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MEMORANDUM

DATE: January 15, 2009
TO: TechMIS Subscribers
FROM: Charles Blaschke and Blair Curry
SUBJ: Schools Under Restructuring Doubles; Economic Stimulus Education Proposals; and New States Approved for Differentiated Accountability

The transition frenzy which began before Christmas and resumed immediately after the holidays continues with numerous proposals being “floated” at a general level without any final, concrete details. Education components of the economic stimulus package have been framed by President-elect Obama, but Congress will be responsible for how much funding will be attached to each component and overall education, which is rumored to be \$80 billion. On January 13th, Secretary-designate Arne Duncan received a warm reception by the Senate during his confirmation hearing and reiterated many of the priorities and policies in his testimony before Congress last July, which were included in our December 19th TechMIS Special Report (which is attached). The three areas of policies/priorities he emphasized were early childhood education, K-12 improvement (particularly teacher quality), and preparation for college, especially community colleges. He would push for innovation and reform, rewarding excellence, and scaling up “what works” practice. Referring to personal experiences that “shape and scar” a person’s beliefs, he pointed to the tutoring program which his mother operated in Southside Chicago, and in which he worked as a youngster which influenced the afterschool and other tutoring initiatives which he created and expanded while Superintendent of Chicago Public Schools.

The Washington Update items in this TechMIS issue include the following:

- **Page 1**
According to Education Week, the number of schools entering restructuring this school year doubled to 3,500 schools, while the amount of Federal Title I funding which targets these schools more than doubled. In his confirmation hearing, Secretary-designate Arne Duncan emphasized this reform priority, noting the alternatives used in Chicago Public Schools.

- **Page 3**
Of all the Obama education components of the economic stimulus package, the doubling of funding for afterschool programs under 21st Century Community Learning Centers to over \$2 billion is likely to remain intact as Congress begins to finalize the overall package. Subscribers with appropriate products should develop action strategies now.
- **Page 5**
Other likely education components of the economic stimulus package could include classroom technology funneled through Title IID, increased E-Rate discounts for infrastructure by raising the \$2.5 billion annual cap, increased funding for IDEA to make up for the “unfunded mandate,” and professional development in programs such as Title I.
- **Page 7**
New AASA survey finds that small to medium districts would likely spend proposed economic stimulus funds on technology projects and related staff development, suggesting current pent-up demand for such products and services.
- **Page 8**
State funding for programs serving English language learners varies significantly across states and remains fluid due to individual state court actions and evolving state interpretations of new Federal regulations, which also affects the use of Federal Title III funds. The demand for certain supplemental instructional materials and formative/benchmark assessments should continue to grow.
- **Page 10**
Legislation has been introduced in Congress which would defer or nullify the recent Bush USED regulations affecting Title I; however, because virtually all major education groups have lobbied the transition team to suspend such regulations, as noted in the December 19th TechMIS Special Report Secretary-designate Arne Duncan may act upon such recommendations immediately after January 20th.
- **Page 13**
In early January, Secretary Spellings announced three additional states (New York, Arkansas and Louisiana) have been approved to implement their proposed differentiated accountability models which brings the total to nine states. Highlights of the previously approved six states were included in the July 21st TechMIS Special Report. All three of the newly approved states propose to allow SES before the parent choice option which could result in additional funding set-asides and create opportunities for partnering with districts which operate their own programs.

The State Profile Updates address a range of topics, the most prominent of which is the struggling state economies which has caused most states to be faced with budget

shortfalls. These shortfalls are having major impacts on K-12 education programs. Other issues contained in the Profiles are charter schools, college remediation, online education, and teacher preparation programs.

Likely Education Policy and Priorities Under the Leadership of Secretary Designate Arne Duncan

*A Technology Monitoring and Information Service (TechMIS)
SPECIAL REPORT*

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December 19, 2008

As one reads the media coverage of President-Elect Obama's recent news conferences, particularly the one in which he selected Chicago Public Schools Superintendent Arne Duncan as his Secretary of Education, one can identify some of the priority themes which the new Administration will attempt to establish and implement over time. Discussions with several influential groups, a review of their recommended action plans for transition team members, and further discussions with veteran education policy experts also suggest some immediate steps -- perhaps within the first 100 days -- that the new Administration will undertake. These are highlighted below.

During the first 100 days or thereabouts, one can expect a number of activities which will likely be quickly passed by Congress and/or implemented through the administrative and regulatory process. At this writing, education groups are collecting data to justify inclusion of education and directly-related projects in the \$700+ billion economic stimulus package which Obama has called for. It is likely that such funds could be used for projects related to school construction, upgrading education technology for teachers and students, and broadband infrastructure expansion, among other projects designed to speed up economic recovery. Recent discussions with the National Association of State Budget Officers suggest that one large component of the economic stimulus package will be an increase in the Federal portion of states' budgets for Medicaid. This will free up state funds to be used for other purposes, including making up for deficits in K-12 budgets. Caps on the number of eligible recipients for Medicaid are already being reduced in many states.

Among the activities which can be handled through the regulatory and administrative process are to nullify or defer implementation of some current USED policies and/or the recent Title I final regulations. Limiting implementation of the regulations is increasingly being justified by tighter budgets confronting districts (as noted in a related [Washington Update](#) item). As superintendent in Chicago, Duncan is acutely aware of the unnecessary costs and counterproductive consequences of such policies and regulations as they affect Title I, particularly supplemental educational services, which is one of the highest priority areas of concern among education groups. According to reliable sources, the Obama transition team is carefully reviewing the regulatory and policy framework

created by the Bush Administration.

During 2005, Duncan took on Secretary Paige (and later Secretary Spellings), who formulated a policy (which was not in NCLB legislation) that would not allow a district identified for improvement to provide supplemental educational services (SES). As a result of a well-publicized political battle, Secretary Spellings created a National Pilot Program which allowed Chicago and eventually three other districts to provide their own SES, along with services provided by third parties which had been approved by the SEA. Earlier this year, under the Differentiated Accountability Model pilot, USED approved the Illinois SEA request to allow any district identified for improvement to provide its own SES if approved by the SEA. One of the first actions the Duncan team will likely make -- with support from the most vocal association on this matter, the Council of the Great City Schools -- will be to nullify this Bush policy clearly delegating the sole responsibility for approving SES providers to SEAs, which the USED Office of Inspector General said is the "letter" of the Law. Allowing districts with a "demonstrated record of effectiveness" the possibility of being approved by the SEA as an SES provider is likely to expand the number of students participating in SES by more than 100 percent. The Council's previous research found that, in district-provided programs, 25 percent of eligible students participated compared to ten percent in SES programs operated by third parties. In Chicago, according to the CGCS evaluation of SES costs, the district-operated program cost \$4-5 per hour compared to \$18-20 per hour for private SES providers. Achievement gains of students were similar. During the recent Education Week webcast on the "New Education Secretary's Impact on Schools," Frederick Hess of the American Enterprise Institute stated, in response to the question as to what might be expected of Duncan in the area of supplemental educational services, "I think it's safe to assume that SES is going to be substantially revisited during the reauthorization whether that proves to be 2009-10 or what have you. Certainly Chicago's complicated experience with SES would be expected to inform Duncan's approach."

The Duncan team is likely to call for nullifying or deferring implementation of other SES related provisions in the final Title I regulations including:

- the new regulation on unspent 20 percent SES set-asides, which not only drives up district administrative costs, but also could require the carry-over of such funds to set aside for the subsequent year, thus depriving students from receiving the SES regular Title I services; or it could result in unexpended funds, if they exceed 15 percent, being returned by the district to the Federal Treasury;
- a regulatory provision which would cap the position of the 20 percent set-aside for administering SES programs at only one percent, when the actual administrative costs are significantly more.

By making the above regulations null and void, more districts will provide their own SES and serve more students at lower per-pupil cost, while at the same time creating more opportunities for firms to partner with such districts by selling products and training and support services. Allowing more of the 20 percent set-aside to be used for district administrative purposes could create opportunities for firms with products and applications which can be used in facilitating the administration of SES programs.

Both Obama and Duncan have proposed the use of incentives or bonuses for teachers based on increased performance of their students, using multiple measures jointly agreed upon with teachers. One might reasonably expect Duncan to strongly encourage more local affiliates of the NEA and AFT to provide SES and to encourage districts to negotiate contracts with both teacher groups and third-party providers to include incentives based on SES participant achievement. Two of six model SES programs identified during the last year of the Paige Administration were teacher-operated SES programs in Toledo, Ohio and Rochester, New York.

There is the possibility of a number of additional changes prior to NCLB reauthorization which could be made administratively. One would be to allow SEAs and districts to use the so-called “same subject-same subgroup” method for determining when a district or school is failing to meet AYP and is identified for improvement. By using this method, which was previously approved for use in more than 20 states, the increasing rate of districts and schools identified for improvement would be slowed by 30-40 percent over the next several years according to some estimates.

Several changes to current regulations related to school restructuring might also be made, including:

- Allowing districts to enter into “school improvement” action much earlier, and implementing interventions for a longer period, such as three years, which groups such as the Council of the Great City Schools argue would decrease the number of schools entering restructuring.
- Requiring states to allocate the four percent set-aside and School Improvement Grants to districts and, in turn, to schools based on a “most in need” formula and prescribing a certain percentage of such funds to be used, during the three-year intervention period, for instructional strategies such as differentiated instruction, instructional coaching, data-driven decision-making professional development, formative assessments, and extended time programming and supplemental services.

In his testimony before the House Education Committee in July, Duncan identified a “few simple strategies” that were used in Chicago, including, “Before the accountability and intervention measures of NCLB, Chicago took the initiative to hold students accountable to annual state assessments, to identify students in the most chronically failing schools, and to provide intervention services including mandatory summer school, after school programs, alternative schools w/ smaller class sizes and extended day programs.”

Based on comments made by Obama and a careful reading of testimony in July by Duncan, we have identified below what we feel will be some of the priority education initiatives that likely will evolve over time. Some of them may be introduced as pilots through the regulatory process, while others will likely require legislation either separate from or as part of NCLB reauthorization. All will require increased funding, either reallocated from other programs or increased appropriations in the FY 2009 budget and

subsequently. Moreover, the evolutionary nature of these initiatives will be based on available research and evidence, but grounded in pragmatism in the context of what Duncan feels will work and fits into his vision.

Two often-mentioned priorities of Obama, also reflected in Duncan's testimony last July, are early childhood education, including pre-K and Head Start, along with increasing making college more accessible, especially for low-income students. The former initiative may require legislation and certainly large increases in Federal funding (e.g., Obama called for a \$10 billion increase during the campaign). The second goes beyond making college affordable; in the words of Obama, "We expect our children to not only graduate high school, but to graduate college and get a good paying job." This particular initiative is very similar to the Gates Foundation's revised philanthropic strategy announced in November; one might anticipate an evolving Federal partnership with the Gates Foundation (see related [Washington Update](#) item). One of the more recent Duncan initiatives in Chicago is targeting high schools through a pilot program which ensures curriculum alignment with state standards and assessments. In light of the recent research conducted by ACT ("The Forgotten Middle") showing that only two in ten eighth-grade students are on-target to be college-ready by the time they graduate, one can reasonably expect middle school initiatives, such as Striving Readers and similar programs for students struggling with math, to become a higher priority perhaps with funds reallocated from other programs such as Smaller Learning Communities to implement them. One notable piece of legislation submitted by Obama in 2007 was the Success in Middle School Act which specifically focused on "the whole child" and relied heavily not only on effective instructional interventions for struggling students, but also behavioral interventions and supports.

While Obama has called for a doubling of Federal funding for charter schools, Duncan's perception of charter schools, as implemented in Chicago, differs from the traditional charter school perception. In Chicago, more than 20 schools in restructuring have become charter or contract schools which are not designed to compete with public schools, but rather to provide options for students with different interests and learning styles. In other cases, the charter schools may also provide options for teachers that have different teaching styles and approaches. In both cases, they appear to be more like "magnet" schools which, in many cases, have served as "incubators" for innovative approaches. Studies of charter schools elsewhere have found they are not much of a departure from traditional public schools. One might reasonably anticipate that more "magnet-type" charter schools may be funded out of set-asides and Federal grants designed to help schools in restructuring to complement other approaches similar to those used in Chicago Public Schools, such as extensive use of turnaround experts and instructional coaches.

On numerous occasions, Obama has talked about placing a higher priority on mentoring for new teachers and new induction programs and initiatives. Indeed the press conference in which Obama announced Duncan as Secretary Designate was held in a turnaround school that reopened as one of six Teacher Training Academies Residency Mentoring Programs. The Renaissance Academy was Illinois' highest gaining school in

2005-06 in math and reading as reported by Education Daily (December 17th). The almost \$3 billion a year in funding from the Title IIa Teacher Quality Program, which has been used mostly to reduce class size, will likely be redirected to allow for increased new teacher mentoring and induction, the use of incentives to encourage effective teachers to teach in low-performing schools, and to create and expand the use of “professional learning communities,” in which teachers can collaborate and provide support to each other. In addition to redirected use of Title IIa funds, Duncan, who relied heavily on instructional coaches, will likely seek greater Title IIa flexibility by allowing such funds to be used to train non-core subject area teachers, such as reading coaches, intervention specialists, graduation coaches, etc.

Although an Obama campaign spokesperson stated, at the June 2008 AEP Summit (see July Washington Update), that “Good teachers are the interventions.” One can anticipate continued policy support and funding for early intervening services/RTI approaches with teacher training, especially in the use of assessment data to inform instruction as a high priority. In terms of instructional interventions, greater specificity is not likely to be prescribed beyond priorities placed on “multi-tier interventions”; on the other hand, behavioral interventions and supports, as reflected in Obama’s proposed Success in Middle Schools Act, will receive equal weighting. This will be proposed in the context of providing for “whole child needs.” In an interview reported in Education Daily (December 17th), former Chicago Public Schools Special Services Director Sue Gamm, who served under Duncan through 2003, in her one-on-one discussion with Duncan prior to her retirement on the subject of response to intervention in special education programs noted that Duncan “has a sense of the issues.”

Numerous media articles have provided examples of how Duncan advocated and implemented technology applications in the Chicago Public Schools which could provide a glimpse into how Obama’s promise to provide more funding for infrastructure, computers and the development of 21st century skills might evolve. These include a high school that has replaced textbooks with web-based core curriculum (ESchool News), virtual online courses and direct instruction through the Chicago Virtual Charter School (Education Daily, December 18th), and professional development and leadership training for administrators. And, as noted in Education Daily (December 18th), numerous science, technology, engineering and math (STEM) groups point to additional examples of how the \$500 million Technology Innovations fund Obama called for during his campaign would be spent. The question, however, is where will the funding come from -- the economic stimulus program, reallocation of existing programs, or additional funding for E²T² (e.g., the proposed Attain Act supported by various education technology advocate groups).

In his closing remarks during testimony last July before the House Education Committee, Duncan stated, “We also appreciate the core goals of the No Child Left Behind law, including performance transparency among subgroups and higher standards for all, but we think the law can be improved in other ways that will advance the same goals.”

Washington Update

Vol. 14, No. 1A, January 15, 2009

Although the Number of Schools Entering Restructuring for This School Year Almost Doubled to at Least 3,500 Schools, the Amount of Federal Title I Funding Targeting These Schools More Than Doubled; the New Administration Must Place a High Priority on Helping the Increasing Number of Schools in Restructuring

According to the Editorial Projects in Education Research Center (EPIER), which publishes Education Week, the number of schools identified for restructuring under current NCLB sanctions, based on AYP results for 2007-08 school year, doubled to more than 3,500 or four percent of all schools nationwide. Excluded from this list were the District of Columbia, Indiana, Nebraska and New York which, according to Education Week (December 19th), have not released their final AYP determinations for last school year. At the same time, states received School Improvement Grants of \$490 million this school year (up from \$125 million last year), which are being allocated to states and, in turn, to districts, with a priority of serving schools in corrective action and/or restructuring. In addition, the Center on Education Policy estimates that \$550 million is being allocated this school year under the SEA 4% state set-aside for school improvement, also targeting these schools that are “most in need.” As we reported earlier, CEP estimates that the total

amount for school improvement under School Improvement Grants and the 4% Title I formula set-aside will be in excess of \$1 billion this year compared to about \$450 last year. The recent EPIER study supports the justification for our suggesting in the October 2008 Washington Update that these schools should be targeted by firms which provide tools to facilitate data-driven decision-making, products which can be used in one-on-one or small group tutoring, and tools and programs to provide or facilitate effective professional development, especially for coaches.

The EPIER Center also reported that 30,000 schools failed to make AYP under NCLB determinations in the 2007-08 school year, an increase of almost 30 percent over the previous year. Overall, the number of schools failing to meet AYP for three or more years, and thus having to begin setting aside at least 20 percent for supplemental educational services (SES), including schools in corrective action and restructuring, increased 13 percent to about 15,000. AYP determinations were not available for the above three states and the District of Columbia as indicated above.

According to the EPIER Center report, in the following states, 40 percent or more of the schools identified for improvement in 2007-08 were in the fifth year of improvement (i.e., corrective action/restructuring): Hawaii (64 percent), Illinois (54 percent), Louisiana (43 percent), Maryland (42 percent), Montana (45 percent), North Dakota (46 percent), and

Oregon (42 percent). It should be noted, however, that under the School Improvement Grant program, funded at \$490 million this school year, Federal guidelines mandate that the minimum amount of funds per school should be \$50,000 up to a maximum of \$500,000 (i.e., states with large numbers will likely allocate the minimal amount per school). Each SEA decides the amount allocated per school from the 4% set-aside for school improvement, which is likely to be \$550 million this year.

Under the current NCLB requirement that all students achieve proficiency in reading and math by the end of 2013-14, nationally recognized experts such as Professor Robert Linn (University of Colorado) have said that, at that time, virtually all schools will fail to meet proficiency achievement goals and be under sanctions. With the “train wreck” looming over the horizon, state and district officials are having to make tough decisions on how to allocate existing Title I funds, as well as state and even local funds where possible, to schools: a) which have failed to meet AYP for the first time to prevent them from failing the second year and having to set aside 20 percent for SES/choice, or; b) in corrective action/restructuring, which are trying to exit from such sanctions. The number of schools and districts in both categories is likely to increase for a number of reasons. The number of schools and districts identified for improvement for the first time is likely to increase significantly under the final Title I regulations, because USED will no longer permit states to identify such districts only when the school or district fails to meet AYP for the first time under the “same subgroup” rule. New USED provisions would not allow such “N” sizes of greater

than 30 students to continue to be used. The growth of the number of schools in corrective action or restructuring will continue because Title I final regulations allow schools entering corrective action to develop and implement interventions earlier that are allowable under restructuring. Moreover, many states will have to meet higher target benchmarks over the next several years to maintain their trajectories of students achieving proficiency by 2013-14.

As we noted in our July TechMIS Special Report on “differentiated accountability” models approved by USED, Florida will be implementing a policy which places an equal priority, when allocating funds, on preventing schools from being identified for improvement, as for getting schools in restructuring to exit from that status. In the Education Week article, it was noted that 80 percent of South Carolina public schools failed to meet AYP in 2007-08 which, according to state superintendent Jim Rex, was partially the result of the State’s decision to set benchmarks more challenging than most other states. In South Carolina, 80 schools were in their fifth year of improvement; as the article notes, “Because the state is putting so much effort into improving those schools, it’s unable to do all it could to help the schools that are having trouble making AYP in one or two categories of students.” As Rex noted, “We’re, in effect, ignoring a large group of schools.”

At the Federal level, the Obama policy planners will be focusing on at least two areas as “fix it” measures before NCLB reauthorization to minimize the effect of the upcoming “train wreck,” especially in light of the probability that additional Federal education budget appropriation is not likely

to be forthcoming over the next 18-20 months (excluding the stimulus package). One area is either to remove existing policies or to generate new ones through the regulatory process that will result in more efficient use of existing resources. As we noted in our last Special Report, one such change could be nullifying current USED policy that does not allow districts to operate their own SES programs when they are identified for improvement. As Secretary-designate Duncan clearly demonstrated in Chicago, after his long battle with USED over its policy, the achievement of students participating in district-operated SES programs was not only greater than most Chicago SES third-party providers, but cost only 30 percent of the hourly cost of tutoring fees charged by third-party providers. Also as noted in our Special Report, another fix-it initiative could be to nullify most of the SES and directly related provisions in the Title I final regulations.

Another priority focus is likely to be a more efficient utilization of existing district staff, particularly Title I teachers and aides. Secretary-designate Duncan relied heavily on a number of specialists such as reading coaches, mentors, graduation coaches, and other differentiated staff during his tenure in Chicago. As reported in Education Daily (December 9), for very low-performing schools, serious recruitment efforts were undertaken to recruit principals who had the specific demonstrated talent and experience for operating certain types of schools. For other schools, school “turnaround experts” were recruited as principals; for “charter” schools and “contract” schools, individuals with still other experience and demonstrated talents were recruited. Not only could many of the training and recruitment efforts be funded under Title I, but likely also under a

revised Title IIa program.

While Obama’s American Recovery and Reinvestment Economic Stimulus Proposal Includes Several Education Components, the Doubling of Funding for After-School Programs under 21st Century Community Learning Centers is the One Which Will Likely Remain in Tact in the Final Passage by Congress

In his January 8th economic stimulus proposal, President-elect Barack Obama has included several education components which, if passed by Congress, will create opportunities for many TechMIS subscribers. However, after the Congressional debates and final compromises, the component which will most likely remain intact as proposed is the doubling of Federal funding -- to more than \$2 billion -- for 21st Century Community Learning Centers after-school programs. If such occurs, opportunities will be created for firms with specific products and services could be large and immediate, especially for those willing to develop action plans quickly. There are several reasons and justifications for this prediction.

First and foremost, both Obama and Secretary-designate Arne Duncan place a very high priority on after-school programs. Senator Obama, over the last two years, has introduced legislation to support summer learning programs and the use of instructional and behavioral interventions. While Superintendent of Chicago Public

Schools, Duncan initiated after-school programs before passage of NCLB and was successful in expanding the program as part of the Chicago supplemental educational services (SES) program, even though the district was identified for improvement. Multi-year evaluations of Chicago's SES program have concluded that the CPS-operated SES program was equally or more effective in raising student achievement than the vast majority of the 70 third-party providers, at a third of the cost per student receiving tutoring. Over the last several years, the Afterschool Alliance has reported positive results in studies of well-implemented after-school programs in Chicago and more than 30 other districts.

According to a survey taken on election eve and election night for the After-School Alliance, four in five voters (83 percent) agreed there should be some type of organized activity or safe place for children and teens to go after school every day that provides opportunities for them to learn. Three of four voters agreed that after-school programs are an "absolute necessity" for their community. Moreover, support was bipartisan; 94 percent of Democrats and 71 percent of Republicans agreed there is a need for organized activities or safe places for children in after-school environments. Also three in four voters think after-school programs are important to help keep students in school, address the dropout crisis, and prepare youth for the workforce.

While the Afterschool Alliance survey did not address an important issue among parents/guardians, it is very likely that the availability of such after-school programs would provide increased opportunities for parents/guardians or older youth to remain employed full-time or increase the opportunity for taking an additional part-

time job in lieu of having to provide home supervision for students who go home when the regular school day is over.

If funding for 21st Century Community Learning Centers is indeed doubled, one might reasonably expect after-school operators -- either the district or third-parties (such as community-based organizations) -- to follow the Chicago model and serve more eligible SES students at a lower cost. During the 2006 SIIA Fly-in Forum, Jen Rinehart of the Afterschool Alliance acknowledged that, at that time, less than five percent of after-school operators served SES students. But, as a result of USED Non-Regulatory Guidance released shortly before the Forum, the percentage began to increase. That guidance argued that 21st Century Community Learning Centers were considered "separate" and "distinct" legal entities from the district, such that if the district was identified for improvement, the district after-school program could operate its own SES program, thereby reducing the amount of SES set-asides for third parties.

As an economic stimulus, the impact of doubled 21st Century funding could be immediate. The 21st Century Community Learning Centers mechanism and funds allocation process is in place and increased funding could flow quickly to states and, in turn, to local districts and centers -- which number more than 7,000. Many of these centers are in their last year of funding and are looking for alternative sources of funds. In some states, the 21st Century CCLC grants are for three years, while in other states the grants are for five years. In some states, the SEA gives priority to new schools in many of the same districts in which current centers operate; in other states, the SEA will provide an additional year of

funding at a reduced level, through the use of state funds, to grantees when Federal grants have expired. However, as several Afterschool Alliance “memos” note, the demand in terms of wait lists continues to grow, while Federal funding has been about the same over the last several years. Moreover, in a memorandum from the Afterschool Alliance to the transition team in December, the Alliance argues that an additional \$500 million in 21st Century Community Learning Centers funding would provide an additional 500,000 students with access to the program and provide up to 25,000 new jobs. Because only about 26 percent of the applications from organizations applying for 21st Century grants were able to be funded last year, many of the applications that did not make the cut because of funding limitations could be funded immediately without having to run a new competition.

Rather than allowing some Centers to be shut down, additional funding could be used to continue operations for at least one more year under stimulus new funding. And, in states where existing 21st Century Learning Centers are not allowed to apply for continued funding, it is likely that the supplemental stimulus language would distinguish the additional stimulus funding from regular 21st Century program funding. This would allow greater flexibility for these centers to receive the new stimulus funding.

In short, additional funding would allow for continued employment of many teachers, teacher aides, and after-school operators. It would also allow more students to access the program and create thousands of new jobs.

It is interesting to note that in the last 20 days of the Clinton Administration, former

Secretary of Education Riley announced that more than \$200,000 million of 21st Century Community Learning Centers funds, which was scheduled to be allocated to districts and states under competitive grants in March-April, would instead be used to fund districts whose proposals did not make the “cut” for the previous round of funding. Hence, many of these applicants were surprised to learn, at the last moment, that their proposals submitted six-eight months earlier were going to be funded. Secretary Riley was concerned that the incoming Bush Administration might attempt to rescind unobligated funding for the 21st Century Community Learning Center program. TechMIS subscribers who contacted many of these “newly-funded” grantees were able to take advantage of significant purchasing opportunities. Many of the districts receiving unexpected funding had notified vendors included in their initial proposal that they were not funded, thus creating opportunities for “replacement firms.” Now is a good time for TechMIS subscribers with appropriate products and services to contact districts with existing 21st Century Community Learning Centers -- especially those nearing their project completion dates -- to explore new opportunities.

Economic Stimulus Update: Likely Education Components

In his January 8th economic stimulus speech, President-elect Obama stated, “To give our children the chance to live out their dreams in a world that has never been more competitive, we will equip tens of thousands of schools, community colleges, and public universities with 21st century classrooms, labs, and libraries. We’ll provide new

computers, new technology, and new training for teachers so that students in Chicago and Boston can compete with kids in Beijing for the high-tech, high-wage jobs of the future.” As expected, various education vested interest groups are lobbying for increased funding for projects that support their constituencies and communities. While the Obama speech and the accompanying “Obama-Biden Plan” provide a skeletal framework, details on how much funding for different components and how the funding will be allocated have not been made available. The overall strategy is likely to provide the skeleton to Congress which will decide where the “beef” will be put, including the muscle to get the money out quickly while minimizing any accusations of pork barrel projects. Advocating only general components and hoping for buy-in among the different stakeholders in Congress could minimize the potential for a Congressional backlash like what is occurring with the initial \$350 billion allocation of the \$700 billion Bush stimulus package. Because a number of TechMIS subscribers have posed the questions to us over the last several weeks, we offer our current thoughts below about the probable education components and initiatives of the overall package which, for the most part, will be finalized by Congress.

Based on discussions with key staff of education technology advocacy groups such as SIIA, CSN, ISTE, and SETDA, who have been liaisons to the transition team and others developing the stimulus package, as well as a review of several of their documents, there appears to be a consensus that the classroom technology component will be part of a school modernization package. Estimates range from \$1 billion to \$3 billion as to the amount most likely to be

distributed through Title IID Enhancing Education Through Technology, a program which suffered cuts from more than \$700 million to \$270 million under the Bush regime. At least 25 percent of the new funds would be used for professional development. Discussions last November with state education technology directors confirm there is significant pent-up demand in the form of “sound” grant applications which have been funded only in part, or not at all, because of limited Title IID funding.

The school construction and modernization component is likely to include more expanded broadband as the Obama-Biden Plan notes, “...we can get broadband to every community in America through a combination of reform of the Universal Service Fund, better use of the nation’s wireless spectrum, promotion of next-generation facilities, technologies and applications, and new tax and loan incentives.” This will likely include an increased cap -- now at \$2.5 billion annually -- for E-Rate discounts for increased wiring and connectivity associated with school renovation, modernization, and construction. The amount of funding for the entire modernization package is estimated at between \$18 billion and \$24 billion.

The Obama-Biden Plan also calls for \$25 billion in state fiscal relief to avoid local property tax increases due to budget shortfalls and declining real estate values. In most states, local property taxes are used to support K-12 school budgets. The plan also notes that this relief will be coupled with the new emergency facility to address the state credit crunch to “help states and localities continue to provide essential services like health care, police, fire and education without raising taxes or fees.”

This component will be allocated to states, perhaps in the form of block grant, some portion of which will be allocated to districts through discretionary grant programs. Based on discussions with various education groups, it is likely that a large portion will go to K-12 schools and, in turn, to “entitlement” programs such as IDEA (which requires districts to serve students identified as having a disability) rather than “eligibility” programs such as Title I. In an interesting twist, the National Association of State Title I Directors sent a letter on January 7th to David Obey, Chairman of the House Committee on Appropriations, asking him to include professional development in the economic stimulus package. The economic development and stimulus rationale for paying teachers and administrators to take professional development was that it would target women who are “frequently left out of infrastructure programs” (75 percent of the teaching workforce is female). It would concentrate on about 20 percent of teachers who have less than three years experience better to prepare them for teaching and induce them to stay with teaching, thereby reducing costly retention problems. Unlike other education stimulus components which could be used to hire staff who could be released after a year or two, professional development is clearly an investment that is much needed, particularly in schools that have been identified for improvement. Such new professional development funds could be allocated through the Title I formula and directed toward schools in improvement which already have to set aside a certain portion of their Title I funds for professional development. The likely related stimulus component which would double funding for afterschool programs under 21st Century Community Learning Center current

program is covered in a related [Washington Update](#) item.

The rumored total stimulus funding for education in the current House bill is about \$80 billion.

New AASA Survey Finds That Small to Medium Districts Would Likely Spend Economic Stimulus Proposed Funds on Technology Projects and Related Staff Development, Suggesting Current Pent-Up Demand for Such Products and Services

In anticipation of the formulation of an economic stimulus initiative by the new Administration, in December AASA conducted a survey to find out how school districts would spend one-time block grant funds if they were to become available. Eight hundred superintendents from 48 states completed the survey in which 97 percent of respondents indicated they had “real projects” that could be placed on the bid market in 60 to 90 days. Slightly over \$11 billion of new and backlogged projects could be addressed with stimulus spending. The top four facilities-related project areas would be building repair, renovation, security measures, and deferred school construction; the top four instructional materials related project areas responders would use stimulus funds for are classroom technology (88 percent), classroom equipment/supplies (63 percent), textbooks (46 percent) and music education equipment/instruments (41 percent). As the AASA survey results summary stated, “The

strong focus on technology related projects carried over to professional development and informational technology...The top three professional development related projects responders would address with stimulus funds are technology (71 percent), curriculum instruction (64 percent), and assessment (47 percent).” Of the technology-related project responders, 75 percent would spend funds on computers, printers, and other machines; 66 percent on infrastructure hardware; 51 percent on software; and 47 percent on connectivity.

Based on the survey findings, AASA Executive Director Dan Domenech stated, “We also urge Congress to fund a new block-grant program to rapidly drive resources needed for instructional materials, new technology and professional development in order to continue the improvement of schools.” Domenech also pointed to the need for the Federal government to fully fund its commitment to cover 40 percent of the cost of special education (now at 18 percent) and to make IDEA funding part of a “mandatory” (vs. discretionary) budget item. Just about every other major group lobbying for the stimulus package has included a significant increase in funding for IDEA; the National Governors Association, for example, is asking for \$19 billion over the next two years to fund IDEA.

The quick turnaround AASA survey was not the most rigorous study in that it reflects only the total number of respondents and is not weighted by district size. It should be noted that only about six percent of respondents were from urban districts which requested slightly over \$4 billion of the total \$11 billion in stimulus funds. Only five percent of respondents had enrollments of

10,000 students or more; however, the amount of projects they identified totaled slightly over \$5.5 billion.

State Funding for Programs Serving English Language Learners Varies Significantly Across States and Remain Fluid Due to Individual State Court Actions and Evolving State Interpretations of New Federal Regulations

Funding from state and Federal sources for programs for the growing English Language Learner (ELL) student population varies significantly across states and is being influenced by state court remedies and SEA interpretations of new Federal “supplement not supplant” regulations. Determining what types of products and services the funds are spent on is extremely difficult. According to the recent *Quality Counts 2009* report published by Education Week (January 8, 2009), ten states do not provide any state funding for ELL programs. Among the 40 states and the District of Columbia which do, nine states provide such funding through categorical programs and 26 states and the District of Columbia provide additional state funding through foundation formulas which give extra weighting for ELL students. In five states, both categorical and a weighted formula methods are used.

According to *Quality Counts 2009*, ELL student enrollment in K-12 has increased almost 60 percent between 1995 and 2005 with 13 states, mostly in the Southeast, showing growth of more than 200 percent

over that timeframe. The highest rates of growth were in: Alabama, Georgia, South Carolina and Indiana. Although 32 states allocate more money to school districts based upon ELL enrollments, in 24 states, the money does not have to be spent exclusively on these students, according to Education Week's EPE Research Center which conducted the analysis. States in which formula funds must be used for ELL services are: Colorado, Connecticut, Kansas, Minnesota, Ohio, Rhode Island, Texas and Virginia. States that provide no state categorical or formula funds for English language learners are: Arkansas, Michigan, Mississippi, Montana, Nevada, South Carolina, South Dakota, Utah, Vermont and West Virginia. The remaining states that provide funds are not required to target only ELL services, but rather can use them for any education purpose. The degree to which such state funds have been increased and/or have been targeted specifically for English Language Learners can be attributed primarily to state court remedies. For example in the high-profile *Flores v. Arizona* case (which is still pending), legislators last year approved a \$40 million increase in funding for the 2009 fiscal year to pay for a new English language immersion program for 140,000 ELL students (The case is going to the U.S. Supreme Court). Similar lawsuits have been filed in Colorado, Nebraska, and New Jersey, among others. In fiscal year 2008, the EPE Research Center found that 14 states provided categorical programs and/or state weighted formula funds for ELL programs. States with the largest categorical programs included: California (\$116 million), Illinois (\$75 million), North Carolina (\$59 million), and Washington (\$64 million).

Under Title III English Language Acquisition, about \$700 million in Federal funds was allocated for such programs this year, a dramatic increase from the \$200 million allocated by Congress in 2001. While the increase in Title III funding has been substantial, recent interpretations of Title III regulations and formal guidance regarding “supplement not supplant” provisions have created even greater uncertainty on about how such funds can be used. As noted in the November 2008 TechMIS Washington Update, states and districts are required to provide “core language instruction” for LEP students as required by the Civil Rights Act of 1964 and several Supreme Court interpretations including *Lois v. Nichols*. Hence, Title III funds cannot be used to pay for “core instructional language development” programs because it would violate Federal “supplement not supplant” requirements, which under Title III are more stringent than under Title I. Many states are tightening the definition of “core instructional language program” to allow more Title III funds to be used for purchases of enrichment and challenging supplemental programs which are aligned with the core instructional program and to permit such funds to be used for professional development of regular teachers who serve English language learners in their regular classes.

As a result of court mandates and remedies, as well as changing state interpretations and definitions of allowable uses of Title III funds, the situation currently is very fluid and evolving. However, with the growth in the ELL population, one can expect continued increases in state and Federal funding in this area which could provide opportunities for firms with certain types of supplemental products, instructional

products, formative assessments, and professional development products and services.

In Early January Secretary Spellings Announced that Three Additional States Have Been Approved to Implement Their Proposed “Differentiated Accountability Models” Which Brings the Total to Nine States Highlights of the Previously Approved States’ Models Were Included in the July 21st TechMIS Special Report

The newly approved states are: New York, Pennsylvania and Louisiana. The final proposed models from each of the states had not been posted on the USED website as of January 12. After reviewing the initial proposals submitted by each of the three states last spring and the reasons for initial disapproval explained in letters to each of the Chief State School Officers by USED, below we highlight each of the three states Differentiated Accountability Models. The states’ models are not likely to have changed much after submitting changes requested by USED. There are several common elements in the three states Differentiated Accountability Models. All proposed to offer supplemental educational services (SES) before, or at the same time as, implementing the parent choice option. Generally this means more funds are set aside for SES and in most cases one year earlier. This should increase demand for products which can be used by districts in operating their own SES programs. Two of the states also received approval to use a

portion of their Title I SES set-asides to cover transportation costs. Also, all of the approved models would provide more resources earlier, including some state resources, to schools entering improvement and especially those in corrective action/restructuring. While all three states would maintain a cascading degree of sanctions, all proposed to change some of the names describing school status rather than continuing to use categories such as “corrective action” and “restructuring.” Below are the highlights of each of the states’ models that should be of interest to most TechMIS subscribers.

Louisiana

Louisiana was initially not approved because it had not met accountability and assessment eligibility criteria; however, by September 2008, it became eligible and was approved for implementing the new model in 2008-09 school year. By 2008, the percent of schools identified for improvement had increased to 15 percent up from eight percent. According to Education Week, the number of schools identified for improvement in Louisiana for the first time was 25 percent of all schools identified for improvement (year 1) through corrective action (year 5). Because the new model allows SES to be offered before choice, the number of schools offering SES for the first time and the amount of funds allocated for SES programs should increase significantly, and in many cases, these SES tutoring programs will likely be operated by the districts or parishes. Alternative interventions which focus on specific problems must be approved by the SEA.

The Differentiated Accountability Model in Louisiana is described as being analogous to the process followed in special education in

that a school is considered a “student” as the process moves from initial referral, to a detailed evaluation to determine the exceptionality, to development of a schoolwide plan equivalent to an IEP, continuous reevaluation of school success, and the development of a new IEP for the school based on the end-of-year evaluation. Moreover, students in the disability subgroup are further disaggregated by exceptionality; hence, districts are likely to be looking for interventions that have been proven to be effective for students with specific disabilities, for example, or for those who are emotionally disturbed, or those who are mentally-retarded. Opportunities could be created for firms in districts which have such types of interventions in their specific school improvement plan. The districts and schools must propose specific interventions that must be approved by the Louisiana Department of Education before implementation.

For those schools which are the lowest performers over extended timeframes, the sanctions will be “reordered” and more closely resemble those in the state system which will result in either state takeovers or requirements for LEAs to enter into a memorandum of understanding (MOU) with the state. In short, it would appear that the funds allocated for SES in both Title I and non-Title I schools will be significantly expanded as a result of the reversal, providing opportunities for firms with interventions and tools that can be used by districts in such situations. Moreover, the state will be requiring a detailed diagnostic/prescriptive approach similar to that used in special education with interventions tailored to meet the needs of individual schools and even exceptionality

categories under the students with disability (SWD) subgroup. The demand for data-driven decision-making tools should increase across the schools under the various types of sanctions.

New York

One of the major reasons why the New York proposal, as initially submitted, was turned down was a lack of documentation of research supporting the general types of interventions proposed the changes from NCLB current sanctions, and the lack of other documented research supporting components of the Differentiated Accountability Model. In its initial proposal, the SEA did note that the initial interventions in school year 2008-09 would apply to only schools identified for improvement for the first time and certain schools in restructuring in that an updated plan in a subsequent year would be submitted. In addition to using Title I funds to support the model, New York also will receive continued funding from several national foundations, including the Gates Foundation and the Wallace Foundation further to refine and implement components of its new model.

The State’s Differentiated Accountability Model would base the type of intervention on the reasons for a school entering improvement (i.e., participation rates of at least 95 percent, failure of one accountability subgroup, or failure of all subgroups or multiple accountability groups). In addition to the options to reverse the order of SES and school choice, SES would be expanded for students in all districts -- other than Buffalo, New York City, Rochester, Syracuse, and Yonkers -- which have inadequate availability of transfer schools. Moreover, the plan would

allow Title I funds to provide transportation to SES sites.

In a “participation improvement schools,” a district could choose SES instead of public school choice (PSC); moreover, those “participation schools,” which are just entering improvement for the first time, would be exempt from the 10% set-aside for professional development. In “targeted improvement schools” which failed to meet AYP because of a single accountability subgroup, at least five percent of Title I funds would be set aside for professional development or for mentoring teachers who are primarily responsible for providing instruction to the subgroup of students that failed. In “comprehensive improvement schools,” where all student subgroups -- or multiple subgroups -- failed to meet AYP, the school would have to develop a comprehensive education plan, coordinated with the district improvement plan for Title I, IDEA, and Title III and would be monitored onsite by a “School Quality Review Team.”

The estimated number of “targeted improvement schools” in New York is approximately 58, while the number of “comprehensive improvement schools” was 52 out of a total of 129 schools in need of improvement. Even though the opportunity for districts to offer SES before PSC is optional, of the 789 LEAs in the state, 538 have only one building per grade span and, therefore, no options for PSC. Hence, the number of eligible students participating in SES is more than 20 times the number participating in PSC, which was last year less than one percent of all eligible students.

In summary, the greatest opportunity for some TechMIS subscribers under the New

York Differentiated Accountability Plan would be a market for programs and tools which can be used in implementing SES, either operated by the district or by third-party providers, in which case Title I funds can be used to cover some of the costs of transportation. The opportunities for professional development funded under Title I set-aside only exist in the “comprehensive schools.”

Arkansas

The Arkansas Differentiated Accountability Model, known as *Smart Accountability*, “will distinguish among schools by applying different labels and different consequences to schools appropriate to their actual school performance status. Arkansas’ present system applies the same labels and consequences to schools if they have been in school improvement the same number of years.” The newly labeled schools will be provided a tiered system of appropriate research-based interventions using a “systems approach” with the “most intensive efforts occurring at those schools that have remained in school improvement for four years or more.” Arkansas has adopted a model called the Scholastic Audit which was adapted from one used successfully in Kentucky. The Arkansas Standards and Indicators for School Improvement include: Academic Performance (curriculum, classroom evaluations assessment, instruction), Learning Environment (school culture, student/family/community, professional growth), and Efficiency (leadership, organizational structure, and comprehensive/effective planning). The audit encourages districts to focus on strategies to build capacity rather than focusing on getting off “lists,” according to the proposal. The Arkansas Comprehensive School Improvement Plan (ACSIP) is web-

based; it provides technical assistance and monitors the implementation of district and school plans.

“Targeted Improvement” schools are those in which 75 percent or more subgroups met AYP, while “whole school improvement” schools are those in which 75 percent of subgroups failed to meet proficiency. “Whole school improvement” also requires greater intervention intensity, especially for schools that remain in improvement for four or more years. Schools that are newly identified for improvement have to provide SES prior to PSC, while the SEA prescribes appropriate support both for schools who miss AYP for a particular subgroup for four or more years, as well as for schools in need of systemic “whole school improvement.” Both Title I and non-Title I schools will receive a school improvement determination prior to the school year and both are required to notify parents. These schools have to offer SES and PSC, and implement other required sanctions.

In the 2007 AYP determination cycle, 475 schools did not make AYP in either math or reading; 329 of them missed AYP for two or more years and were identified for improvement. According to Education Week (January 7, 2009), there were about 300 schools which have been in school improvement for four or more years by 2008.

While, in the past, regional service centers have been called on to provide interventions and professional development as requested by schools, under the new model, funds and resources would also be allocated to design teams of math, science and literacy specialists who would provide intervention planning and implementation.

Initially, schools and districts will be provided an opportunity to conduct self evaluations; however, if progress is not made, the Scholastic Audits will be implemented and, if progress is still not made within these districts and schools, eventually the SEA will mandate interventions. For low-performing schools identified for intensive school improvement, these schools must follow “more prescriptive guidelines regarding organizational structure, professional development, curriculum and instruction, and use of resources...and will be required to utilize a curriculum aligned to the Arkansas curriculum frameworks.” In Arkansas, regional service co-ops and design teams will provide much of the technical assistance and professional development to the schools identified for improvement in various stages. Opportunities here may be working with or partnering with these entities or at least sharing information about interventions which firms have that might fit into one or more of the school categories.

For a copy of the initial proposal submitted by the three states and USED responses, go to:
<http://www.ed.gov/admins/lead/account/differentiatedaccountability/dapstates.html>

Congress Introduces Legislation Which Would Defer or Nullify Recent Bush USED Regulations Affecting Title I

As we have reported over the last several months (see December 19th Special Report), opposition among education groups to the last-minute Title I final regulations

promulgated by the Bush Administration is increasing, resulting in two recent bills introduced in early January which could defer the implementation date or nullify all or portions of the final Bush regulations. On January 6th, Senate Majority Leader Harry Reid (D-Nevada) introduced S.8 entitled *Returning Government to the American People Act* which allows the Obama Administration and Congressional committees to review so-called “midnight regulations” and revise or reject of these regulations. In the House, Representative Jerrold Nadler (D-New York), a senior member of the House Judiciary Committee, introduced HR.34 (entitled the *Midnight Rule Act*) which would suspend the implementation of rules that were promulgated by the Bush Administration after October 22nd last year; instead the cabinet secretaries of the affected agencies, such as the Secretary of Education, would have up to 90 days to decide whether to disapprove such regulations and send notice of such to the appropriate Congressional committee for appropriate action. If these two bills are passed quickly, then individual department secretaries could bypass the normal, often lengthy, administrative procedures for suspending rules and regulations.

Knowledgeable and reliable sources indicate that such legislation may not be required. Key members of the Obama USED transition team began to review the legality of final Title I regulations in December and are likely to provide justification for suspending, deferring, or nullifying portions of the regulations immediately after January 20th. As we have reported, such groups as the Council of the Great City Schools argue that some USED policies and interpretations are not in the NCLB legislation and should be summarily dismissed -- including the policy that does not allow districts identified for improvement to provide their own supplemental educational services. Secretary-designate Arne Duncan has called for greater flexibility for districts in implementing SES; a recent Education Daily article (January 6th) stated, “education groups said he is likely to allow some district oversight of private SES providers and roll back the Federal provision on district prohibition of SES for districts in improvement under NCLB.”

Alabama Update

January 2009

Education Week reports that declining tax revenues have caused Alabama to make huge cuts in State spending, including public education. Governor Bob Riley declared a 12.5 percent across-the-board spending cut for education but said he would use half of the State's \$437 million "rainy day" fund to reduce the effective cuts to nine percent. The Governor expects to use the remainder of the "rainy day" fund later in the fiscal year further reducing the effective cut to 5.5 percent. The State expects public schools to postpone filling staff vacancies and delaying purchases of textbooks and library materials.

The Birmingham News reports that Alabama school districts received only 75 percent of their November funding from the State on schedule. November was the second month in which the State has delayed payments because of its budget shortfall. October's full payment was not received by districts until well into November. State officials have not made any promises about the timing of the remaining 25 percent.

The Birmingham News also reports that the number of Alabama students diagnosed with autism has increased from three students in 1991 to 2,737 in 2007-08. Few Alabama schools have programs for autism and those that do are often operated by teachers with no formal training in autism. The State has been training teachers of autistic students for a few years, but only a few teachers have been reached. This year, the State will begin teacher training using the State's distance learning network.

Arizona Update

January 2009

Education Week reports that the U.S. Supreme Court has agreed to hear the longstanding Arizona lawsuit over funding for programs to serve English language learners. Lower courts have ruled that the State has not adequately funded ELL programs under Federal law and have ordered the State legislature to increase such funding. The Supreme Court has accepted appeals from the State legislature and Superintendent of Schools. The justices are likely to hear arguments by April and decide the case by June.

As reported in The Arizona Republic, enrollment in charter schools has grown steadily since the first Arizona charter school opened in 1995. There are currently 478 charter schools in the State with a total average daily membership of nearly 94,000 students. Charters tend to attract students because they offer parents an educational choice and because they often provide specialty education generally not available in traditional public schools. Among the drawbacks to Arizona are the lack of bus transportation and lower State funding.

A number of school districts across the State are establishing schools that operate like private academies. Many districts are losing students to private and charter schools along with the \$6,232 they receive each year for every student. Under the districts' plans, potential students must apply for spots in the new schools, get teacher recommendations, take placement exams, and be interviewed.

Arkansas Update

January 2009

A recent report by the Arkansas Department of Education indicates that teachers in high-poverty schools are not less experienced or less qualified than those in more affluent schools. The report's data show that the experience level for teachers in both high- and low-poverty districts averages 11 years. Moreover, 98 percent of core academic classes in all schools are taught by teachers with an average of nearly 12 years experience. Arkansas' differentiated accountability model has been approved by USED as highlighted in a [Washington Update](#) item.

California Update

January 2009

Governor Arnold Schwarzenegger has set forth a proposal to address California's budget crisis through wide-ranging cuts including \$2.1 billion in education for the current fiscal year and \$3.1 billion in 2009-10. The Governor's proposal would eliminate teacher salary increases, drop subsidies to overhaul low-performing schools, and suspend participation in a program to encourage teachers to get national certification. As reported in The Sacramento Bee, the plan could also increase class sizes next year and reduce the school calendar from 180 to 175 days.

According to Education Daily, California has asked President-elect Barack Obama for \$14 billion as part of the national economic stimulus package. Specifically, the State has requested funds for school construction and maintenance, development and implementation of local data systems, and professional development programs. The State's request says the funds will offset State budget cuts and include a non-supplanting provision so as to have the greatest impact on education programs.

The New York Times reports that a California judge has rejected a plan pushed by Governor Schwarzenegger to require algebra testing for the State's eighth-graders by the 2011-12 school year. Currently, about half of California eighth-grade students take algebra classes, but only a quarter of those score proficient or higher on standardized tests. The mandate was strongly opposed by the California School Boards Association and the Association of California School Administrators. The judge ruled that the State school board, in imposing the requirement, acted outside its jurisdiction and did not solicit public input.

According to Education Daily, the U.S. Department of Education has said that it withheld \$1 million in funding from California's No Child Left Behind Act funding because of testing violations related to the State's controversial eighth-grade algebra mandate. The State imposed the requirement earlier this year, but a court postponed it indefinitely, placing the State, according to Federal officials, in violation of NCLB testing requirements.

A recent study by the Center for the Future of Teaching & Learning has found that a third of California's middle school algebra teachers are unqualified. Moreover, teachers who lack appropriate math credentials are more likely to be teaching in low-performing schools. According to the report entitled "California's Teaching Force 2008," at schools with Algebra I scores in the bottom 25 percent across the State, an average of only 54 percent of algebra instructors had full certification. This is in contrast to 70 percent in the top 25 percent of schools. These findings are troublesome given the State's plan to test all eighth-graders in algebra (a plan being considered by a State Superior Court).

According to The Mercury News, the California Teachers Association has proposed a Statewide ballot initiative that would raise \$5-6 billion per year for public education through a one-percent increase in the State sales tax. The CTA says the new revenue would go toward smaller class sizes, updated textbooks, teacher training, and recruiting more highly qualified educators.

The Bill and Melinda Gates Foundation is allocating \$13 million to a national study of the effectiveness of cash incentives for low-income college students. In California, the Gates study will assess whether \$2.9 million in such incentive payments, made by the College Access Foundation of California, were effective. Recipients of the payments had to be enrolled in two- or four-year colleges, maintain a C average, and be enrolled in at least a half-time schedule.

The Los Angeles Times reports that Los Angeles school district superintendent, David Brewer, under pressure from the public and the school board, has agreed to a buyout package that will avoid a "racially divisive fight." Senior Deputy Superintendent Ramon (Ray) Cortines has become superintendent on an interim basis. Cortines has been education advisor to Los Angeles Mayor Antonio Villaraigosa, has headed other major public school systems -- Pasadena, San Jose, San Francisco, New York -- and was interim superintendent in Los Angeles in 2000.

As reported in the Los Angeles Times, California's budget problems have created a \$250 million shortfall in the Los Angeles school district's budget. The district has proposed laying off as

many as 2,300 teachers to address part of the shortfall. To be laid off would be 1,690 elementary teachers and 600 middle/high school English and math teachers, most with less than two years of service. The district has already cut \$400 million from this year's budget even before the State's budget situation worsened. During the early 1990s, when faced with massive layoffs, teachers agreed to a ten percent pay cut.

Colorado Update

January 2009

The Denver Post reports that Colorado has published its revised School Accountability Report which includes such new features as academic growth, class offerings, and school “points of pride.” Overall, of the State’s 1,900 public schools, 11.9 percent were rated “excellent” for the last school year -- up from 11.8 percent the year before. Another 32.5 percent were rated “high” (compared with 31.2 percent a year earlier), 35.9 percent were rated “average,” 19 percent were rated “low,” and 0.6 percent were rated “unsatisfactory.”

A report by the Colorado Commission on Higher Education shows that about a third of Colorado’s high school graduates are not prepared for college work and require remedial classes in reading, writing, or math during their first college year. More than 70 percent of the graduates of some high schools must take such remedial classes. Moreover, the percentage has not changed significantly since 2005. Math has been the most troublesome subject with remediation required for 16 percent of students going to four-year colleges and for 40 percent of those entering two-year schools. Despite these numbers, Colorado does not differ greatly from the national average.

Connecticut Update

January 2009

The Hartford Courant reports that Connecticut's ambitious education initiative has been put on hold for two years due to the State's suffering economy. State officials had planned to begin implementing changes next Fall, with \$16 million allocated to 20-25 school districts. Rather, the next two years will be spent developing further plans and looking at lower-cost strategies with an eye toward implementation in the Fall of 2011.

A new report from the National Center for Public Policy and Higher Education has ranked Connecticut among the best states in terms of preparing students for college. The state rankings are based on students' scores on Advanced Placement and college entrance exams, as well as the number of students taking algebra in eighth grade. According to the report, American high school graduates are better prepared for colleges than were students in the 1990s.

Delaware Update

January 2009

The Leadership for Education Achievement in Delaware committee has analyzed the State's education funding structure and has made a number of recommendations on how to make the system more simple and fair. Among the committee's recommendations are more frequent property assessments and fewer school referenda.

With Delaware facing a \$560 million budget shortfall for next fiscal year, Governor-elect Jack Markell is looking for savings, particularly in the education budget which comprises a third of the State budget. The Governor-elect has rejected a proposal to consolidate school districts, but is considering cost-savings approaches such as consolidated, volume discount purchases.

Delaware has developed the Drop Out Prevention Action Plan to cut the number of high school students leaving school early. Among the Plan's recommendations are: (1) pairing every at-risk student with a mentor; (2) more business internships for Delaware students; and (3) developing a tool to identify students at risk of dropping out based on attendance, academic, and behavioral characteristics. Last year, 5.8 percent of the State's 37,946 high school students dropped out -- up from 5.4 percent the year before.

Florida Update

January 2009

As reported in the Orlando Sentinel, public school enrollment in Florida has continued a four-year decline, losing 24,000 students this year. Forty-eight of the State's 67 school districts reported a drop in the number of enrolled students from last year. Because State funds are based on enrollment data, most districts have received cuts in State aid.

The Orlando Sentinel also reports that the Florida legislature is proposing to cut \$491 million in K-12 education spending -- part of a \$2.3 billion reduction in the State's budget to be addressed in a special session. Earlier, Governor Crist had announced a four percent holdback in K-12 funding and has urged the legislature to use more than \$1 billion in budget reserves. The State, in order to help districts absorb the cuts in State aid, has given them greater flexibility in how they spend State money, using categorical textbook line items, for example, to pay for teachers.

As reported in the Palm Beach Post, a Florida Appeals Court has ruled that a State agency established to charter new schools is unconstitutional. The decision returns exclusive authority to approve new charter schools to local school districts. The court action was brought by a group of 14 school districts against the State Department of Education.

Having noted Federal bailouts for the financial and automotive industries, the hard-pressed Broward County school district (For Lauderdale) has requested \$500 million in Federal loans. The district cut \$34 million in the 2007-08 school year and has already cut \$94 million for the current year. It expects to face another \$40 million in State-mandated cuts this year and a reduction of \$120 million in next year's budget.

The Center for Digital Education, based on a nationwide review of state programs and support for online learning, has ranked Florida first for policies, programs and strategies for virtual education. Among the programs cited was the Florida Virtual School which has delivered courses to more than 530,000 Florida students over the past 11 years. The school offers more

than 90 middle and high school courses taught by 530 certified teachers. Last year, the Florida legislature established the School District Virtual Instruction Program which requires school districts to offer full-time virtual instruction for K-8 students. The Florida Virtual School is working with Connections Academy to expand online learning opportunities for elementary students.

Back in 2003, Florida began retaining many third-graders who scored at the lowest level on the Florida Comprehensive Assessment Test (FCAT) in reading. Exemptions were allowed for students who passed another standardized test or who completed a portfolio demonstrating mastery of basic skills. Critics of the policy argued that minorities would be disproportionately held back, and they were. But a new analysis shows that students who were retained are soon outperforming those who are promoted through exemptions. Retained students were given extra help including an additional 90 minutes of reading instruction each day. Last year, 11,718 third-graders were retained Statewide, down from 28,000 in 2003.

The Miami Herald reports that the Miami-Dade County school district has voted to sue the State to recover \$34.7 million in funds it claims were improperly withheld. Last Spring, the Florida legislature changed the date for certifying tax rolls back from September to March. Because the earlier date did not account for appeals, the district lost \$24 million based on a sharply lower final tax roll. The district also wants the State to reimburse it for \$10 million in insurance costs that had to come from the district's operating account because a cap on capital expenditures was imposed by the State retroactively.

Also reported in the Miami Herald, the Miami-Dade County school district has created Success Academy; a series of tutorial sessions for students in the district's poorest performing schools. Success Academy classes in reading, writing, math, and science will be held on Saturdays and over holiday breaks. Students will also be given instruction in money management, credit cards, and credit ratings. In addition, participating students will receive cash for each session they attend -- \$10 for elementary students and \$30 for high school students. The Academy will be funded by State grants but the cash incentives will come from private donations. Through the

middle of December, the district has collected \$550,000 in private contributions.

Georgia Update

January 2009

According to The Atlanta Journal-Constitution, Georgia has decided to delay the release of end-of-course exams for the State's new ninth-grade math course until the Spring. The new, more rigorous math class includes algebra, geometry and statistics. With the new math curriculum, most schools using block scheduling have extended the semester course to the full year to give students a better chance to learn the material. The State will not count the exam results for the 16,000 students who took the test this Fall, but will count the Spring test as 15 percent of students' final grades.

Indiana Update

January 2009

The Evansville Courier & Press reports that charter school enrollments in Indiana have grown by 175 percent over the last four years, while traditional public school enrollments have been flat. A study by the Center for Evaluation and Education Policy at Indiana University has found that the State's 49 charter schools have high parental satisfaction and are operating within State-mandated open enrollment policies. The study reported "no practical difference" between student performance in charter schools and traditional public schools.

Iowa Update

January 2009

As reported in the Des Moines Register, Governor Chet Culver has pledged to maintain funding for Iowa's educational initiatives despite cuts to the overall State budget. The Governor has asked for a total of \$30 million to \$40 million in cuts -- about half a percent of the States budget. But, he says he is committed to a four-percent growth rate for State aid to school districts for the 2009-10 budget year.

Kansas Update

January 2009

As reported in The Capital Journal, the Kansas State Department of Education is hoping the struggling economy will bring teachers who have left the profession back into the schools. The State estimates that there are 25,000 people who maintain Kansas teaching licenses but who are not in the classroom. Many of these are former teachers who are staying home with children or changed professions.

The Kansas Department of Education is working with Renaissance Learning on the implementation of Kansas Book Connect, a website that lists books that fit the reading levels and interests of Kansas students. The Kansas City Star reports that Renaissance Learning is using State reading assessments to determine the reading level of every student in the State. The information is supposed to be available to schools and parents by this Spring. Parents and teachers will be able to go to the website (www.kansas.bookconnect.com), enter a student's reading level and interest areas, and a reading list will be generated. The site will offer more than 120,000 titles.

Kentucky Update

January 2009

The Louisville Courier-Journal reports that the Kentucky legislature is considering a resolution that would improve student math proficiency by focusing the curriculum on fewer standards. Joint Resolution 19 directs the Kentucky Department of Education to revise its core standards for teaching math from pre-K through high school. The State will also revise its testing program to reflect the “revised concise” curriculum.

The Kentucky legislature has passed a bill that establishes a certification incentive to support the development of initiatives for alternative teacher certification. The law also gives priority to certifying high school science, mathematics, chemistry, physics and computer science teachers, as well as middle school mathematics and earth science teachers.

Louisiana Update

January 2009

As reported in a New York Times editorial, Louisiana has developed an innovative evaluation system for assessing teacher-preparation programs based on how their graduates improve student performance. When fully implemented, the evaluation system will give local school officials guidance as to the programs that are producing high-quality teachers. This year's report particularly cited the teacher preparation program at the University of Louisiana at Monroe and the New Teacher Project, a private certification program operating in a number of states. According to the report, alternative certification, requiring a two-year program, often produces teachers who are "better than experienced teachers."

Hundreds of Louisiana teachers have earned their certification through a fast-track process known as the Louisiana Practitioner Teacher Program (LPTP), a local variation of the New Teacher Project a national alternative certification program. A recent study from Louisiana State University has found that, using a "value added" approach, new Louisiana teachers trained through the LPTP outperformed more experienced teachers as measured by student performance in reading, language arts, and math. The study tracked student test performance in grades 4-9 between 2004 and 2007. Some local educators have argued that "value added" analysis tends to favor programs where participants tend to work with students who are far below grade level and who are most likely to show big gains.

The New Orleans Times-Picayune reports that Louisiana is undertaking a new pilot program to lower the State's dropout rate. The new program will complement the State's existing anti-dropout program known as Jobs for America's Graduates (JAG). Last year, JAG enrolled 1,684 students in 33 programs and showed an in-school graduation rate of 94 percent. The pilot program, to begin this Spring, will target 550 at-risk students in 14 participating school districts: Ascension, Assumption, Avoyelles, Bossier, Caddo, Calcasieu, Iberia, Jefferson, Ouachita, Rapides, St. Tammany, Terrebonne, Vermilion, and Winn.

Maryland Update

January 2009

A recent report by MGT of America has indicated that additional educational spending in Maryland has led to improved student academic performance. The report shows that, five years after the State raised funding to achieve greater academic equity, students have shown significant gains in reading and math, particularly in middle schools. About 80 percent of the additional spending was for higher teacher salaries and lower class sizes. Despite the fact that the new money was largely targeted on poor, special education, and limited-English-proficient students, these at-risk students showed lower gains than the general student population, leaving significant continuing achievement gaps.

According to the Washington Post, Montgomery County (suburban Washington, D.C.) has seen a growth in the number of high school students taking Advanced Placement exams from 4,626 to 13,568, between 2000 and 2008. Moreover, the number of economically disadvantaged students taking AP tests has increased from 160 in 2000 to 1,112 in 2008 -- an increase from three percent to eight percent of AP test-takers. The percentage of County AP tests scoring 3 or higher has dropped from 80 percent in 2000 to the low 70s this year. Moreover, three of the County's high schools appear on the list of the nation's 100 best published by U.S. News & World Report.

Massachusetts Update

January 2009

According to a recent study, two-thirds of the Boston high school students who graduated in 2000 have not earned a college degree. Conducted by the Boston school district and the Boston Private Industry Council, the study showed that the percentage of Boston graduates enrolling in college is consistently higher than the national average, but the percentage getting college degrees is lower than the national average. The City is planning a major initiative to increase the college graduation rate with support of a \$1 million grant from the Boston Foundation this year - - and the same amount each year for the next four years.

A recent study by the Boston Foundation has found that Boston's charter schools have outperformed the City's traditional schools. The study examined State assessment scores at three kinds of schools over a four-year period -- specifically, independent charter schools, district-operated experimental pilot schools, and traditional schools. The City's 18 experimental pilot schools were an attempt to incorporate innovative teaching without the controversies of charter schools. They scored somewhat lower than both charter schools and traditional schools. Charter schools, in particular, excelled in middle school math.

Michigan Update

January 2009

Michigan's difficult economic situation has caused the State to look for cuts of more than \$1 billion in the State budget. As reported in [The Detroit News](#), part of the budget cuts may be the Michigan Promise Grant which provides more than 40 percent of the State's financial aid for college students. Eliminating the Promise program, which awards up to \$4,000 per year for college tuition and expenses, beginning with the high school class of 2010, could save the State \$200 million a year. This year, 46,400 high school students qualified for the grants after passing the Michigan Merit Exam. Final decisions on the budget cuts will be made by the Governor and legislature next summer.

The Michigan legislature has approved a bill that would permit school districts to give graduation credits for a new, optional math course in financial literacy. [The Detroit News](#) reports that the bill, if signed by Governor Jennifer Granholm, would also allow students to complete Algebra II as a two-credit course over a two-year period. Four math credits are required for graduation. The new graduation requirements will be effective starting with the Class of 2011.

According to the [Detroit Free Press](#), 11 Michigan school districts and one charter school have been given waivers by the State to permit students to take more classes online. The waivers exempt districts from rules that require in-school attendance for 1,100 hours each school year and the limitation of only two online courses per semester. In 2006, Michigan became the first state to require high school students to take online classes before graduating.

The ongoing controversy over the financial management of the Detroit school district has come to a head. In early December, the district was given an opportunity to get its finances in order as specified by a State review team. But the district did not submit an acceptable deficit elimination and submitted other documents past their deadline. The Detroit school board has fired Superintendent Connie Calloway as a result of the financial disaster -- and \$408 million deficit --

that caused the State to appoint a financial overseer. The district has been losing students for a number of years -- enrollment is expected to drop from 104,000 last school year to 96,000 this year -- and State funding which is based on enrollment.

Minnesota Update

January 2009

Enrollment in Minnesota's public schools has dropped by 2,368 in the past year. Due to lower birth rates and an aging population, 90 percent of the State's schools can expect to see declining enrollments next year and for at least the following five years. Governor Tim Pawlenty and the State legislature are planning to reduce State aid to schools by about \$22 million as a result of the lower numbers of students.

A recent study has found that the cost to Minnesota's public education system of students entering school unprepared for kindergarten is about \$113 million. As reported in the Minneapolis Star Tribune, the Wilder Research study found that unprepared young children represent long-term costs of: (1) students dropping out of high school (\$42 million); (2) teacher-related costs (\$29 million); (3) special education and grade repetition (\$24 million); (4) English language learners (\$11 million); and (5) school safety (\$6 million).

As reported in the Pioneer Press, technology spending in Minnesota school districts varies widely from district to district. The Statewide average is \$64 per student, according to State data. But the range goes from \$178 per student in South St. Paul to \$2 in Centennial.

According to the Star-Tribune, a recent study by the Institute on Race and Poverty at the University of Minnesota has found that most Minnesota charter schools have performed below expectations and lower than comparable district schools. Moreover, the study says charter schools magnify racial and economic segregation. Last year, more than 28,000 Minnesota students were enrolled in charters. A group of legislators is meeting to recommend improvements in the State's charter school law to be considered in the next legislative session. A legislative auditor's report has suggested that the role and authority of charter sponsors should be clarified and charter school board members should attend financial training.

Mississippi Update

January 2009

Based on recommendations from a State Task Force to Study Underperforming Schools and School Districts, the Mississippi legislature is considering a measure that would give the State more authority over underperforming school districts. According to the Clarion Ledger, the Task Force's recommendations include establishment of a recovery school district that would incorporate all districts under conservatorship (currently, there are three such districts -- Panola, Jefferson Davis, and Hazelhurst). The State would also have the power to remove superintendents and school board members when it takes over an underperforming district.

The new Mississippi Building Blocks program is a three-year, privately funded program that will work with 50 childcare centers and 1,500 children across the State with a goal of improving school readiness. Funded at \$3.5 million per year, the program is in the process of appointing a director and advisory board. The program will provide a range of resources -- including teacher mentor and materials -- to State-licensed center who must apply for participation. It is not clear how much of the \$10.5 million required over the three years has already been raised.

Mississippi has undertaken a new initiative to reduce dropout rates in the Northeast portion of the State. Called "On the Bus," the campaign has seen dropout rates improve in 22 of 31 northeast Mississippi school districts between 2006 and 2007. Overall, the State's dropout rate improved from 17.6 percent to 15.9 percent in those years. Despite the improvement, 14 of the 31 districts still have dropout rates higher than the State average and many of those have dropout rates in excess of 20 percent.

Missouri Update

January 2009

The St. Louis Post-Dispatch reports that Missouri's State Education Commissioner, Dr. Kent King, has died at the age of 65 after a long battle with brain cancer. During his eight-year tenure as State superintendent, King introduced new high school graduation requirements and encouraged the effective use of data to measure student achievement.

In the November election, Missouri voters approved a ballot measure that increases the casino gambling tax from 20 percent to 21 percent and establishes a Schools First Elementary and Secondary Education Improvement Fund for the tax proceeds.

Nevada Update

January 2009

According to the Las Vegas Sun, Nevada's school districts have different requirements that high school students must score in order to receive credits -- ranging from 70 percent to 85 percent. Under a proposed new policy, school districts would still develop and grade tests but a passing grade of 70 percent would be uniform Statewide. The State Board of Education will hold a public hearing on the policy in January.

New Hampshire Update

January 2009

The Concord Monitor reports that New Hampshire is in the process of developing a test for high school tenth-graders that would allow those who pass the opportunity to graduate early and get a head start on career training. Under the plan, students will take the exam at the end of their sophomore year; if they pass they could remain in high school in preparation for four-year colleges or graduate early and begin taking career-oriented community college courses. Students who fail could take the exam as often as they like. Those attending community college could still participate in high school extra-curricular activities.

New Jersey Update

January 2009

The Philadelphia Inquirer reports that the New Jersey Supreme Court has ordered a hearing on the State's new education funding formula before it can be implemented. The old formula favored poor, urban districts through earmarked funding for "Abbott" districts. The State must prove that the new system is constitutional and provides adequate support for poor districts. The Abbott districts are expected to argue that the new formula is inadequate.

The Philadelphia Inquirer reports that New Jersey's two State-funded college scholarship programs will impose more rigorous requirements on their recipients. The New Jersey Student Tuition Assistance Reward Scholarship programs (NJSTARS and NJSTARS II) will now require:

- high school students to graduate in the top 15 percent of their class (formerly top 20 percent) to qualify for NJSTARS;
- students to take college placement tests to prove they are ready for college-level work; formerly NJSTARS paid for remedial classes;
- for NJSTARS students to qualify for NJSTARS II, they must graduate from community college with a 3.25 GPA (up from the current 3.0); rather than free tuition, NJSTARS II students will receive \$6,000 per year if their GPA is between 3.25 and 3.49 and \$7,000 per year if their GPA is 3.5 or higher.

Also, there will be a family income cap of \$250,000.

New Mexico Update

January 2009

The Gordon Bernell Charter School is one of only a few in the country serving jail inmates. Operating at the Bernalillo County (Albuquerque) Metropolitan Detention Center, the Charter School is giving inmates the opportunity to earn full high school diplomas rather than GEDs. Students attend high school language, math, and science classes in secure classrooms within the jail and are required to complete homework assignments at night.

New York Update

January 2009

As reported in The New York Times, New York State is dealing with the largest budget deficit in history by planning to impose more than 100 new taxes and to make \$9 billion in spending cuts. Education would see a cut of \$700 million in State aid for the next fiscal year and increased funding for operating expenses and prekindergarten would be delayed by four years under the State's new spending plan. New York City would lose more than \$600 million in general purpose aid in addition to the reductions in State aid. The new budget plan is expected to set off battles in the State legislature which must approve it.

According to data compiled by the New York City school districts, 83 percent of the City's high schools earned scores of A or B under the district's report card system. And 57 percent either improved on or maintained their scores from last year. Smaller schools, often with smaller student:teacher ratios, scored higher than larger schools. Newer schools -- those built in the past six years -- performed better than older schools.

North Carolina Update

January 2009

As reported in Education Week, next year, the Charlotte-Mecklenburg school district will begin working with the non-profit New Leaders for New Schools to train school principals. The State has approved a new policy that allows trained principals to obtain State licenses without a university-based training program. Charlotte-Mecklenburg is the tenth district to partner with the New Leaders program which hopes to be working in 15 urban districts within the next six years.

As reported in eSchoolNews, North Carolina's Iredell-Statesville school district is the only district in the nation to receive the 2008 Malcolm Baldrige National Quality Award for organizational innovation and excellence. District officials attribute their success to the use of technology in distance learning, teacher professional development, and data-driven decision-making.

North Dakota Update

January 2009

North Dakota, one of a few states not expecting a budget shortfall in FY 2010, has proposed a \$500 million Tax Relief and Education Funding Reform initiative. The plan includes \$300 million in property tax relief, \$100 million in income tax relief, and \$130 million in additional funding for K-12 education. The State will use \$300 million from the State's general fund to reimburse school districts that reduce their property taxes. If the plan is implemented, the State would reach its goal of funding 70 percent of the cost of public education. The increased funding, including \$15 million for all-day kindergarten, is based on recommendations from the State's Commission on Education Improvement, which included improving student performance, enhancing the curriculum, strengthening professional development, and raising teacher compensation.

Ohio Update

January 2009

Education Week reports that Governor Ted Strickland plans to propose an overhaul of Ohio's existing school funding system as part of his two-year budget to be presented to the legislature early in 2009. The Ohio Supreme Court has four times ruled that the State's funding of schools is unconstitutional.

Facing a \$7.3 billion budget deficit over the next two years, Ohio has considered a worst-case scenario under which State agencies could be required to cut expenditures by 25 percent, particularly if the State wants to retain Medicaid and implement a tax reduction. As a worst case, Ohio would eliminate more than 5,000 positions in State corrections and reduce the amount the State spends per student for college education by \$1,987.

Oregon Update

January 2009

Education Week reports that Oregon's difficult economic situation has caused the State to suspend its plans to increase high school math graduation requirements. The planned new requirements would have, starting with this year's freshmen, to demonstrate mastery of introductory algebra, geometry, and statistics in order to graduate. However, because nearly half of the State's sophomores failed the math test on their first try, the State determined that the cost of getting all students proficient in math by 2012 -- as called for in the plan -- would be prohibitive. It is expected that the timetable for proficiency will be moved to 2014.

Rhode Island Update

January 2009

A recent case study of Rhode Island schools, conducted by the Center on Education Policy, has found that the schools that are most successful in meeting Federal benchmarks are those whose curricula are better aligned with NCLB standards. Teachers in these schools tend to use student test data more frequently to differentiate instruction. Moreover, the higher performing schools were those that had a narrower curriculum focused on reading and math (and test preparation) rather than those which addressed topics in great depth. However, these teachers worry that NCLB has caused them to reduce the scope of their instruction.

South Carolina Update

January 2009

South Carolina has cut \$164.7 million from its budget for public schools as part of a \$383 million cut in the overall State budget. When combined with losses from a penny sales tax, the total loss in education in the State for the current fiscal year is \$363 million. To adjust for the reduced funding, the State has left 95 State education positions unfilled, required five days of unpaid furlough for State staff, eliminated grants, reduced help for districts struggling to meet Federal and State requirements, and halted subsidies for professionals from other fields training to become teachers.

According to the *Education Counts* study, 72 percent of South Carolina's English language learners (ELLs) are showing progress toward English proficiency, compared with a national average of 34 percent. On the other hand, South Carolina has only one certified Title III teacher for every 55 ELL students compared with a 1 to 19 ratio nationwide. South Carolina has had one of the nation's largest increases in ELL enrollment between 1995 and 2005.

According to USA Today, the struggling economy has caused the closing of several Boys & Girls Clubs in South Carolina and the shortening of hours and consolidating locations for many others. Based on projected losses for next year, the organization's action is expected to cause considerable hardship particularly in poor and rural areas.

Texas Update

January 2009

As reported in the Houston Chronicle, Texas is now one of 15 states that have received permission from the U.S. Department of Education to use a “growth model” for determining whether school districts and schools are making adequate yearly progress under the No Child Left Behind Act. The Texas Education Agency estimates that 136 more school districts and 411 more schools would have met NCLB standards if a growth model had been used last year.

A report by the non-profit Intercultural Development Research Association (IDRA) found that a third of Texas’ freshman class of 2004-05 failed to earn a high school diploma. The *Texas Public School Attrition Study, 2007-08* shows that the State’s attrition rate for 2007-08 continues a steady decline from the high of 43 percent in 1996-97. However, the rate is the same as the 33 percent attrition in 1985-86. Moreover, the gaps between the attrition rates of White and minority students are actually increasing. The gap between the attrition rates of White and African-American students has increased from seven percentage points in 1985-86 to 20 percentage points in 2007-08. Similarly, the gap between White and Hispanic students has increased from 18 percentage points to 26 percentage points over the same time period.

A two-year evaluation of the Texas Educator Excellence Grant program -- voluntary merit pay -- shows that 90 percent of eligible schools have participated. The Dallas Morning News reports that turnover is lower among teachers who received merit pay, younger teachers were more likely to support merit pay, and higher incentive pay led to greater teacher satisfaction. Data on student performance will be forthcoming in the next year. The major drawback to the system is that too many schools become ineligible after the first year because of a number of factors such as percentage of low-income students, State academic rating, or scores on State assessments.

Utah Update

January 2009

The Salt Lake Tribune reports that the Utah legislature is considering a bill to support a two-year pilot program that would provide grants to school districts to pay elementary teachers based, in part, on the performance of their students. The performance-based component of the teachers' pay would be 60 percent based on student scores on computer-adaptive tests and 40 percent based on such other measures as classroom observations, leadership activities, and parent/student surveys. Utah is currently implementing a \$20 million, one-year performance pay initiative that allows districts to design their own incentive programs. The new pilot program expects to draw on lessons learned from the existing program.

Vermont Update

January 2009

In early December, the Rutland Herald reported that Vermont's \$1.3 billion Education Fund was healthy despite a \$14 decrease in non-property tax revenues and a \$60 million State budget deficit. Because of inflation, the Education Fund would receive an estimated increase in contributions from the State's General Fund by FY 2010 of \$6.7 million -- from \$291 million to \$297.8 million.

However, in January, Burlington Free Press reports that Governor Jim Douglas, at his fourth inauguration, proposed a number of dramatic changes in Vermont's approach to education. Among the Governor's proposals are: (1) a freeze on school spending for the next year; (2) a complete overhaul of the way the State funds education, with the next two years; and (3) a merger of the University of Vermont with the State colleges. The school spending freeze would have the effect of reducing projected school spending for next year by \$60.5 million.

Virginia Update

January 2009

According to Education Week, the Virginia Board of Education, recognizing the current economic climate, will not ask for more funding for the State-mandated minimum goals for public schools (known as the Standards of Quality). The Board's decision gives local school districts the flexibility to use other State money -- including lottery funds -- to pay for services to help English language learners, as well as provide new reading and math specialists. The State cited, as an example, the \$69.5 million in the Prevention, Intervention and Remediation program which could be shifted to help English language learners.

As reported in the Washington Post, Virginia has decided, rather than wait for a new generation of physics textbooks, to have a number of physics teachers to write new chapters on such topics as biophysics, nanotechnology, and other emerging fields and post them online. Known as the "flexbook," the virtual chapters cost nothing except teacher time and will be an optional, free supplement to regular textbooks. The State is also partnering with the non-profit CK-12 to offer online "next-generation textbooks" in physics, math, and biology, as well as software to help school districts develop their own content.

Currently, demand for Virginia's online learning program -- Virtual Virginia -- is high, with waiting lists for many classes. First offering instruction in the 2006-07 school year, Virtual Virginia was initially designed to serve schools that could not afford to offer Advanced Placement and other specialized courses; it currently provides 22 AP classes as well as a number of other courses schools do not typically offer. Funding for the program, however, has received no increase in funding from the \$3.25 million it received last year. State officials have indicated that, despite the higher demand, the program will probably not be able to expand from its current 2,200 students.

Washington Update

January 2009

As reported in [The Seattle Times](#), the Washington Department of Early Learning has been looking at a number of aspects of the State's early childhood education system. One report summarized the need for, and costs of, a Statewide policy with respect to school readiness tests. The Department also reviewed the State's new child care quality rating system; field-testing of the system was suspended in early December in order to save \$2.8 million as part of the State's belt-tightening efforts. A review of the State's kindergarten assessment project found that all participating kindergartens assess entering students for language, literacy and communication skills. About three-quarters of the schools look at cognition, general knowledge, and developmental delays, while only a quarter look at health and motor development.

According to [The News Tribune](#), the number of district-operated online educational programs has grown sharply since the 2006-07 school year when a new law went into effect. Since then, the number of district-sponsored programs has increased from 29 to 49, enrolling 6,500 students last year. Difficulties in tracking enrollments, learning hours, and academic performance in online education have, however, led to some problems. A State audit has determined that online instructional programs operated by three school districts -- Steilacoom, Federal Way, and Quillayute Valley -- could owe the State as much as \$5.3 million for incorrectly measuring the number of students taking their Internet classes. District officials argue they followed the State's guidelines and that the audit methodology was flawed.

Wyoming Update

January 2009

The Wyoming legislature is considering a bill that would change the way the State's community colleges are governed. Currently, the State legislature approves college construction projects on a case-by-case basis, while academic programs are managed by individual college districts. The pending legislation would give the Wyoming Community College Commission more oversight of both academic and construction programs. In its deliberations, the legislature is reviewing a report by a task force that explored means by which the State can improve coordination of its community college system.