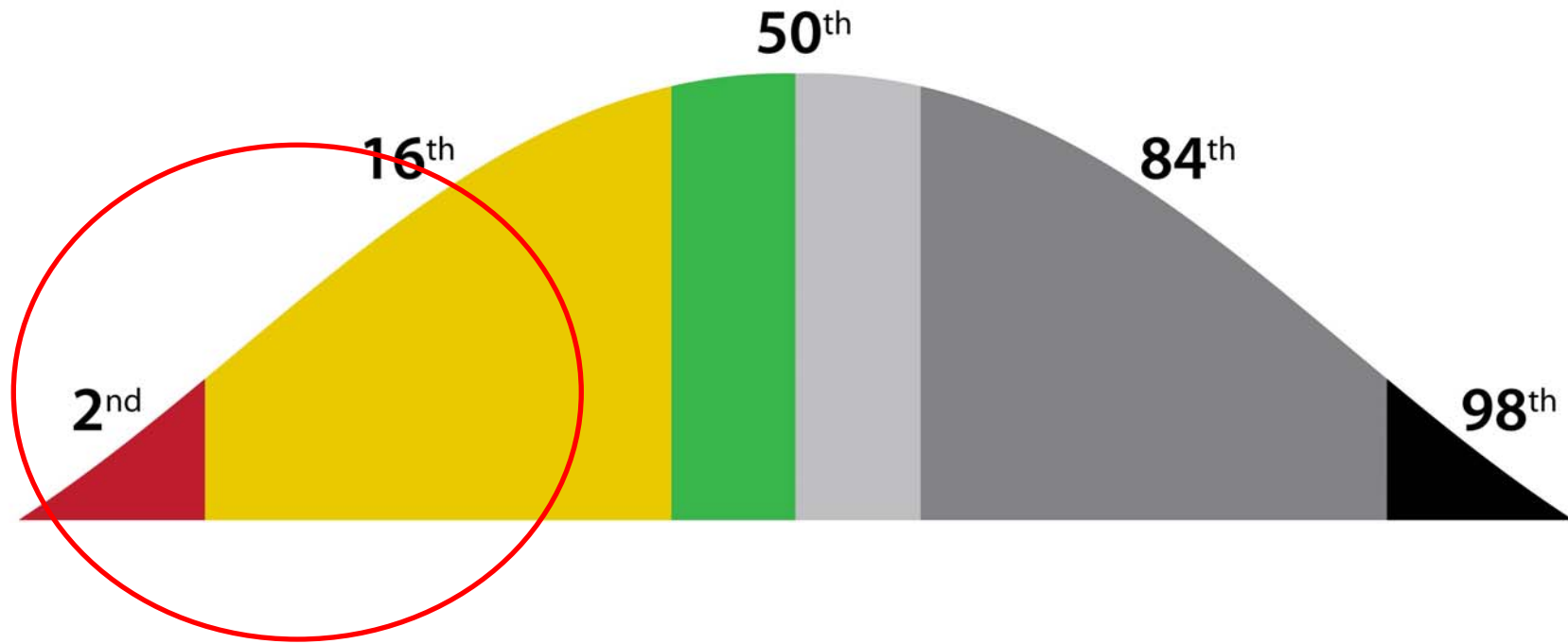
- Across these sub-groups, we're talking between 8 -9 out of 10 students not proficient in reading and math
- Students in more than one classification
- Except for a very small percentage, all can learn to grade level standards

**Percentile performance rankings for select sub-groups.**

Source: 2007 NAEP



# To Reach All: Requires More Options



**Increasing variability in educational need – creates opportunities – but they're fragmented**



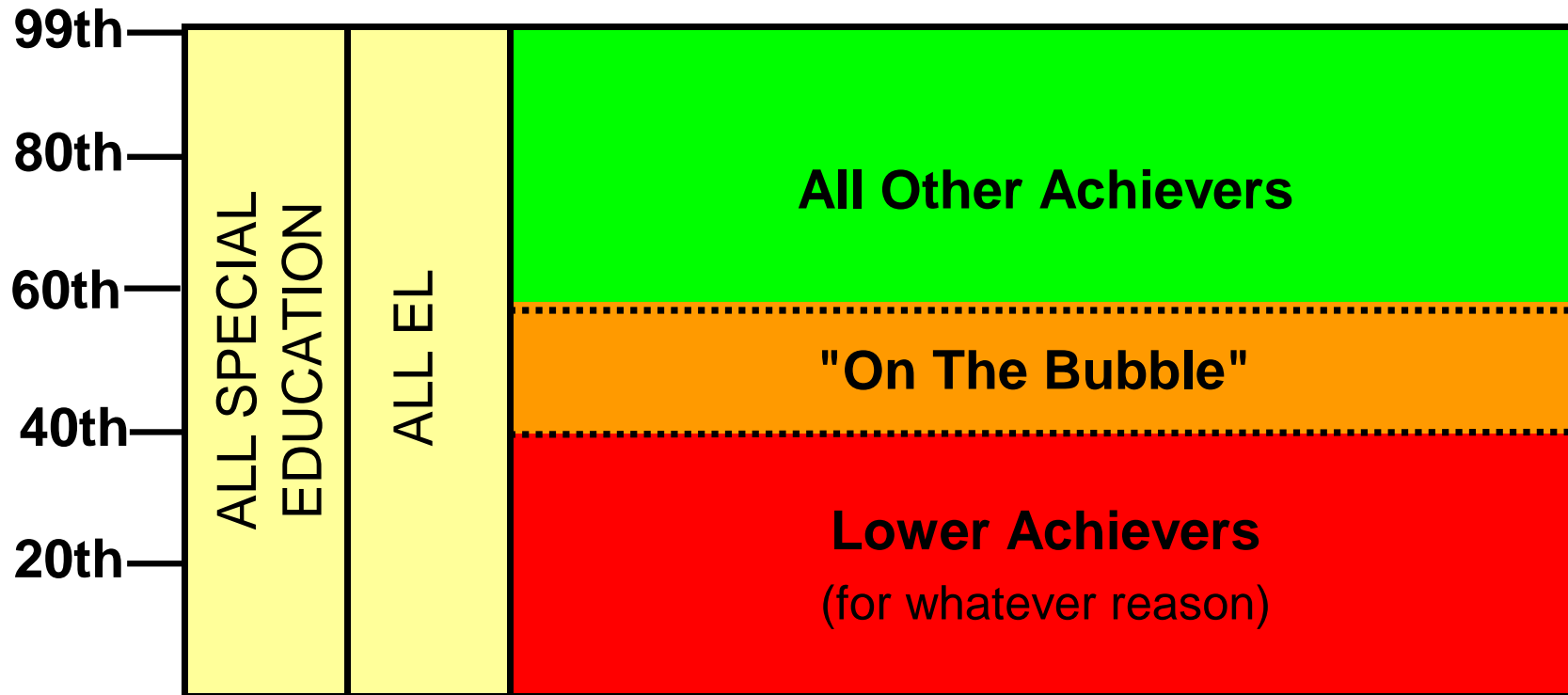
# Not a Homogeneous Market – Especially These Sub-Groups

- **K-12 Public + Private**
  - ▶ Approximately \$600B (too “frothy” to think of it this way)
  - ▶ 55M students
  - ▶ \$10.7K overall spending per student
- **A Single business model to take advantage of the gross spend difficult to establish**
- **The kinds of students who are being left behind – are being left behind for different reasons**



# Who Are We Talking About?

All Non- Special Education & Non-EL



- Cambium targets special student populations – including all of special education irrespective of achievement level, all of EL, and all other students generally falling 60<sup>th</sup> percentile and below



# How Many Are We Talking About?

- **Approximately 6.9M special education students**
  - ▶ 13 different disability classifications under IDEA
- **Approximately 4.4M EL students who struggle with English**
  - ▶ Newcomers versus more proficient
- **General education students performing at the 40<sup>th</sup> percentile and below**
  - ▶ “On the bubble”: 40<sup>th</sup> – approximately the 60<sup>th</sup> %tile
- **Approximately 20M economically disadvantaged**



# We Like \$\$/Student “Yield”

- Helps normalize results across territories
- Useful in multi-channel settings: direct field reps, direct marketing, re-sellers...etc.
- What’s our best estimate of what is available?
- Are we getting our fair share?
- Numerator = addressable spend for the kinds of products & services we offer
  - ▶ For Cambium = \$4.5B
- Denominator = student segments served
  - ▶ For Cambium = 20M



# USDOE K-12 2007-2008 (\$,000)

Program	2007 Operating Plan	Fiscal Year 2008
<b>Elementary/Secondary Education (K-12)</b>		
<u>No Child Left Behind (NCLB)</u> <sup>1</sup>		
Title I Grants to Local Educational Agencies	12,838,125	13,898,875
Improving Teacher Quality State Grants	2,887,439	2,935,248
Impact Aid	1,228,453	1,240,717
21st Century Learning Opportunities	981,166	1,081,166
English Language Acquisition	669,007	700,395
Safe and Drug-Free Schools and Communities	577,429 <sup>3</sup>	513,391
School Improvement Grants	125,000	491,265
State Assessments	407,563	408,732
Reading First State Grants	1,029,234	393,012
Education Technology State Grants	272,250	267,494
Math and Science Partnerships	182,160	178,978
Teacher Incentive Fund	200	97,270
Even Start	82,283	66,454
Advanced Placement	37,026	43,540
Striving Readers	31,870	35,371
Math Now	0	0
Pell Grants for Kids	0	0
Adjunct Teacher Corps	0	0
Other NCLB	2,138,196	2,065,213
Subtotal, NCLB	23,487,401	24,417,121
<u>Special Education (IDEA)</u>		
Grants to States (Part B)	10,782,961	10,947,511
Other IDEA	1,019,906	1,034,381
Subtotal, IDEA	11,802,867	11,981,892
Subtotal, NCLB and IDEA	35,290,268	36,399,013



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- Each funding source's spend on products and services will vary



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- We then add: estimates for state & local spending



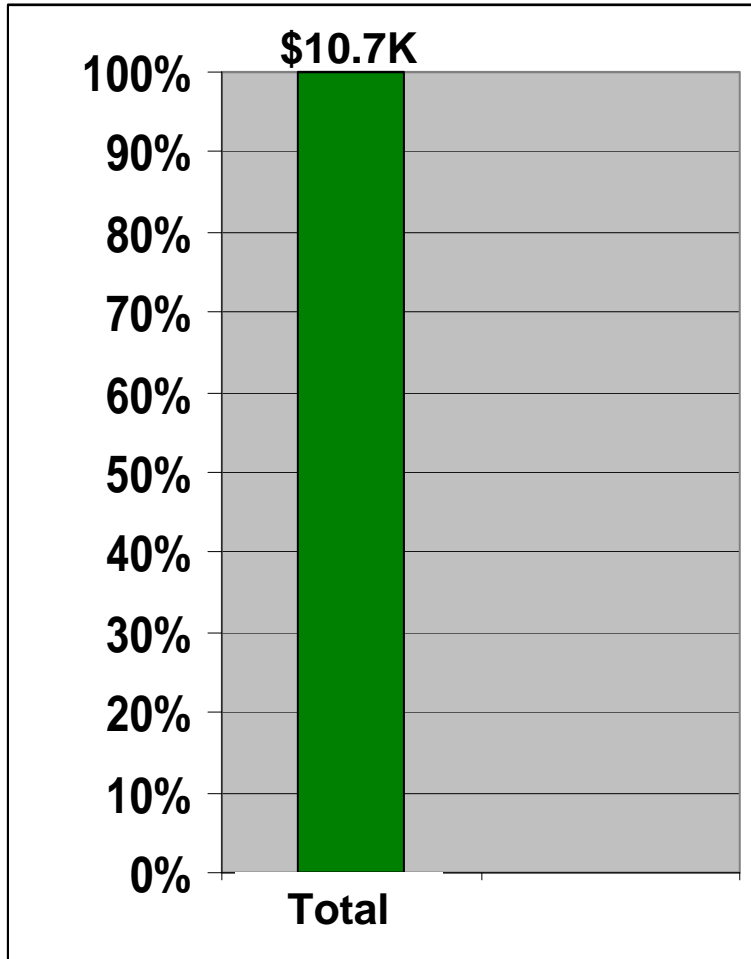
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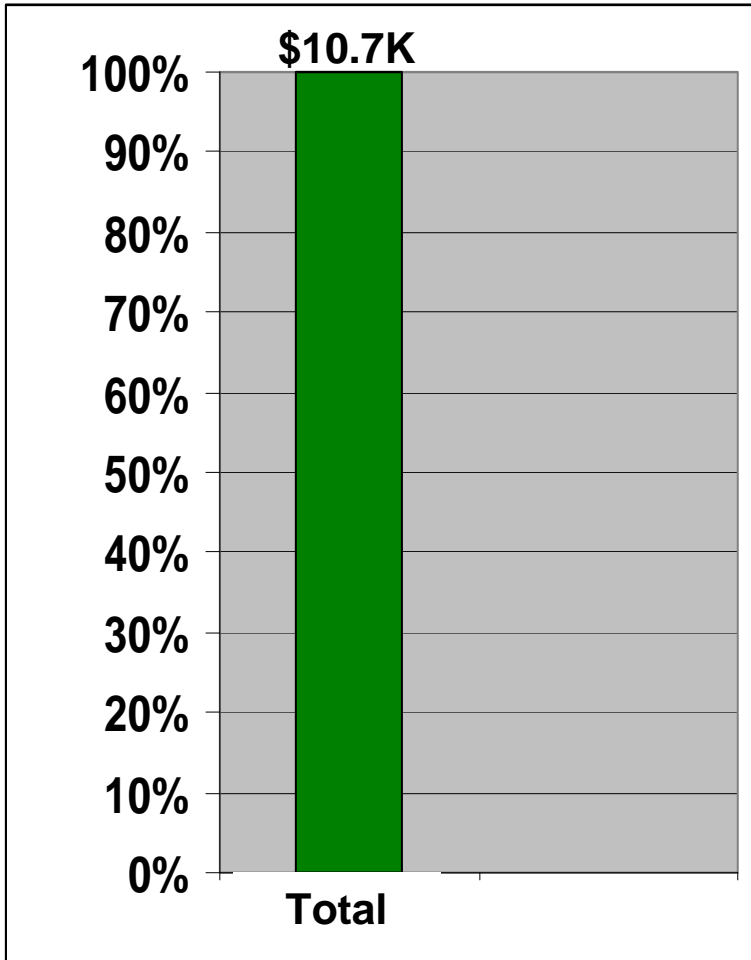
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- E.g Assistive Technology = \$25M – but very important to Cambium business model and high % spent on the kinds of things we sell
- We then add: Estimates for State & Local spending
- We add: Head Start
- “Map” your market from the ground up



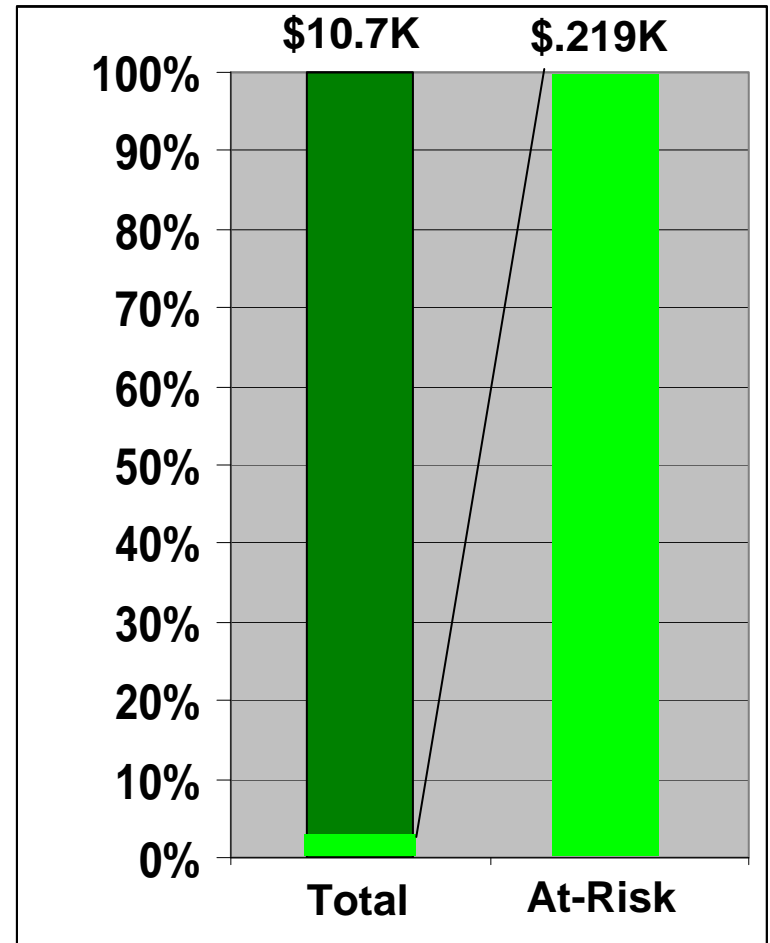
# Cambium Addressable Spend =



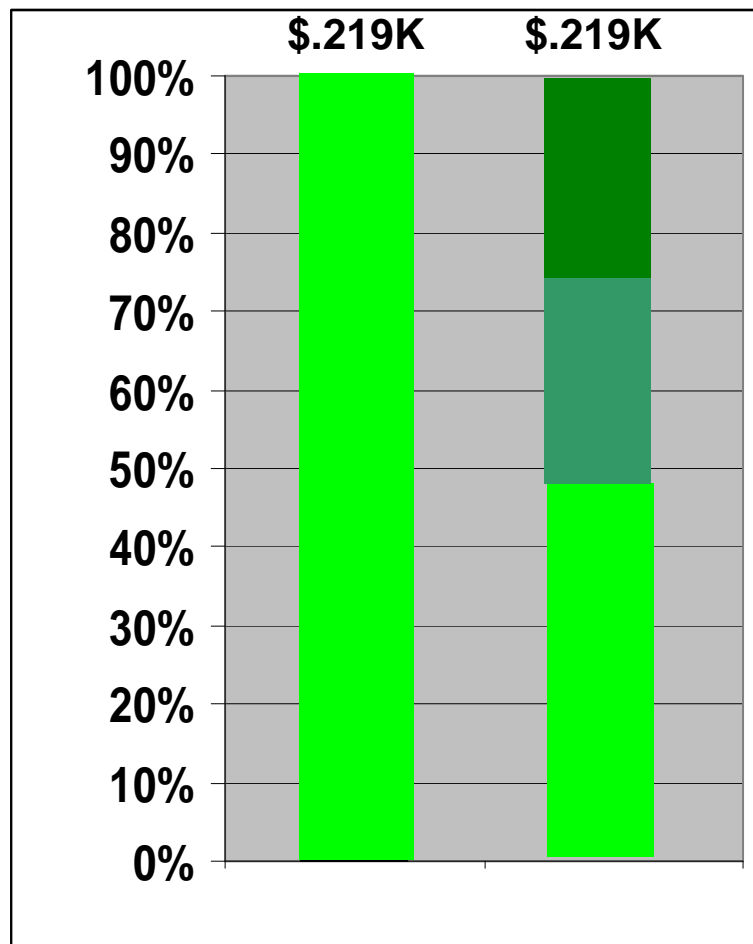
# Cambium Addressable Spend = \$219/At-Risk Student



- All state & federal funding sources targeting these students
- Just those dollars spent on the kinds of products and services offered
- \$4.5B addressable spend
- Students we target: 20M



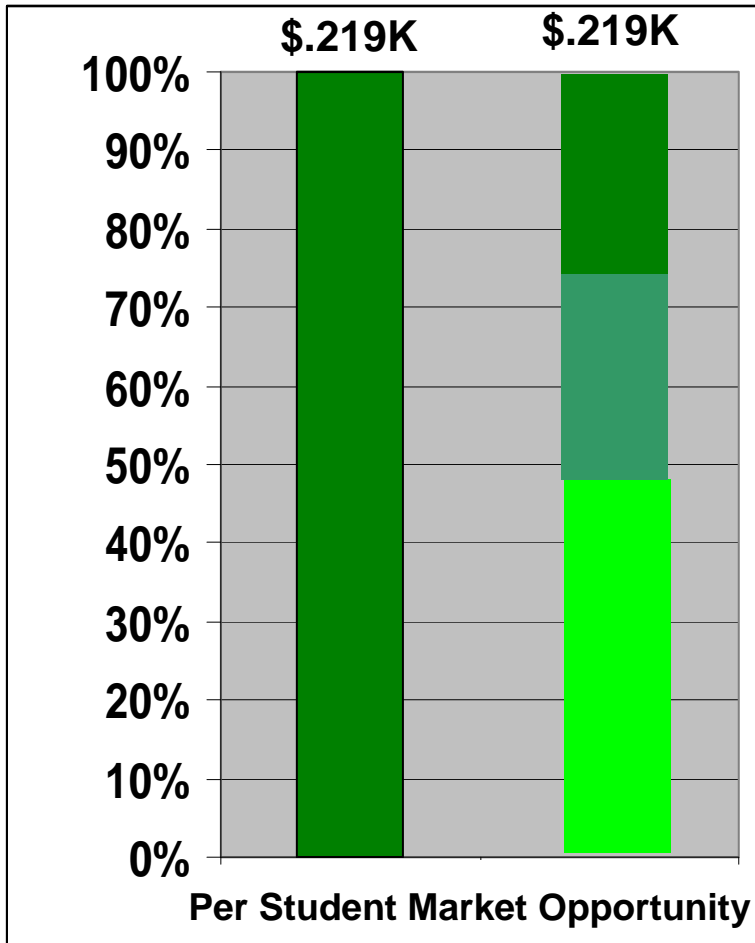
# How is \$219/At-Risk Student Spent?



- Pure site-based
- Hybrid district/site-based
- Pure district-wide



# How is \$219/At-Risk Student Spent?



- Pure site-based
- Hybrid district/site-based
- Pure district-wide



Further fragmentation:

- Home school market of between 2 – 2.5 million students
- Charter school enrollments now total 1.2 million students



# Understand This Market at a Granular Level

- **Map it down to the smallest discrete segment**
  - ▶ How much money is spent?
  - ▶ Where does it come from (Federal, state, local)?
  - ▶ What it is spent on
- **Understand how those segments work**
  - ▶ Who spends it (Title I, IDEA, C&I, Principals, Teachers, other educational specialists)?
  - ▶ How do they spend it?
- **Examples: Title I and IDEA**
  - ▶ Good consistent funding sources – identifiable recipients
  - ▶ Inconsistent governance – who spends it?



# Opportunities & Challenges

- **State standards – “on grade level requirement” versus “off grade level” reality**
  - ▶ Recent FL and CA “Intervention” adoptions
  - ▶ Still many issues to be worked out – criteria and categorical funding
- **Customers:**
  - ▶ In some places – a move away from system-wide decisions (NYC, LAUSD?) – issue of coverage (sales)
  - ▶ In other places – a move towards system-wide decisions (Miami) – issue of convincing (to layer multiple offerings)
- **Competitors – more companies now paying attention to special student populations – the CEC barometer**
- **The Wall Street Journal says so**
  - ▶ 1998 – 2001: four articles
  - ▶ Last two years: nine articles



**People care about this stuff!**

