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MEMORANDUM

DATE: September 28, 2007
TO: TechMIS Subscribers
FROM: Charles Blaschke and Blair Curry
SUBJ: NCLB Reauthorization Updates, High Demand Products and Services for Schools in Corrective Action and Restructuring, Exit Exam Remediation and State Profile Updates

Earlier this month, we sent out two special reports. The September 4th report provided final USED district Title I allocations for districts receiving a \$200,000 or more increase in Title I funds this school year. The district per-eligible-Title I allocations should assist in determining which districts' Title I purchasing power is the greatest. The second report, dated September 12th, reviewed the proposed Miller-McKeon NCLB changes regarding supplemental educational services and the inclusion of early intervening services as allowable activities for schools identified for improvement. Some of the new Washington Updates included in this issue relate to SES and EIS issues; for your convenience we have included as an attachment this latter special report.

Over the last three weeks, we have analyzed various proposed NCLB changes in the Miller-McKeon "discussion draft," as well as other proposals made by influential education groups. In several of the Washington Updates we share the results of these discussions and insights regarding the nature and extent of changes which will finally be negotiated in NCLB reauthorization, if it occurs this year, including:

- **Page 1**
Recommended changes to the Miller-McKeon working draft made by influential policy groups, some of which could be used to arrive at compromises in the final legislation regarding SES, differential treatment, and AYP calculations.
- **Page 3**
Guiding principles which House Minority Leader John Boehner argues should underlie the NCLB reauthorization. As the most influential Republican in the initial passage of NCLB, Boehner's direct involvement could expedite the final negotiations and drafting of key provisions, which would garner more support from neo-conservative Republicans.

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Impressions we gleaned from discussions related to NCLB changes, budgets and other matters during the Annual Committee for Education Funding Awards Banquet on September 20th.
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A new report from the Government Accountability Office (GAO) which identifies the types of activities undertaken by SEAs and districts with schools in corrective action or restructuring, suggesting increased opportunities for curriculum replacement and professional development. The number of such schools has increased from 2,790 in 2005-06 to 4,509 during the last school year. The report suggests what states and cities and what types of schools to target (contact us if you would like to obtain the list of these schools).
- **Page 9**
A new CEP study that shows that districts in states with exit exams fund remediation, while SEAs provide technical assistance; various district activities to help the students pass exit exams suggest opportunities for firms.
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Several regulatory changes have been announced by the Administration which would reduce the State Child Health Insurance Program and Medicaid reimbursements to school districts; if implemented, these changes could reduce purchases of instructional software and materials using IDEA freed-up resources. Congress is proposing a significant increase in funding for SCHIP and placed a moratorium on proposed regulatory changes made by the Administration. Whether Congress can override the promised Presidential veto is unclear.
- **Page 13**
According to the most recent Survey of Superintendents, the impact of NCLB on public education has been “very detrimental” versus “very beneficial” by a factor of more than 5:1. Sales staff should be made aware of superintendents’ concerns and preferred alternatives.

We have also included state profile updates, many of which summarize the number of districts and schools which fail to meet AYP or have been identified for improvement based on the most recent test scores. For some states, final K-12 budgets were finalized over the last 30 days. Also included for some of the states with exit exams are excerpts from the recent CEP survey on technical assistance and funding provided for struggling students who have to pass such exams in order to graduate with a regular high school diploma.

If you have any questions please contact me directly about the [Washington Updates](#), or Blair Curry regarding state profiles.

Washington Update

Vol. 12, No. 10, September 28, 2007

Influential Policy Groups Recommend Changes to Working Draft of NCLB Reauthorization Proposed by Chairman Miller and Congressman McKeon, Some of Which Could Reflect Resulting Compromises

Among witnesses during the September 10th hearings before the House Education and Workforce Committee were a number of individuals representing various policy and advocacy groups whose recommended changes are likely to influence resulting compromises in a reauthorized ESEA/NCLB. Some of the groups -- such as the Center on Education Policy, The Education Sector, The Thomas B. Fordham Institute and The Civil Rights Project -- justified their recommendations based on findings from research they have been conducting on implementation of the Law over the last several years. The Council of the Great City Schools relied on data compiled from its own studies, which reflected their position as a key advocacy group that supported the original passage of NCLB and many of its major core provisions. Below, we have identified excerpts from witnesses' statements which reflect constructive criticism of the current law and their respective recommendations. We have also identified recommendations from several groups which, according to most observers, heretofore had not been considered seriously. These recommendations and rationales could point to possible negotiated alternatives.

Most of these groups felt that perhaps the most serious flaw in NCLB was the goal of having all students achieve proficiency by 2013-14. Daniel Losen, Senior Education Law and Policy Associate at The Civil Rights Project of UCLA, called it the most serious flaw and assumes that "the schools and districts furthest from the goal can make the most extraordinary gains," and that it should be "replaced by realistic growth targets based on the progress achieved in the quartile of districts making the most rapid progress in the state." Jack Jennings, CEO of The Center on Education Policy (CEP), in a similar vein, recommended that the degree of growth expected of all districts and schools each year should be linked to "the average rate of gain over two or three years in the districts or schools within a state that rank at the 75th percentile." Both argued that this was an ambitious goal, but within reach.

Virtually all groups recommended providing options for states to use growth models for determining AYP. Most support the use of "multiple measures" as proposed in the Miller-McKeon draft. CEP recommended reducing the narrowness of the accountability measures now required in NCLB which rely on just reading and math test scores and proposed to broaden these measures to include "objective measures of academic performance" if they meet criteria established by the National Academy of Sciences and the National Academy of Education. Kevin Carey of the Education Sector felt that the number of multiple measures should be limited to a small

number of reliable and high-quality assessments for all students statewide, but argued that, while there is a need for balance, there's also a need to "ensure that all students are proficient in the core subjects on which success in all other areas depends." In a more detailed set of recommendations presented earlier to the Committee, Jennings of the CEP recommended that math and reading/language arts be integrated into other subjects, such as social studies, and that assessments of these additional subjects take into account the integration of math/language arts into such instruction.

Most of the groups felt that differentiated consequences or alternatives should be mandated or provided for schools where most of the students failed to meet AYP when compared to schools where only a small number of students or subgroups failed to meet AYP targets. In the draft, the former would be referred to as "high priority schools," the latter "priority schools." Michael Petrilli of the conservative think tank, the Thomas Fordham Institute, felt that free tutoring through supplemental educational services should continue to be a requirement for both "high priority" and "priority" schools; under the draft, "priority schools" would not have to provide either SES or parent choice transfer options. Interestingly, Michael Casserly, Executive Director of The Council of the Great City Schools questioned the effectiveness of most supplemental educational services and stated, "If these services are effective in raising student achievement, however, then they should be applied to high priority and priority schools alike; if they are not effective, then they should apply to neither." The Civil Rights Project spokesman, Losen, questioned the scientific basis of SES and

stated, "Until there is better evidence of the effectiveness of these programs, they should not be required and there should not be a mandated set-aside. The worst result would be to create a new lobby of corporate providers able to secure funding without accountability." CEP also questioned the effectiveness of SES, but argued that supplemental service providers "should be held accountable just as school districts are - - namely by requiring them to show improvement in test scores in two years or be barred from providing services." Using the results of CGCS's Trial Urban District Assessment, Casserly criticized the draft by stating, "Nothing in the bill, moreover, explicitly allows districts to provide services despite the fact that schools can provide SES to more eligible students for less money with comparable results. The percentage of [SES] eligible students served in cities where districts can provide SES is 24.3 percent, compared with 10.9 percent in cities where the district is not a provider." Over the last three years, the Council has argued that current USED policy, which does not allow districts identified for improvement to continue providing SES, is illegal, a judgment recently confirmed by the USED Office of Inspector General.

Kevin Carey of The Education Sector, who was expressing his personal recommendations, applauded the distinction between "high priority" and "priority" schools in the draft. He argued that "priority" schools should also have to offer SES "if large achievement gaps persist for a student subgroup that constitutes a significant percentage of the school population -- even if only one subgroup is falling behind."

In several areas, there were some recommendations which had not surfaced to any great degree in the public debate. For example, John Podesta, CEO of The Center for American Progress -- which has been addressing graduation rate issues and has developed a model program adopted largely by the Miller-McKeon draft for "extended learning" -- commended the sponsors for including the Graduation Promise Fund which is designed to develop, implement and expand proven methods for keeping a diverse range of students in school. Rather than distributing funds under a formula which targets schools currently with high dropout rates, funds would be solely allocated on the basis of poverty level of a high school in order to eliminate any incentives for keeping dropout rates high in order to continue receiving funds. Jack Jennings, of the CEP, also recommended that schools whose achievement improves enough to exit from being "identified" (which currently would lose financial assistance), to continue to receive assistance for up to three years after they exit from being identified so they "can institutionalize the practices that help them."

Copies of the groups' statements are on the House Education and Workforce Committee website:

<http://edworkforce.house.gov/hearings/fc091007.shtml>

House Minority Leader John Boehner, Former Chairman of the Education and Workforce Committee and the Most Influential Republican in the Initial Passage of NCLB, Enters the NCLB Reauthorization Fray, Outlining Principles Which Should be Included

Former Chairman of the House Education and Workforce Committee John Boehner (now House Minority Leader), who was the most influential Republican architect of NCLB six years ago, has outlined several principles which should be adhered to in the NCLB reauthorization. At the same time, he has criticized several major proposed changes, particularly those related to choice, in the so-called Miller-McKeon "discussion draft."

Former Chairman Boehner's entering the fray at this time could be critical in several ways. First, during the passage of NCLB, he was directly involved in negotiations with now Chairman Miller in developing compromises acceptable to the White House. Second, he and his key staffer not only drafted the key provisions in NCLB, with a clear understanding of both intended as well as unintended consequences, but also the language in the reauthorization of IDEA in 2004. Such familiarity will assist greatly in resolving some of the major conflicts between NCLB and IDEA, which were only obliquely addressed in the Miller-McKeon discussion draft. Third, while Boehner indeed co-sponsored several bills noted below with ranking Republican committee member Buck McKeon, he has also been critical of some of the proposed draft provisions and favors several provisions in the A-PLUS Proposal sponsored by

Representative Pete Hoekstra (R-Michigan) and Senator Jim DeMint (R-South Carolina) that would reduce the amount of Federal intrusion on local control. More than 60 Republican House members support Hoekstra's proposal which would allow states to opt out of the NCLB accountability provisions. Inclusion of several of Boehner's principles noted below would garner support from some of the A-PLUS sponsors.

As Minority Leader Boehner stated in his September 10th letter to the Committee leadership, a major principle in the original NCLB -- which he authored and introduced in March 2001 -- was increased flexibility in the use of Federal education funds in return for districts being held accountable for increased student achievement, while retaining local control. He is a co-sponsor of H.R.2577 (referred to as the State and Local Flexibility Improvement Act) with Representative McKeon, which would allow states and LEAs to transfer up to 100 percent of their Title funds among the various Federal funding streams and provide additional flexibility for states to design their accountability systems. The bill would also reduce the minimum poverty enrollment from 40 to 30 percent of low-income students in order to have a school designated as a schoolwide program in which all Federal funds could be co-mingled into one single account with no requirements for reporting specifically how the money was spent. As we have found in our surveys conducted in 2001 and 2006, while about 70 percent of district officials are aware of the provisions allowing co-mingling of most Federal Title funds with Title I in schoolwides, only about half of the districts actually do so. While the Miller-McKeon discussion draft does ease "supplement not

supplant" requirements in schoolwide programs, it does not address directly the transferability provisions which, under current law, has an upper limit on transferability of 50 percent.

Another Boehner principle continues to be parent choice and the requirement to offer SES in the second year of being identified for improvement. A product of Catholic parochial schools, Boehner has always supported the use of faith-based education entities and private school participation in SES. While Boehner supports the McKeon provision which would allow SES to be offered by schools during the second year of failing to meet AYP, Boehner would require both "high priority" and "priority" schools identified in the Miller-McKeon bill to provide SES and feels that extended learning time option for "priority" schools is a poor substitute for SES. He was also critical of the change which would require a school identified for improvement to have 20 percent of its Title I allocation set aside for parent choice and SES rather than having the district set aside 20 percent of the entire district Title I allocation if one or more schools are identified for improvement for the second time. As he stated, "Under the Committee's draft, individual schools must set aside the 20 percent allotment. On the surface, this may seem like only a subtle change, but it could cheat tens of thousands of students out of their right to free tutoring if the total amount of set-aside funds is limited in this way." Boehner was also a co-sponsor with McKeon of HR-1486 which would give parents with children in "chronically under-achieving" schools the option of choosing a better school, including a private school for their children. This is similar to the President's proposed "blueprint" released earlier this year, which

was referred to as the “intensive tutoring” option.

Boehner strongly opposes any new testing, stating in the letter, “When NCLB was originally written, we resisted calls for federal testing requirements in additional subjects and at additional grade levels, and I have seen nothing since that time to convince me that we made the wrong decision.” And, as a related principle, he feels “portfolios,” or other “subjective measures” (i.e., multiple measures) “will only make it easier for under-achieving schools to mask poor achievement levels of certain subgroups.” Boehner believes all subgroups, including English language learners, should meet state achievement goals in reading, math and science. Moreover, expectations for English language learners should not be lowered by extending the time which these students should be able to read and understand English. Another related principle, as stated by Boehner, “I oppose the inclusion of language establishing any type of national test, national standards or national database in any NCLB reauthorization bill....Such language would be enormously problematic for me and many members of the House Republican Conference if it were to appear in a No Child Left Behind reauthorization bill.” These three principles taken together are designed to generate support from the 60 or so House members currently supporting the neo-conservative A-PLUS bill. Even though Congressman McKeon, since lending his name to the NCLB draft discussion paper, has increasingly expressed concerns about the “multiple measures” provisions, Boehner’s stronger positions on this and other issues would likely attract more Republican support if the final language was closer to Boehner’s principles

than in the current draft.

Regarding the issue of teacher quality, Boehner would go even further in supporting teacher incentives based on student performance, by stating, “NCLB reauthorization should include reforms that encourage states to establish pay-for-performance systems that compensate teachers based upon their performance in the classroom and how effective they are in helping students learn and succeed...Any performance-based system should be primarily based on student achievement, not other activities that may or may not make a difference in student performance.”

And last, Boehner continues to believe in streamlining and consolidating the number of Federal education programs. He was critical of the Miller-McKeon discussion draft which would include three new program initiatives under Title I alone, and cited the Administration’s “blueprint,” released in February 2007, which would have reduced the number of Federal education programs to just 32 programs, down from the 45 that were included in the initial NCLB legislation. Over the last decade, Boehner has been a staunch supporter of reducing Federal red tape and bureaucracy, often claiming that because of confusion and layering one program on top of another, many districts have not been able to spend the amount of Federal funds allocated to them by certain deadlines.

Two additional observations are worth noting. One is that the September 10th Boehner letter does not criticize the Miller-McKeon discussion draft regarding changes affecting special education programs’ students and teachers. On several occasions, however, reference is made to changes

related to English language learners. And second, Boehner's key staff person who drafted much of the NCLB and IDEA legislation has been involved in other legislative proposals relating to science, technology and math, some of which have already passed. While Boehner's personal involvement in the reauthorization could be very influential, especially among the neo-conservatives, if his former staff person were involved in drafting final compromised language, the impact could be even greater.

Impressions Gleaned From Annual Committee for Education Funding (CEF) Awards Banquet

During the Annual CEF Awards Banquet on September 20th, we had a chance to talk with lobbyists and leaders from 20 advocacy groups, as well as some key committee staff persons involved with the reauthorization of NCLB. Below are some of our impressions from these discussions about issues we've been addressing in recent [TechMIS Washington Updates](#) and reports.

Most national education association leaders maintain a healthy degree of skepticism about the benefits to schools and students of the supplemental educational services (SES) provisions, as they are currently enforced by USED policies; however, virtually all agree that this flagship priority of the Administration will be in any reauthorization that occurs this year. However, if reauthorization is postponed, then many would support its deletion. While virtually all education groups applaud the Miller-McKeon drafts, greater emphasis on holding SES providers accountable and allowing states remove them from approved lists where student achievement effects are

nil. Official leaders familiar with Title I programs at the state and district level believe that some SEA offices will place a higher priority on SES, especially more in-depth evaluation to determine their effectiveness. On the other hand, SEA Title I officials in many states may continue to place a low priority under the assumption that SES will eventually "die on the vine."

Appropriators have begun to draw up a Continuing Resolution for FY 2008 appropriations, as the end of the current fiscal year is September 30th. An initiative is underway, led by Chairman Tom Harkin (D-Iowa) of the Senate Education Appropriations Subcommittee, to quickly finish the Senate appropriations markup and, working with House appropriators, to have both houses consider a final compromise markup as a separate education bill, rather than having it lumped into an omnibus bill. Senator Harkin and his supporters obviously feel that, if the President vetoes a strictly education appropriation, enough Republicans will join the Democrats to override the President's veto. Bipartisan support for a separate education appropriations bill will likely be influenced by the nature and extent of compromised changes which will likely occur in the NCLB reauthorization.

Unlike educators' attitudes toward SES, virtually every association lobbyist with whom we talked expressed moderate to great support for the inclusion of early intervening services and response to intervention into the Title I program, as proposed by Miller-McKeon. Several representatives, including those from the Council for Exceptional Children, expressed the need to have a separate funding stream, or at least allow SES earmarks to be used,

for early intervening services. In general, special education advocacy groups felt that most of the provisions in the Miller-McKeon discussion draft would benefit special education programs and special education students and staff. CEC officials particularly pointed to the greater flexibility allowing certain special education teachers at certain grade levels to meet highly qualified teacher proposed modified requirements.

On the question of whether NCLB will be reauthorized this year and if so, the extent of major changes which will be included, most lobbyists from influential advocacy groups and associations gave it a 50:50 chance. Such groups as the National School Boards Association and AASA have called for significant “fixes” in numerous areas be made now, whether it’s through the reauthorization or technical amendments; otherwise, they agreed the system would implode. Other groups such as the National Education Association and, to a lesser extent, the American Federation of Teachers, have decided to take strong stands against teacher pay based on some measure of student performance, saying any related provisions are in conflict with local collective bargaining agreements. Some attribute the NEA’s backing away from what it agreed to in the TEACH Act -- which Chairman Miller has included in the NCLB working draft under Title II Teacher Quality -- to recent vocal opposition to several provisions, particularly teacher pay based on performance, by the California affiliate of the NEA. In the meantime, the NEA has called for its membership to contact Congressional representatives, asking them to “slow down” the reauthorization process and its passage.

Many seasoned veterans of ESEA reauthorization feel that the combined NEA and AFT opposition could be a major stumbling block, but have also hinted that the AFT may be able to negotiate a number of the teacher incentives provisions with Miller and break away from the NEA and its current opposition.

One emerging issue, which is having a volatile impact in many Title I districts and which has not been directly addressed in most discussions about NCLB reauthorization, is the Title I formula and the funds allocation process. As we reported in the August Washington Update, the Center on Education Policy has identified much volatility in Title I funding among the majority of districts which has led to increased instability, thus thwarting long-term planning on the part of Title I districts and even SEA officials. In its most recent report on “who’s gaining, who’s losing,” CEP recommends that annual allocations average previous year amounts to smooth out the funds allocation process. The only association which has addressed the Title I formula is AASA, which recommends that the Title I allocation for eligible Title I students should be the same, regardless of whether the district is a rural district or a large urban district, the latter of which have higher percentages of poverty. Currently, the Title I formula significantly favors urban districts with high percentages of low-income students, which explains why The Council of the Great City Schools was one of the few associations which supported NCLB five years ago. Discussions with several education reporters reveal that they were not aware of any influential leaders involved with NCLB reauthorization who want to reopen the Title I formula debate.

New Report Strongly Suggests Opportunities for Products and Services in Certain Districts and Types of Schools in Corrective Action or Restructuring

In its most recent survey of schools in corrective action (failing to make AYP for four consecutive years) or restructuring (missing AYP for five years in a row), the Government Accountability Office (GAO) identified the types of initiatives undertaken by districts in the 2,790 Title I schools that were in corrective action or restructuring status during the 2005-06 school year. Among the schools in corrective action status, almost three-fourths reorganized the school schedule to increase opportunities for professional development, and about 40 percent of the schools changed or replaced their curriculum. Of the schools in restructuring status, almost half created “smaller learning communities.”

The report also identified key states and districts to target. In the 2005-06 school year, more than 60 percent of the schools in corrective action or restructuring were in five states: Illinois, New York, California, Pennsylvania and Michigan; and 25 percent of all such schools nationwide in 2005-06 were in Chicago (ten percent), New York City (seven percent), Los Angeles (three percent), Philadelphia (three percent), and Detroit (two percent). In 2006-07, the number of schools in corrective action or restructuring increased 60 percent to 4,509 which was almost twice as many compared to those identified just two years earlier. The increase in some states was dramatic; the number of such schools identified in Florida, for example, increased from 32 in 2005-06 to 574 in 2006-07. Other states

with large increases included California and Massachusetts.

GAO also confirmed estimates by us and others -- such as the Center on Education Policy -- that middle schools constituted a significantly larger than expected portion of schools in corrective action or restructuring. For example, in 2005-06, 32 percent of the 2,790 such schools were middle schools although middle schools constitute only 15 percent of all Title I schools. One reason identified by GAO was that the percentage of students who scored at a proficiency level or above in math is generally lower in middle schools than in elementary schools. Another reason, identified in an earlier study by the Center on Education Policy, is that middle schools typically have to make AYP for more student subgroups than do elementary schools. Middle schools in some states, such as Texas, Oregon and New Jersey, represented almost 50 percent of all newly identified schools in 2004-05 because one or more subgroups of students failed to meet math proficiency levels. The greatest opportunities one can infer from the GAO findings exist in those schools entering corrective action. Schools reach that status after AYP has been missed for four years in a row or after three years of being identified for improvement. These schools must continue to offer public school choice and SES and to take at least one of the following actions:

- replace school staff;
- institute and fully implement a new curriculum;
- significantly decrease management authority at the school level;
- use outside school turnaround experts;
- extend the school year or school day;

- restructure internal school organizational structure.

GAO found that 94 percent of schools entering corrective action undertook one or more of these initiatives. About 60 percent hired outside experts or changed the internal structure of the school, including providing more opportunities for staff development among other activities. Slightly over 40 percent implemented a new curriculum. GAO also found that many of the initiatives undertaken during corrective action were continued, if and when, the school entered restructuring. During the restructuring phase, slightly over 40 percent of the schools also created smaller learning communities. GAO also found that, in 2005-06, 42 percent of the schools in corrective action and restructuring had not received all of the assistance required to have been provided by the districts. However, of the more than 55 percent that did receive assistance from the district, the predominant assistance was professional development (92 percent) and assistance in implementing new instructional strategies (90 percent). The vast majority of survey respondents said that districts “had targeted resources to provide professional development and implement effective instructional practices.” GAO also estimated that almost 50 percent of schools in corrective action and restructuring received state funds for school improvement activities over and above Federal Title I funds. Seventy-five percent of these schools used such funds for professional development activities or classroom support (such as instructional and resource materials) or both. For this school year, an additional \$125 million is being allocated to SEAs under school improvement grants to provide additional funding, beyond any four

percent state set-aside funds, to districts with schools in corrective action or restructuring. Under both the President’s proposed budget and the House markup, that amount will increase to \$500 million in 2008-09.

For a copy of the GAO report, go to: www.gao.gov/new.items/d071035.pdf

New CEP Study Shows that Districts in States With Exit Exams Fund Remediation, While SEAs Provide Technical Assistance; Various District Activities to Help the Students Pass Exit Exams Suggest Opportunities for Firms

The sixth annual report by the Center on Education Policy (CEP) addresses trends in the use of exit exams by states and the types of interventions and remediation provided by states and districts. The report suggests that districts have taken on the responsibility and cost of providing remediation for students failing initial attempts to pass such exams; states are expanding different types of assistance to districts, but only two states providing earmarked state funding specifically for remediation. Opportunities appear to exist for firms with certain products and services at both state and district levels, however, the primary responsibilities and decision-making along with growing resources, will reside at the district level.

Virtually all exit exam states reported that some districts provide remediation outside the regular school day, with 20 states offering it during the regular school day, a legal requirement for students initially failing exit exams in California, Florida and Nevada. Districts have designed

benchmarks/formative assessments in 19 states and have also provided professional development in content areas in 17 states and in the formative use of benchmark assessments in 16 states. In Florida, districts are required, by state law, to provide these and other activities, and while 13 states reported that some districts develop individualized academic plans for students who fail initial attempts, districts are required to do so by state law in Florida, Nevada, and Washington.

CEP also reported on the specific types of activities which are being used in districts in the five states included in the CEP case studies, which offer a glimpse of the opportunities which could exist at the district level for both interventions for struggling students to pass the exam the first time and, specifically, remediation for students who initially fail exit exams. Among the activities that were used in districts in the five state case studies were:

- test preparation activities;
- benchmark or interim assessments to guide instruction and additional interventions;
- use of instructional pacing or planning guides; and
- tutoring outside of the school day.

Under test preparation, the following activities were observed:

- reviewing old test or test questions;
- working through teacher-developed or state-developed study guides;
- teaching test-taking strategies; and
- creating in-class assignments that mirror the exit exam questions.

While the use of assessment data in benchmarking has increased, CEP reported

that in many districts, challenges existed, ranging from lack of expertise to build, manage and maintain data systems, as well as training school personnel in the use of data. The remediation strategies (and problems) -- some of which were required by districts participating in the five-state case studies -- that were provided for all students who had initially failed the exit exams included:

- tutoring, which often conflicted with students' other scheduling responsibilities after school, or was hampered by transportation;
- additional classes in failed exit exam subjects which often included a regular class, then a second class focused specifically on exit exam materials in the same subject -- referred to as "double-dosing";
- development of personalized student study guides developed by SEAs which identify student weaknesses;
- exit exam prep classes which often require students to be pulled out of their elective classes; and
- personal graduation plans, sometimes with the assistance with "graduation coaches."

Even though the vast majority of districts bear the brunt of funding high school intervention and remediation activities to help students pass exit exams, SEAs have become very active in providing some types of assistance to districts and even teachers. CEP reported that 20 of 24 SEAs provide technical assistance to help teachers administer the exam and prepare students, 15 SEAs helped districts improve professional development for teachers, and 14 helped districts improve formative assessment. For example, Georgia provides

a web-based online assessment system (OAS) that allows districts and schools to use state-developed formative assessments and build customized formative assessments for all grades in content areas covered on the State's exit exam. As CEP noted, "For most types of technical assistance, the most common delivery methods include providing specialists in the state education agency, providing online assistance, and conducting train-the-trainer workshops." However, only four states provided funding to districts to improve professional development or improve formative assessments. Other types of SEA assistance provided by states which should be of interest to some TechMIS subscribers include:

- exam preparation materials for teachers (17 states)
- released test items from prior years (15 states)
- exam preparation materials for students (15 states)
- courses to prepare students for the exam (5 states)

While 13 of the 24 states indicated they provided, to all districts, some assistance to help students who fail their initial attempt to pass the exit exam, only two -- California and Florida -- provide additional funding. In 2006-07, California provided \$70 million in grants to local districts to help 11th or 12th grade students pass the CAHSEE; if the district has students who initially failed the test, part of the funds must be used for their remediation and also for students with disabilities who received an exemption. Five hundred dollars was allocated per eligible 12th grader. In Florida, a combination of Federal and State funds are used to support remediation for students failing exit exams, including the State set-

aside for Title V -- Innovative Program Strategies, State line item appropriations (including a \$600 million plus block grant for Supplemental Academic Instruction), and State categorical programs. While Texas does not provide State funds for remediation for students who initially fail the exit exam, it does provide some funding specifically designed to increase the initial pass rate. The Texas High School Project provides grants to certain districts that have large achievement gaps between groups of students for use with students who haven't passed all sections of the exit level exam. Some states, such as Idaho and Virginia, provide general online tutoring and remediation for students to help them pass various state assessments, including exit exams.

One area in which opportunities for online delivery exists is in the area of test prep/test retaking, which are not considered high stakes as far as test security is concerned. Some states allow students to take unpassed portions of state exit exams an unlimited number of times. Such test prep activities for test retaking in many cases can only be done online.

For a copy of the CEP report go to: www.cep-dc.org (under "What's New" - *State High School Exit Exams: Working to Raise Test Scores*; published September 6, 2007)

Bush Administration Plans to Reduce School Child Health Insurance Program (SCHIP) and Medicaid Reimbursements to School Districts Through the Regulatory Process, in Spite of Significantly Increased Needs Identified by the Congressional Budget Office Which is Reflected in Congressional Proposals; Such Reductions Could Reduce the Purchases of Instructional Software and Materials Using IDEA "Freed Up" Resources

For the second time in as many years, the Bush Administration is proposing to use the regulatory process to implement its policy of reducing the Federal contribution to the \$25 billion-a-year State Child Health Insurance Program (SCHIP). This latest policy change, reflected in an August 17th non-regulatory policy letter to states, would preclude enrollment of children from higher-income families -- i.e. those whose income is more than 200 percent of the poverty level (slightly over \$40,000 for a family of four) - - and would require the states to prove that 95 percent enrollment for state's poorest children is impossible to accomplish. The Congressional Budget Office reports that the current needs, in order to maintain service, are approximately \$5 billion more annually than the President's proposal which is to increase the allocation by only \$1 billion annually.

About two weeks later, another policy change was announced by the Centers for Medicare and Medicaid Services (CMS) under DHHS, which would no longer allow districts to be reimbursed for certain administrative and transportation costs. In the past, districts could be reimbursed for

administrative costs directly associated with determining whether students were eligible to participate under SCHIP and to coordinate related services. Also, districts could be reimbursed for the cost of transportation for certain eligible students from their home to the school. Under the proposed change, only those transportation costs to and from the service provider would be allowed for reimbursement. Medicaid officials estimated that the savings would be about \$635 million by eliminating reimbursements for these transportation and administrative costs. In addition to reducing Medicaid reimbursements for certain administrative and transportation claims, the CMS would disallow some claims for rehabilitative services', the cut under "the rehab" regulation would be in the neighborhood of \$180 million in FY 2008. Officials from Los Angeles Unified School Districts and Broward County Florida estimated that the exclusion of administrative services would cost the districts between \$6 million and \$10 million per year. Because the Administration has been threatening to eliminate reimbursements for these administrative and transportation costs for several years, legislation has been submitted in the Senate by Senator Ted Kennedy to prevent this from happening; however the legislation has yet to pass.

In the past, under SCHIP, districts have been able to receive reimbursements for services such as transportation, visual screening tests and medical services (referred to as related services which, in most cases, cannot be paid for under IDEA) for eligible students. Once districts complete all the necessary forms -- often using SCHIP reimbursement applications completed by districts or firms - - the funds that are reimbursed may be used

to purchase, among other things, instructional software and materials. Since 2001, our TURNKEY surveys have found that the percentage of instructional software purchased by districts using SCHIP reimbursement funds has been at least five percent and possibly as high as 10 percent (there are difficulties in accounting for how such reimbursements, which typically go into the schools' general fund, are being used).

In many states, Medicaid expenditures have been increasing more over the last few years, than have state expenditures on K-12 education. Because of Medicaid increases of between five and ten percent per year over this decade, states have attempted to increase the cut-off income level to make more families and children eligible to receive the SCHIP reimbursements, which comes from Federal and some state funds. For example, Governor Schwarzenegger in California has proposed expanding SCHIP for families with incomes of up to 300 percent of the poverty level, as reported in the September 5th Education Week. New York's Governor Spitzer has proposed that families earning up to four times Federal poverty (or over \$80,000 for a family of four) would be eligible. Perhaps the greatest defiance of the August 17th regulatory change has occurred in New Jersey where Governor John Corzine, according to the Washington Post, notified the Administration that New Jersey would not abide by Federal rules, rather, he indicated that New Jersey (with one of the highest eligible poverty levels at 350 percent of the Federal poverty level) would continue its policy.

In the meantime, a Washington Post article (September 14th) indicated that House and

Senate negotiators were "making progress toward a possible compromise, but no deal had been reached yet as of the middle of September." Under current law, SCHIP requires a Congressional extension or vote to continue the program by September 30th. This White House policy change to the regulatory process is a reflection of Carl Rove's "swan song" regarding NCLB reauthorization, indicating that if Congress does not reauthorize what the Administration wants in terms of improvements in NCLB, then the Administration could make the changes through the regulatory process (see Washington Update, August 2007). As the Washington Post hinted, some observers feel that policy-making through the regulatory process, such as the August 17th letter, is in violation of procedures in the formal rule-making process, including soliciting public comments before implementing them.

According to the Most Recent Survey of Superintendents, the Impact of NCLB on Public Education Has Been "Very Detrimental" Versus "Very Beneficial" by a Factor of More Than 5:1

The 2006 Study of the American Superintendency, released by the American Association of School Administrators (AASA), reported that 42.7 percent of superintendents felt the impact of NCLB on public education to be "very detrimental," while only 7.6 percent felt the impact was "very beneficial." This finding is in conflict with previous reports published by Education Testing Service and a consortium involving Harvard University's Kennedy School of Government. Although the findings are similar to the recent Phi Delta Kappa Gallup Poll, the AASA survey found

no significant differences among superintendents of districts with different enrollment sizes and noted, “This was a bit surprising as conventional wisdom would place large district superintendents with significant numbers of at-risk students disliking NCLB more than suburban superintendents in medium-size districts.”

Almost 50 percent of superintendents felt that one of the major challenges under NCLB was ensuring that all students achieve grade-level proficiency, especially low-income students and students with special needs. Adequate funding to meet some of the unfunded Federal mandates was another major concern. Interestingly, only about 1.4 percent felt getting all teachers in the district to be highly qualified was a challenge, and implementing supplemental services and parent choice was identified as a major concern and challenge by less than one percent. Superintendents’ perceptions of how to improve NCLB’s impact in the districts included being allowed to use a growth model (40 percent) and more adequate funding (26 percent); while about 12 percent felt being able to use multiple measures to determine AYP would be helpful, only four percent felt being able to use a local assessment would be helpful. The so-called Miller-McKeon discussion draft of the NCLB reauthorization would include a large pilot program to allow districts to develop their own local assessments which could be used along with existing state assessments. While slightly over six percent of all superintendents felt changes to the sanctions for not meeting AYP would be helpful, among the largest districts the percentage jumped to more than ten percent.

Beyond the less than ten percent that feel positive about the affects of NCLB, the report states “The 1,338 superintendents participating in the 2006 study generally feel very positive about their personal effectiveness, relationships with boards, compensation packages, professional preparation, annual evaluations and career choice.” However, as AASA notes, “Levels of stress continue to rise in the superintendency as 44.3% indicated feeling *considerable stress* in their position. An alarming 14.9% say they feel *very great stress* in their position. Another 34.1% felt *moderate stress*. These are the highest stress levels in any AASA study.” One contributing factor to increased stress levels is meeting the often conflicting demands of NCLB.

Some of the findings from this most recent AASA survey should be taken into account by sales and marketing officials as they approach superintendents in the sales process. Our own recent surveys, as well as others, have found that purchasing decisions have generally become more centralized and, as Bruce Hunter, Chief Lobbyist for AASA has stated on several occasions, this is particularly true of Title I and IDEA special education programs which receive the superintendents’ highest priority attention among all Federally-funded programs.

For a copy of the summary and report, go to: www.aasa.org

Alabama Update

October 2007

The Huntsville Times reports that the Alabama Math, Science and Technology Initiative (AMSTI), begun in 2002, is currently in 365 schools and will be in 500 of the State's 1,541 public schools by next summer. The State hopes AMSTI will be adopted by all schools by 2010. AMSTI provides schools with teacher training and lab equipment through local colleges. Governor Bob Riley also said the State plans to offer more advanced classes (including Mandarin Chinese) in rural schools. He urged every Alabama high school to use videoconferencing to offer at least two Advanced Placement classes.

The Center on Education Policy, in its report "State High School Exit Exams: Working to Raise Test Scores," indicates that Alabama helps all teachers prepare for its exit exam -- through exam preparation materials, online assistance, State specialists, and train-the-trainer workshops -- in order to raise initial pass rates on the Alabama High School Graduation Exam for all students. The State also provides funds for remediation and professional development for teachers in the formative uses of assessment data to help students who have failed their initial attempt to pass the exit exam.

Arizona Update

October 2007

According to The Arizona Republic, 519 Arizona schools failed to make adequate yearly progress (AYP) under the Federal No Child Left Behind Act this past school year -- down from 609 schools the year before. On the negative side, 20 schools in the State have missed AYP for the fifth consecutive year and are thus subject to severe sanctions. Moreover, 19 school districts have failed to make AYP for four consecutive years, generally because of low scores by English language learners, special education students, and children living in poverty.

According to School Reform News, an Arizona Superior Court judge has ruled that the State's voucher programs for foster children (the Displaced Pupils Choice Grant Program) and special needs students (the Arizona Scholarships for Pupils with Disabilities Program) are constitutional. The program for displaced children is available to any student who has been placed in foster care anytime before earning a diploma; it is worth as much as \$5,000 in tuition and fees. The special needs program is open to any student who has an Individualized Education Program (IEP) and who has attended public school in the past year. The funding for this program is determined by the amount a public school would have received to educate the child.

Arkansas Update

October 2007

Arkansas is the recipient of a \$13.2 million grant from the National Math and Science Institute to encourage more high school students to take Advanced Placement exams. According to State officials, between 2002 and 2006, Arkansas had the nation's largest per-capita growth in the number of students passing AP exams in English, math, and science. Starting in the 2008-09 school year, all Arkansas high schools will be required to offer AP courses in English, math, science, and history. The new grant is funded as part of a \$125 million gift from Exxon Mobile Corporation with support from the Gates and Dell Foundations.

The Arkansas legislature has allocated \$18.4 million, over the next two years, for new scholarship grants intended for "late blooming" high school students. The State already has scholarship programs for high-achieving students. The new program provides \$1,000 a year for full-time freshmen and \$500 for part-time students. To be eligible, a student must have lived in Arkansas for at least one year, have graduated from an Arkansas high school (or earned a GED), be between 16 and 18 years old, come from a family with an income of \$25,000 a year or less, and meet all college entrance requirements.

The Arkansas Democrat Gazette reports that in the Fall of 2006, 53 percent -- 9,913 students -- of Arkansas college students took at least one remedial class because of low college entrance exam scores. State law requires students to take remedial classes in reading, English, or math if they score lower than 19 in those subjects on the ACT (or equivalent on other entrance exams). Data shows that 29.2 percent of these students needed remedial reading, 31.6 needed remedial English, and 44.9 percent needed remedial math. The University of Arkansas, with the lowest remediation rate in the State, overhauled its remedial programs in July 2006 to reduce the number of students leaving after their freshman year. Arkansas State University has incorporated technology into its remedial math courses.

Arkansas has received a \$10,000 grant from the National Governors Association to convene a

Governor's Summit on Expanded Learning Opportunities. NGA's Center for Best Practices has funded the Summits in five states to examine ways to extend learning through after-school summer programs intended to support students' development by providing academic and enrichment activities.

The Arkansas Democrat Gazette reports that, of Arkansas' 1,067 public schools, 793 were fully accredited and 227 others were accredited with citations, primarily because at least one teacher had not completed coursework to be certified in the subjects they are teaching. The remaining 47 schools -- down from 63 the year before -- were put on probation for failing to meet accreditation requirements during the 2006-07 school year. Among the reasons for the probationary status was failing to provide all of the 38 minimum required courses and using non-certified teachers.

A recent survey has shown that Arkansas' certified teachers of math, science, or computer science are twice as likely as other teachers to leave the profession for other opportunities. The most common reasons cited by teachers of technical subjects for leaving teaching were "family or child-rearing" (42 percent) and "low salaries and benefits" (31 percent), followed by "student discipline problems" (27 percent), lack of administrative support (25 percent), and opportunities in other fields (21 percent).

California Update

October 2007

As reported in Education Week, California's \$57.1 billion FY 2008 budget for K-12 education was spared major cuts. Included in the budget are:

- \$52 million to strengthen the Governor's career and technical education programs (\$20 million will come from general funds with the rest coming from the settlement of a suit by the California Teachers Association); and
- \$18 million to cover rent and lease payments for charter schools serving low-income students.

Funds to help local school districts collect and maintain data for the State's student tracking system was, however, deleted from the FY 2008 budget.

As reported in Education Week, California's Proposition 49 increases funding for after-school programs. Known as the After-School Education and Safety Program Act, Proposition 49 has called for the State to allocate up to \$550 million per year -- up from \$120 million a year before Proposition 49 -- for grants to after-school programs. In Los Angeles, for example, the State funds have allowed the *LA's BEST* after-school program to expand from 148 to 180 elementary schools. Most of the State money is going to after-school programs in elementary and middle schools, allowing Federal 21st Century Community Learning Centers funding to be shifted to high schools.

As reported in Education Week, the mayor of Los Angeles and the Los Angeles Unified School District have, after months of legal wrangling, reached a partnership agreement for managing the City's schools. The plan calls for the mayor's office and the district's new Innovation Division for Educational Achievement jointly to oversee the management of two failing high schools and their elementary and middle feeder schools. The specific schools to be included in the partnership have not yet been determined.

Colorado Update

October 2007

According to the Colorado Department of Education, 74.1 percent of the State's high school students graduated on time in 2006 -- a significant drop from 80.1 percent in 2005. In Denver, only about half graduated on time. State officials attribute the lower graduation rate to the State's new method of calculation that no longer counts students who obtain GEDs. Under the revised formula, a total of 15,500 students who started ninth grade in 2001 failed to graduate four years later.

Colorado has developed a 35-page school reform plan that is expected to broaden online education, solicit business contributions to schools, and give full college scholarships to high school seniors who promise to come back and teach in hard-to-staff schools. The new plan will evaluate whether the State's academic standards are rigorous enough and calls for changes in the Colorado Student Assessment Program tests to make them shorter and with faster feedback to districts. The plan would also create a voluntary Statewide curriculum that would be available to all Colorado school districts.

Connecticut Update

October 2007

The New Haven Register reports that a deadlock between Governor Jodi Rell and the State legislature has prevented the release of \$38 million in State funding for school construction.

The Hartford Courant reports that 265 of Connecticut's 805 public elementary and middle schools failed to make adequate yearly progress (AYP) under the No Child Left Behind Act (NCLB) -- an improvement over last year's 290 schools. Fifty of the State's 182 high schools -- ten more than 2006 -- also missed AYP. The State has filed suit over NCLB's testing requirements, arguing the expenses outweigh Federal payments by \$41.6 million. A District Court judge dismissed three of the State's four claims last year, but the State is pursuing the fourth claim and is appealing the dismissal of the other three.

District of Columbia Update

October 2007

The Washington Post reports that 30 D.C. public schools, including four charter schools, have failed to make adequate yearly progress (AYP) for four consecutive years subjecting them to possible “restructuring.”

The District of Columbia has received one of 13 three-year grants from the U.S. Department of Education to design and implement a Statewide longitudinal data system. The District’s \$5.7 million grant will help in the development of a student data system that will track student movement within the District and link student outcomes to particular teachers, schools and programs.

Florida Update

October 2007

According to Education Week, Florida has established a kindergarten test to measure how well the State's prekindergarten programs -- serving 105,000 students -- are preparing children for kindergarten. Pre-K programs that fall in the bottom 15 percent on the test are labeled as "low-performing" and are required to submit an improvement plan. If, after three years, a program doesn't improve, it could lose its State funding. Critics of the exam argue that the test is unfair and does not measure what it is supposed to.

As reported in the Orlando Sentinel, Florida has adopted new math standards for all grades K through 12. The new standards are intended to include more "hands-on" lessons for students to explore math concepts. Developed in conjunction with the National Council of Teachers of Mathematics and other experts, the new standards will be supported by teacher training, rewritten textbooks, and revisions of the math portions of the Florida Comprehensive Assessment Test (FCAT). The new standards focus on a smaller number of "big ideas" and smaller numbers of benchmarks for instruction. They will be taught beginning in the 2008-09 school year and incorporated into the FCAT for 2010-11.

The Florida legislature has scheduled a special session for October 3 to address the State's \$1.5 billion budget shortfall. According to Electronic Education Report, most State agencies are preparing for a four percent cut, although public education may take a lesser cut. Among the cuts possible in the State Department of Education are:

- \$27.2 million for instructional materials which could cause districts to defer planned purchases of materials for health, world languages, music/arts, and computer education; and
- \$300,000 from the \$2 million for FCAT Explorer, an online program that reinforces reading and math skills as set forth in State standards.

Georgia Update

October 2007

According to The Atlanta Journal-Constitution, this Fall's high school freshmen in Georgia will be required to take four years each of mathematics and science in order to graduate in four years. The State's decision effectively merges the college-prep and vocational tracks of study. The ruling also eliminated the requirement that college prep students take at least two years of a foreign language. New guidelines call for three credits from among foreign language, fine arts, or computer technology.

The Center on Education Policy, in its report "State High School Exit Exams: Working to Raise Test Scores," indicates that Georgia helps all teachers prepare for its exit exam -- through online assistance, State specialists, and graduation coaches -- in order to raise initial pass rates for all students. The State also provides remediation and professional development for students who fail their initial attempt to pass the Georgia High School Graduation Tests.

The Atlanta Journal-Constitution reports that Cobb County has approved a \$3.7 million pilot program -- known as 21st Century Classrooms -- to supplement technology in nine of its schools. Expected to be operational by January, the program will include interactive electronic white boards, digital pads, laptop projectors, and student response systems. The schools that will participate in the pilot program include: Bells Ferry, Belmont Hills, Clay, Green Acres, and Mount Bethel Elementary Schools, Durham Middle School, and Sprayberry High School.

Idaho Update

October 2007

Idaho Governor Tom Luna, in his new budget proposal, has called for additional \$60 million for teacher salaries if there is agreement on a pay-for-performance plan. As reported in the Spokesman-Review, the Governor says he will not support the funding -- which amounts to an 8.5 percent increase in the State-funded portion of teachers' salaries -- under the current salary structure. The merit pay system would include additional money for teachers mentoring younger teachers and earning endorsements to teach multiple subjects, as well as for improving test scores.

The Idaho Statesman reports that the State is having trouble coming up with matching funds for the Federal GEAR-UP program which helps low-income high school students prepare and pay for college. In its original 2006 grant application, Idaho designated \$18 million in teacher salaries and materials as matching money. These funds do not qualify under Federal rules. The State is seeking about \$6 million in funding from non-State sources (e.g., the Albertson Foundation) to meet the matching requirement.

Illinois Update

October 2007

According to State data, passing rates on the Prairie State Achievement Exam hit an all-time low this past year. Only 52.6 percent of high school juniors passed the State reading, math, and science exams, down from 54.3 percent the previous year. Reading took the biggest drop -- from 58 percent to 54 percent. At the elementary level, the news was more positive. Illinois' elementary school students showed improvement at every grade level on the Illinois Standards Achievement Test, with the overall pass rate up from 77 percent in 2005-06 to 78.7 percent this year.

As reported in Education Week, the Chicago school district has allocated \$25 million in new funding to reduce violence through expansion of after-school programs and other efforts. About \$11 million of the money comes from local funds with the rest coming from Federal money. About \$5 million will be used to expand an after-school program -- helping students in reading, math, and science -- from 18,000 to more than 35,000 students. This program provides four-days-a-week instruction in schools not eligible for free tutoring under the Federal No Child Left Behind Act. Another \$1.5 million will go to a new after-school sports program for 20,000 elementary and middle school students. The Federal funds will be used to pay for anti-violence and anti-gang activities, as well as for efforts to help students succeed in ninth-grade and to provide training for expelled or juvenile center students to get anger management and work skills training.

Kansas Update

October 2007

According to State data, in 2006-07, 89 percent of Kansas 1,383 public schools made adequate yearly progress (AYP) under the Federal No Child Left Behind Act -- an improvement over 87 percent the year before. Conversely, the number of districts in which students failed to make AYP rose from 31 in 2005-06 to 33 last year. At the same time, the State's AYP standards have increased. In 2005-06, for example, 46.8 percent of high school students in each school and district were supposed to be rated as proficient in math; the standard rose to 55.7 percent in 2006-07 and will go to 64.6 in 2007-08.

Governor Kathleen Sibelius has placed an emphasis on early childhood education based, in part, on a recent study which found that half of Kansas' five-year-olds are not ready for kindergarten. Last year, the Governor and legislature approved a \$3 million pilot pre-kindergarten program in rural and underserved areas, as well as an additional \$1.6 million for Head Start. She has called for a multi-year strategy, but is still formulating a plan to submit to the legislature when it convenes its 2008 session in January.

The Kansas City Star reports that Kansas will seek State funding for a high school math and science academy. Under a recently passed law, \$100,000 was allocated for planning the Kansas Academy of Math and Science to be modeled after a similar two-year residential academy at Northwest Missouri State University. Entering as high school juniors, academy students would, after two years, have both a high school diploma and an associate's degree.

According to The Kansas City Star, the Kansas City (Kansas) school district has approved a program that would provide all 5,500 of its high school students with laptop computers to use during the school day. District officials believe the computer lending program will improve student achievement and narrow the technology gap between poor and non-poor students. Under a four-year, \$6.4 million lease, students will get the Apple laptops beginning later this Fall.

Louisiana Update

October 2007

The Center on Education Policy, in its report “State High School Exit Exams: Working to Raise Test Scores,” indicates that Louisiana helps all teachers prepare for the State’s high school exit exam -- through online assistance, train-the-trainer assessment workshops, exam preparation materials for teachers and students, and test items from prior years -- in order to raise initial pass rates for all students. The State also provides targeted remediation for students who fail their initial attempt to pass the Graduation Exit Examination.

Maine Update

October 2007

As reported in Education Week, Maine is going forward with its district consolidation plan that calls for a reduction in the number of school administrative systems from the current 152 to 80. Preliminary merger plans were due to the State by August 31, with final organization plans due by December 1. By January 15, 2008, localities would be expected to vote on whether to approve the mergers. The State believes the consolidation into 80 districts with at least 2,500 students each could save as much as \$36.5 million in the first year.

Maryland Update

October 2007

Education Week reports that Maryland is facing a \$1.5 billion budget shortfall and Governor Martin O'Malley is considering ways to address the potential deficit. School advocates are urging the State to continue fully funding schools under the 2002 State law known as the Thornton Act. But, it is possible that the annual inflation increases called for under Thornton could be reduced.

The Washington Post reports that, last school year, 11 of Maryland's 23 charter schools failed to make adequate yearly progress (AYP) under the Federal No Child Left Behind Act. Two charters in the suburban Washington, D.C. area were closed and three in Baltimore missed AYP for the second consecutive year, putting their charters at risk. Nine new charter schools are opening this year, bringing the State total to 30 serving 7,000 students. Charter schools have been popular in Baltimore City where a number of regular public schools were converted to charters. Proponents of charter schools believe the poor performance of some charters was the result of inadequate funding and low test scores before they were converted.

The Washington Post also reports that Maryland has offered a plan by which students who fail the State's high school graduation exam can still get a diploma. Beginning with the Class of 2009 (this year's juniors), students must pass High School Assessments in English, algebra, biology, and government in order to graduate. Data show that, of the 55,000 students in the Class of 2009, 51,000 have already passed the algebra exam (the only subject for which good data exist) and the rest have two years to retake and pass the exam. Called the Bridge Plan for Academic Validation, the alternative plan would allow students to submit projects to demonstrate their mastery of subjects. Many consider the alternative approach to be a major loophole in the State's rigorous academic requirements.

As reported in the Washington Post, Maryland intends to eliminate written-response questions from the State's high school exit exams. Starting in May 2009, the four tests -- English, algebra,

biology, and government -- will include only multiple choice questions and will allow the State to process test four weeks faster than the current tests. The Class of 2009 will still be required to take tests with written answers.

The Center on Education Policy, in its report “State High School Exit Exams: Working to Raise Test Scores,” indicates that Maryland helps all teachers prepare for the State’s high school exit exam -- through online exam preparation materials for teachers, State-developed test prep courses and formative assessments, and test items from prior years ---- in order to raise initial pass rates for all students. The State also provides professional development and online remediation for students who fail their initial attempt to pass the Maryland High School Assessment.

Massachusetts Update

October 2007

The Center on Education Policy, in its report “State High School Exit Exams: Working to Raise Test Scores,” indicates that Massachusetts helps all teachers prepare for its exit exam -- through online assistance, State specialists, and test administration workshops -- in order to raise initial pass rates for all students. The State also provides funding for remediation and professional development for students who fail their initial attempt to pass the Massachusetts Comprehensive Assessment System.

Michigan Update

October 2007

According to Education Week, Michigan is projecting a \$1.8 billion shortfall in its \$43 billion budget for FY 2008 (starting October 1st). School officials assert that 318 (53 percent) of Michigan school districts will have to lay off teachers and other staff without increased State funding that is unlikely to be forthcoming. The legislature and Governor are considering proposals for addressing the potential shortfall.

Michigan reports that, last school year, 93 percent of the State's elementary and middle schools made adequate yearly progress (AYP) under the Federal No Child Left Behind Act, compared with 91 percent the year before. The number of elementary schools that missed AYP actually increased from 101 in 2005-06 to 110 last year, but the number of middle schools that failed to make AYP dropped dramatically from 115 to 67. The State's AYP passing standards were 41 percent to 50 percent (depending on grade level) in language arts and 43 percent to 59 percent in math. High school data were not available because scoring of the State's new Michigan Merit Exam has been delayed. Although, overall, schools improved on meeting Federal benchmarks, fewer schools received As or Bs on their State school report cards.

Minnesota Update

October 2007

As reported in the St. Paul Pioneer Press, this coming school year, Minnesota students will, for the first time, take a Statewide science exam. Designed at a cost of \$3.7 million over the last three years, the exam will be administered in grade 5, grade 8, and once in high school. The test, correlated with the State's science standards (last revised in 2003), is intended to enhance science instruction across the State.

The St. Paul Pioneer-Press also reports that more than a third of Minnesota schools -- 729 out of 1,918 -- failed to meet State reading and math performance standards this year, a large increase over the 483 schools that failed in 2006. State officials argue that the increase in failing schools is attributable to a change in Federal guidelines that requires more schools to be accountable for the scores of their special education students and English language learners. Because they are Title I schools, 110 of the 729 schools on the watch list face sanctions under the Federal No Child Left Behind Act; 60 schools must provide a transfer option and 20 schools must offer tutoring. Three schools -- all in Minneapolis -- have failed to meet standards for six consecutive years and are subject to restructuring -- the replacement of staff.

Minnesota has received a \$10,000 grant from the National Governors Association to convene a Governor's Summit on Expanded Learning Opportunities. NGA's Center for Best Practices has funded the Summits in five states to examine ways to extend learning through after-school summer programs intended to support students' development by providing academic and enrichment activities.

Mississippi Update

October 2007

Five Mississippi schools are initiating a pilot program intended to address the dropout problem at the middle school level. As reported in the Jackson Clarion Ledger, the program will educate at-risk students about building relationships, the relevance of staying in school, and planning for the future. State officials estimate the cost of the program at \$1,500 per student in North Gulfport Grade School (Harrison County), Liberty Elementary (Amite County), N.R. Burger Middle (Hattiesburg), Chambers Middle (Hollandale), and East Elementary (Leflore County). The program is modeled after a similar, successful program in Maine schools.

Missouri Update

October 2007

According to the St. Louis Post-Dispatch, a county judge has upheld Missouri's system of public school financing, rejecting claims by 200 local school districts that they should receive \$1 billion in new funding. The plaintiffs had argued that the State's funding formula was flawed because it relied on erratic property tax assessment practices Statewide. An appeal is expected.

According to the Urban Educator, the Kansas City school district is opening the African Centered Education Collegium Campus for preK-9 students. The school is using a culturally relevant approach to help students develop personal responsibility, social skills, and leadership skills. It will also offer dual credit high school classes through local colleges.

Montana Update

October 2007

The Montana Department of Education reports that, last school year, 85 percent (363 out of 425) of the State's school districts and 90 percent (742 out of 825) of its schools made adequate yearly progress (AYP) under the Federal No Child Left Behind Act. These figures are about the same as the year before. Twenty-two school districts and 34 schools improved enough to be removed from the "school improvement" list although other schools were added to the list.

Nebraska Update

October 2007

Nebraska has received a \$10,000 grant from the National Governors Association to convene a Governor's Summit on Expanded Learning Opportunities. NGA's Center for Best Practices has funded the Summits in five states to examine ways to extend learning through after-school summer programs intended to support students' development by providing academic and enrichment activities.

According to the Omaha World-Herald, a coalition of four school districts -- known as the Nebraska Schools Trust -- who sued the State in 2003 over the school funding formula, has agreed to negotiate with State officials. The Trust -- comprised of the Omaha, Grand Island, Lexington, and South Sioux City school districts -- claimed that the State's finance system was unconstitutionally underfunded and discriminated against at-risk students. Nebraska courts have dismissed the funding argument, but the discrimination claim is still in litigation.

New Hampshire Update

October 2007

State data show that, last year, more than half of the elementary and middle schools in New Hampshire failed to make adequate yearly progress (AYP) in either reading or math. Of the 377 schools with reported data, 191 missed AYP this year; 139 schools have failed to make AYP for two consecutive years and 25 have missed AYP for at least three years. Thirty-three school districts also failed to make AYP, 20 of them for the first time.

According to Education Week, the Virtual Learning Academy Charter School will begin operation in January. Funded through the Education Trust fund, the new school will offer college prep courses, Advanced Placement courses, and special interest classes in English, calculus, computer science, biology, economics, and Spanish. The school, initiated by the Exeter Region Cooperative School District and approved by the State in May will be free for New Hampshire students.

New York Update

October 2007

According to Education Week, New York's Contracts for Excellence program will provide a total of \$430 million in additional State aid to 55 of the State's 705 school districts. Participating districts are required to file detailed plans for using the money on five strategies for raising student achievement, including reducing class size and lengthening the school day or year. Among the program participants, New York City will use \$40 million to establish 430 new team-teaching special education classrooms and another \$14 million on more student assessments. Schenectady will spend \$610,000 to hire an instructional coach for each of ten elementary schools.

According to The New York Times, New York State has rejected Federal funding for abstinence-only sex education programs on the grounds that such programs are not effective in reducing teen pregnancies. The State will lose \$3.5 million annually in Federal money and will redirect \$2.6 million in State funds to more comprehensive sex education programs. New York is one of at least 11 states that have rejected Federal abstinence-only funds.

Ohio Update

October 2007

According to the Akron Beacon Journal, 62.4 percent of Ohio's more than 600 school districts failed to make adequate yearly progress (AYP) under the Federal No Child Left Behind Act, up slightly from 60.6 percent last year. In the Akron-Canton area, 47 school districts missed AYP, up from 43 a year ago. Most districts that failed to make AYP did so because of low scores by special education students.

The Cleveland Plain Dealer reports that, according to a ruling by the Ohio Attorney General, the State's public schools cannot require parents to pay for all-day kindergarten. Districts that do so must stop and may have to reimburse families for fees paid this school year. Ohio requires only half a day of kindergarten and contributes to the districts accordingly; it also helps fund full-day kindergartens in high-poverty districts.

According to Education Week, Ohio's Attorney General is planning to file a series of lawsuits intended to shut down State-funded charter schools that are not meeting academic and financial requirements. Thirty Ohio charter schools are in "academic emergency" status, but the State cannot close the schools under its academic accountability law until the end of the 2008-09 school year. Currently, 18 Ohio charter schools are unauditible, at least until a new State law takes effect in the Spring.

Oklahoma Update

October 2007

The Oklahoman reports that 62 Oklahoma schools are on the list of those that failed to make adequate yearly progress (AYP) for at least two years under the Federal No Child Left Behind Act -- up from 47 schools the year before. Fifty-five of the schools are Title I schools, including 15 in the Oklahoma City school district. Of the 62 schools on the list, 23 actually made AYP last year but must do to again this year to come off the list. Meeting performance levels was more difficult this past school year because benchmarks were raised from an Academic Performance Index (API) of 768 to 914 in reading and from an API of 790 to 932 in math.

This summer, members of the Oklahoma legislature have conducted an eight-week series of hearings on teacher performance pay systems. As reported in Education Daily, some legislators have said any future increases in teacher salaries must have pay-for-performance components. Currently, Oklahoma teachers are paid on a traditional salary schedule based on seniority and education level, although some teachers earn bonuses for improving student achievement.

Oklahoma has received a \$10,000 grant from the National Governors Association to convene a Governor's Summit on Expanded Learning Opportunities. NGA's Center for Best Practices has funded the Summits in five states to examine ways to extend learning through after-school summer programs intended to support students' development by providing academic and enrichment activities.

Oregon Update

October 2007

The Oregon Board of Education is considering the State's approach to online private schools. As reported in The Oregonian, existing State rules limit online schools to serving students in a single district, effectively eliminating large private online school providers from operating in the State. Insight Schools -- an affiliate of the University of Phoenix -- has asked that students from across Oregon be allowed to enroll in its online high school. Insight wants to open its school in January with 350 high school students and expand to 2,000 students by 2011. Insight's request is supported by charter school proponents and advocates for dropouts and working teens who argue that many students would not get a high school education without online alternatives. Opposed to the Insight proposal are the State's teachers union and school principals association who believe online schools will take money from regular public schools.

Pennsylvania Update

October 2007

Pennsylvania education officials have called for a revision in the State's funding formula for charter schools. Currently, charter schools are funded based on per-student costs in the student's home district. According to State officials, this structure allows cyber charter schools to make profits on students from wealthy school districts while maintaining a fixed per-student cost structure. The State wants to establish a single cyber school tuition rate based on the actual expenditures of the charter schools.

According to the Philadelphia Inquirer, although student scores last year in Philadelphia improved for the fifth consecutive year, the number of schools making adequate yearly progress (AYP) under Federal benchmarks fell from 131 schools (49 percent) to 107 (40 percent). District officials attributed the decline to the fact that three additional grades -- 4, 6, and 7 -- were tested. District data show that, last year, 29 Philadelphia schools missed AYP solely because of scores by special education students -- up from only two such schools the year before. Charter and privately managed schools also showed declines. Thirty-four charter schools (62 percent) made AYP, down from 36 the previous year, and only ten of the 41 schools managed by Edison Schools, Inc. made AYP.

Puerto Rico Update

October 2007

As reported in Education Daily, the U.S. Department of Education has rejected the seventh and eighth versions of Puerto Rico's Reading First application. Among the problems USED has had with Puerto Rico's applications are a lack of understanding of scientifically based reading research, inadequate infrastructure, difficulty in applying scientifically based reading research to the Spanish language, and different, often conflicting, feedback during the different application rounds. USED did call version eight "substantially improved."

South Carolina Update

October 2007

This Spring, Governor Mark Sanford signed into law the establishment of the South Carolina Virtual School Program which will allow students to access courses their schools can't provide. As reported in [School Reform News](#), the new law appropriates \$3.6 million for the current school year with a limit of 3,000 online students per semester -- an increase over the 1,921 students from 11 districts who participated in a pilot test in the Summer of 2006. It is expected that public school students would receive the curriculum materials at no cost while private school and home schooled students would be required to pay for them. School officials believe the online school will benefit high-performing students more than struggling students. Leaders of the State's home-schooling community were lukewarm in their endorsement of the program.

The non-profit South Carolina Student Loan Corporation has donated \$3 million to the State to help establish dropout prevention programs at 16 low-performing schools. The State had already planned to create a Star Academy at the Olympia Learning Center in Columbia; the new funds will expand the Star Academy program which targets eighth-graders who are at least two years behind grade. Some of the new programs will begin in October. The program in the Richland 1 school district, for example, will enroll 50-60 students right away and could serve as many as 80 students.

A new report from the Center for Education Policy and Leadership at South Carolina's Riley Institute analyzed interviews with nearly 800 educators, students, parents, administrators, and business leaders in the State. The top priorities for public education in South Carolina, as expressed by the stakeholders, are:

- effective teachers in every classroom;
- ready access to textbooks and other learning resources;
- mentoring for beginning teachers; and
- up-to-date school facilities.

The Center's report is at:

<http://cepl.furman.edu/index.php?page=1>

The Urban Educator reports that the Charleston County School District is attempting to reduce teacher planning and preparation time by providing its teachers with curriculum guides.

Intended to increase teachers' time with students, the guides detail the standards for each class and give suggestions for individualizing instruction.

Tennessee Update

October 2007

As reported in Electronic Education Report, this summer, the Tennessee legislature passed the 2007-08 budget that includes \$4.7 billion for PreK-12 education. The Governor plans to revise the State's school funding formula, increase teacher salaries, and add \$25 million for preK programs. Also in the budget is a grant proposal that would provide funding to train teachers and upgrade the State's infrastructure in advance of the Statewide implementation of the ThinkFinity portal. Funded under Federal Title IID are two technology initiatives: (1) *E for Tennessee*, a virtual education program offering advanced placement, enrichment, and credit recovery courses; and (2) a technology coaching program to support teachers in schools. Tennessee is also continuing its three-year-old Tennessee Formative Assessment Program that, in conjunction with the Princeton Review, provides for three benchmark tests each year and allows teachers to create additional practice tests.

Texas Update

October 2007

According to [The Dallas Morning News](#), Texas has become the first state in the nation to establish a rating system for early childhood education programs. Known as the School Readiness Certification System, the voluntary rating system tracks students from preschool to kindergarten and uses the kindergarteners' scores on reading and social skills tests to determine if their preschool classes prepared them well. According to a pilot test conducted by the early childhood development center at the University of Texas, of 1,000 pre-kindergarten classrooms across the State that were rated, 450 earned State approval. Once the full system is operational, an online database will be available to parents as they assess the quality of preschool programs. Texas' publicly funded preschool programs serve more than 180,000 three-and four-year-olds.

Educators across Texas are concerned about the effects of a new requirement that has some special education students being tested at their grade levels rather than at their actual learning levels. As reported in the [Austin American-Statesman](#), the new test, called the TAKS-M (Texas Assessment of Knowledge and Skills-Modified) will be given for the first time next Spring to between 80,000 and 100,000 special education students. The TAKS-M is still being developed, but local educators are concerned that, because students could be taking tests for which they are not prepared, school ratings could go down significantly.

The [Houston Chronicle](#) reports that Texas has passed a new law that expands, to students aged 21 to 26, a State program that gives \$30 per student, per day to school districts enrolling older students working toward high school graduation. It is estimated that the expanded program will cost the State \$1.7 million per year.

As reported by [Education Week](#), the Houston school district plans to overhaul its merit pay plan for teachers. The district will continue rewarding schools and teachers whose students perform well on tests. The new program, called ASPIRE (Accelerating Student Progress Increasing Results & Expectations), is intended to improve communications with teachers, strengthen the

data analysis used to determine awards, and expand the number of eligible educators. The program is expected to pay out as much as \$22.5 million in awards in January, with individual teachers eligible for up to \$7,300. Last year, the district awarded \$15 million in bonuses, but the data system was criticized for being unfair. The new data analysis is expected to be fairer and “more statistically robust.”

The Houston school district has opened eight new elementary schools this Fall, according to the Urban Educator. The district is also opening its first film school and has allocated \$7.3 million to upgrade its band, choral, dance, theater, and other arts programs.

Utah Update

October 2007

As reported in the Deseret Morning News, despite \$500 million in new education spending over the last two years, Utah continues to rank last in the nation for support of K-12 education. It is estimated that the State would have to allocate an additional \$1.4 billion to bring up to the national average. Even though all State income tax revenue goes to education, the State's high birthrate and low population make school funding difficult. The State projects revenue surpluses but are cautious about committing funds to education.

State data indicate that 27 percent of Utah schools -- up from 18 percent the year before -- failed to make adequate yearly progress (AYP) under the Federal No Child Left Behind Act (NCLB) -- a total of 256 schools Statewide. In some of the State's larger school districts saw the number of schools missing AYP to go up significantly. In Jordan, for example, 26 schools failed to make AYP compared to 22 last year. And, in Granite, 29 schools missed AYP -- up from 22 the previous year.

In early September, Utah approved an online K-12 charter school called the Utah Virtual Academy. As reported in The Salt Lake Tribune, the new school -- managed by K12, Inc. -- will serve as many as 500 students at no cost and could open in the Fall of 2008. Local teachers will guide through lessons online and will meet with student as necessary.

The Salt Lake Tribune also reports that Utah is considering replacing many of the State's standardized tests with "adaptive" online exams. Currently, the State administers Criterion-Referenced Tests, the Iowa Test of Basic Skills, the Utah Basic Skills Competency Test, and the Directed Writing Assessment. The new testing plan calls for all students in grades 2-12 to take online tests at least three times each year and for the tests to be integrated into the U-PASS system that rates schools' academic performance. Proponents of the new system say it will better show student progress and give teachers more rapid feedback than the standardized tests.

Virginia Update

October 2007

The Washington Times reports that, last school year, 72 percent of Virginia's public schools -- 1,316 out of 1,823 -- made adequate yearly progress (AYP) under the Federal No Child Left Behind Act. Of the State's 699 Title I schools, 64 schools (compared with 63 last year), are subject to Federal sanctions for failing to meet benchmarks for multiple years. A total of 27 Title I schools are in "improvement" status, having failed to make AYP for two consecutive years and must offer the transfer option. Fourteen Title I schools have missed AYP for three years and must offer transfer and tutoring options. Another 14 Title I schools have failed for four years and are thus in "corrective action," and have to change the curriculum, fire staff, or extend the school day or year. Six Title I schools have missed AYP for five consecutive years and are subject to alternative governance as well as the other, lesser, sanctions. And two Title I schools - both in Richmond -- have failed for the sixth straight year and are required to replace staff, become a charter school, or turn school operations over to a private company.

The Washington Post reports that Republicans in the Virginia legislature are attempting to prohibit public colleges and universities in the State from accepting illegal immigrants even if they attended a public high school. The bill would also deny bail for illegal immigrants charged in a crime and suspend the business licenses of anyone convicted of hiring illegal immigrants.

West Virginia Update

October 2007

As reported in the Charleston Daily Mail, West Virginia Virtual Schools has asked the State Board of Education to double its annual budget of \$458,000. Currently offering 233 courses as the middle and high school levels, the Virtual Schools have seen 1,550 take its courses. School officials say 85 to 90 percent of West Virginia students succeed in their online classes.