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MEMORANDUM

DATE: June 1, 2011
TO: TechMIS Subscribers
FROM: Charles Blaschke and Blair Curry
SUBJ: SIG Baseline Data; ESEA “Reauthorization”; Remaining SFSF Funds; Fix-it Amendments; College Remediation; and State Profile Updates

On May 20th, two Special Reports were sent to subscribers. One analyzed the details of the FY 2011 USED budget with several implications affecting Title I purchasing cycles. The other identified districts receiving large absolute increases and large percentage increases in preliminary Title I allocations for next year along with final state Title I allocations. Some SEAs are receiving significant increases even though nationwide, Title I budgets remained about the same as last year.

Enclosed is a Special Report based on our analysis of the recent USED/Institute of Education Sciences (IES) baseline analysis of School Improvement Grant applications and schools receiving SIG grants. The report also provides a comprehensive focus on certain states’ SIG funding which is being awarded to Tier III (versus Tier I-Tier II) schools. This new information should help subscribers who have different products/services in deciding which types of schools/states to target.

The Washington Update includes:

- **Page 1**
An update on ESEA “reauthorization” which follows fairly closely the scenario which we described in our April 15th Special Report: several fix-it amendments and major regulatory relief initiatives in lieu of a comprehensive reauthorization this year. Several fix-it amendments (described later) have already been introduced while different education groups favor different forms of “regulatory relief.”

- **Page 2**
The U.S. Chamber of Commerce released its guidelines for ESEA reauthorization which would continue some of the major NCLB accountability provisions with some flexibility in other areas; one of its priorities is increased financial support for STEM activities.
- **Page 4**
Senator Kay Hagan (D-NC) has introduced the School Turnaround and Rewards Act (STAR) which would codify many of the current SIG regulations and provide greater flexibility in some areas and extend learning time through the use of competitive grants to lowest performing schools; it would also reward successful school turnaround efforts.
- **Page 5**
In a number of states, large percentages and absolute amounts of State Fiscal Stabilization Funds (SFSF) “cumulative available balances” of unspent funds exist. At the last moment, several states could decide to allocate such remaining funds to K-12 districts based on district preliminary Title I allocations which, in combination with cumulative balances of Title I ARRA funds, could represent high levels of funds available for purchases of products and services before September 30th.
- **Page 8**
Since our lengthy March 4th report on trends and developments in the college readiness/remediation niche market, a number of additional developments have occurred which are included in this update, including a recent survey addressing the growth of distance learning at community colleges.
- **Page 10**
The annual survey of state preschool funding conducted by NIEER has found, for the first time, state funding for early childhood has declined and is now almost \$700 per child served below the 2001-02 level; however, Secretary Duncan recently announced that \$500 million of the \$700 million in FY 2011 Race to the Top funds will be for early learning competitive grants this year. Applications should be available shortly with grant awards being made by December 31st.
- **Page 11**
A number of miscellaneous Washington Update items are also included.
 - a) A coalition of ten current and former Chief State School Officers, called “Chiefs for Change,” has outlined their principles for ESEA reauthorization which are very similar to the guidelines recently proposed by the U.S. Chamber of Commerce.
 - b) The Rural School and Community Trust has worked closely with key Congressional members in the submission of two bills which are designed to level the playing fields for rural districts to help them get their share of i³ and other competitive grants and otherwise promote “equitable funding” within

the Title I formula.

- c) USED softens its “state authorization rule” which would affect online programs in every state requiring multiple registrations by one college for all of its courses in each state it sought student enrollees.

Once the applications and guidelines for eligible states to apply for the remaining \$200 million under the third round of Race to the Top funding are available, we plan to provide a Funding Alert. While nine states are eligible to apply (Arizona, California, Colorado, Illinois, Kentucky, Louisiana, Pennsylvania, New Jersey, and South Carolina), according to the *Politics K-12* blog, only New Jersey, Colorado, and Louisiana have stated their definite plans to resubmit.

The state profile updates cover changes in teacher tenure and collective bargaining policies in a large number of states, state education budget negotiations which continue to occur, and certain state policy changes including graduation requirements, social promotion, and related items.

Special Report:
**USED/IES Releases First Baseline Analysis of School Improvement
Grant Applications and SIG-Awarded Schools Which Should Help
Firms with Certain Products/Services to Target Tier III, Versus Tier I-II
Schools, as well as SEAs**

A Technology Monitoring and Information Service (TechMIS)
SPECIAL REPORT

Prepared by:
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June 1, 2011

Conducted by the American Institutes for Research (AIR), the “baseline analysis” of SEA and district activities related to SIG-awarded schools identifies significant differences in several areas when comparing Tier III and Tier I-II schools which have been awarded funds thus far.

Of the 15,277 schools nationwide that were eligible for SIG funding, 1,228 were awarded SIG funds; 514 are Tier I schools, 312 are Tier II schools, and 402 are Tier IIIs. Only 12 states (of the 25 which were allowed to do so) awarded SIG grants to Tier III schools: Florida (6), Kentucky (95), Louisiana (30), North Dakota (37), Ohio (6), South Dakota (16), Tennessee (60), Texas (18), Vermont (56), Virginia (40), Wisconsin (35), and Wyoming (3). Tier III schools represented the vast majority of SIG-awarded schools in Kentucky, Louisiana, North Dakota, South Dakota, Tennessee, Vermont, Virginia, and Wisconsin (see Exhibit 12 of the report). Also, as seen in Exhibit 12, 100 percent of the schools were Tier Is in Alaska, District of Columbia, Iowa, Massachusetts, Montana, Nebraska, New Mexico, Oklahoma, and Rhode Island; in Delaware all six schools were Tier II. Overall, 41.9 percent were Tier I schools, 25.4 percent were Tier II, and 32.7 percent were Tier III schools.

In Exhibit 17, the report identifies 43 districts in which five or more schools received SIG funding; for the most part, these were large urban districts with Milwaukee (46) having the largest number followed by Philadelphia (27). These demographics suggest firms with large comprehensive solutions, which are relatively labor-intensive and costly, might want to focus on these districts. Firms with specific products which can be used in district-decided interventions approaches might wish to focus on states which are funding a large number of Tier III schools. As displayed in the report’s Exhibit 4, 17 SEAs required Tier III schools to use one of the four prescribed models. But of the above 12 states that funded Tier III schools, only South Dakota and Wyoming were required to do so.

In terms of total and per-pupil funding increases through the use of SIG grants, Tier I and Tier II schools receive average total awards of \$2.6 million and \$2.47 million respectively, with Tier I schools receiving an average of \$1,490 per pupil. Tier III schools received average allocations of \$330 per pupil, although the actual allocations varied across states. In Kentucky and Tennessee, which awarded SIG funds to 95 and 60 Tier III schools, the average per-pupil award amounted to \$180 and \$150, respectively. In states that funded fewer Tier III schools, average per-pupil allocations were much higher -- Ohio (\$1,520), Texas (\$1,130), and Wyoming (\$910).

While the report does not break out the amounts awarded by school size for Tier I, II and III schools, the average amount per pupil in schools with 200 or fewer students was \$3,860 and \$1,540 for schools with enrollments between 201-400 students. As displayed in the report's Exhibit 20, the average total award for high schools was \$2.37 million (about \$910 per pupil) compared to \$1.37 million for elementary schools (an average amount per pupil of \$1,100). Among the 484 schools using the transformation model, the average total award was \$2.48 million (about \$1,270 per pupil).

Many states imposed additional requirements which districts with eligible Tier III schools had to meet. In 17 states, in order for a Tier III school to be awarded an SIG grant, that school had to be committed to implementing one of the four intervention models. As noted later, some states received approvals to develop a state-customized transformation and turnaround model. Nine states (Connecticut, Delaware, Hawaii, Nevada, Ohio, South Carolina, South Dakota, Vermont, and Wisconsin) approved Tier III schools only if the Tier III school was located in a district with Tier I and Tier II schools. Six states (Missouri, Mississippi, Montana, New Mexico, Nevada, and South Carolina) required Tier III schools to be feeder schools for Tier I or Tier II schools.

AIR's baseline analysis confirmed that the vast majority of states have requested and received a number of waivers, as we have reported based on anecdotal data, including:

- 47 states (all but Montana, Tennessee, Vermont, and the District of Columbia) received waiver approval to allow Tier I and Tier II schools to "start over" in improvement timelines if they implemented a turnaround or restart model, which meant that these schools would no longer be required to offer SES and parent choice.
- 44 states were given the option to waive the 40 percent poverty eligibility threshold to permit LEAs to implement a schoolwide program in a Tier I or Tier II school.
- 49 states (all but Montana and the District of Columbia) received waiver approval to extend the period of availability of SIG funds changing the obligation deadline from September 30, 2013 to September 2014.

Several states also received approval to modify one or more of the four intervention models including:

- Texas, in which the transformation model had to include improving school climate, developing district capacity to transform schools, and online professional development, including partnerships with the regional support centers.

- Alabama, in which its transformation model increased training and support for implementing the SEAs Response to Intervention framework.
- Virginia, in which the transformation model required LEAs to use coaches to work with each Tier III school, and incorporated the use of performance contracts with partners (we reported this over a year ago when we interviewed SEA SIG officials).

Also addressed in the AIR report were individual state initiatives related to SEA capacity-building and the inclusion of SEA priorities in the selection and monitoring of LEAs which received SIG grants. Eighteen states reportedly are providing “quality control measures for identifying external providers” (SEA approved lists). These include: Arkansas, Colorado, Delaware, Illinois, Indiana, Louisiana, Massachusetts, Michigan, Missouri, Nebraska, Nevada, New Hampshire, Ohio, Rhode Island, Utah, Virginia, Washington, and West Virginia. The report notes, “The Massachusetts SEA plans to qualify external providers based on providers’ abilities to support the ‘Essential Conditions’ that the SEA has identified as critical to turning around schools. In Indiana, the SEA plans to approve LEAs’ external provider selections.” As we reported in a TechMIS Special Report last year, House Education Committee Chairman Miller called for Congressional hearings on the “selection process” of external partners used by SEAs and/or LEAs and Secretary Duncan indicated, at about the same time, that USED would be providing specific guidance to SEAs on screening and selecting third-party providers. Neither has yet occurred.

The report notes that ten states have mandated the development and implementation of improvement tools to support SIG school activities, including school improvement planning templates, needs assessments, budgeting documents, data analysis tools, teacher evaluations, and suggested guidelines for hiring new staff. States which are involving state or regional networks to improve school capacity, including the use of education service agencies, are Kansas, Michigan, Nebraska, New Jersey, New Mexico, New York, Oregon, and South Carolina. Interestingly, only five states -- Illinois, Kentucky, Louisiana, Minnesota, and New York -- had plans to enlist training and other support for SIG LEAs and schools through institutions of higher education.

While not reported in the AIR’s baseline analysis, in January, USED announced that it would focus all of the monitoring and auditing conducted by Title I and other auditing staff on districts receiving School Improvement Grants and would not conduct monitoring visits to other Title I districts. During the first round of monitoring/auditing visits, the following states were scheduled for such onsite visits: California, Indiana, Maine, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, Pennsylvania, South Dakota, and Tennessee (see February 15, 2011 TechMIS).

The baseline analysis, however, does report on what types of monitoring and auditing activities SEAs were planning to conduct. The law requires SEAs to evaluate, on an annual basis, SIG-awarded districts and schools on the progress being made to determine if SIG funding should be continued. SEAs are allowed to monitor more frequently than once a year. Seventeen states reported a plan to conduct at least monthly or quarterly onsite monitoring visits. These states

included: Alabama, Arizona, Colorado, Kansas, Kentucky, Louisiana, Michigan, Nebraska, Nevada, New Jersey, Ohio, Oklahoma, Rhode Island, Tennessee, Utah, Vermont, and West Virginia. To the extent that funding is discontinued based on monitoring audit site visits at some recently SIG-awarded schools, one can logically speculate that a large portion of these schools would be located in these 17 states. Hence, additional eligible schools may be provided future opportunities to participate in the program through the SEA competitive grant process.

For a copy of the baseline analysis, go to:
<http://ies.ed.gov/ncee/pubs/20114019/pdf/20114019.pdf>

Washington Update

Vol. 16, No. 5, June 1, 2011

ESEA “Reauthorization”: Fix-it Amendments and Regulatory Relief Update

In our April 15th TechMIS Special Report on ESEA “reauthorization,” we predicted that a combination of “fix-it” legislation and “regulatory relief” would likely constitute a “reauthorization” of ESEA rather than a “comprehensive” reauthorization bill that Secretary Duncan and the Senate Democratic leadership had supported. It would now appear that such a comprehensive reauthorization this year is very unlikely as Chairman of the House Education and Workforce Committee, Representative John Kline (R-MN) recently said in an interview with the Associated Press, “It is just not going to happen [by August].” As an Education Week (May 20) article stated, “Two approaches have emerged to restructuring the law. The House plans to introduce several targeted fixes through multiple bills, starting with a proposal to eliminate 43 federal K-12 education programs. The Senate still aims for a more comprehensive legislation.”

And as reported in Education Week’s Politics K-12 blog (May 24th) and Education Daily (May 26th), a host of additional changes to NCLB will likely be handled through various types of “regulatory relief.” A coalition headed by AASA and NSBA has called on both Congress and Secretary Duncan to: (1) place a moratorium on sanctions by halting the designation of additional districts and schools “identified for improvement”; (2) making regulatory

changes through the waiver process; and (3) nullification of “non-regulatory guidance.” Many of these NRGs reflect the previous Administration’s interpretations of issues such as the 20 percent set-aside for SES parent choice (see April 15th TechMIS Special Report).

A number of fix-it bills are reportedly going to be introduced in the House over the next several months, in addition to the recent bill by House Education Subcommittee Chairman Duncan Hunter (R-CA), which included the elimination of 43 existing education programs; some of these were defunded in the FY 2011 Continuing Resolution (e.g., E²T² and Striving Readers), while others were proposed for consolidation (e.g., School Leadership and Teaching American History) or were programs not recently or never funded. A second bill would provide states and districts greater flexibility in terms of using Federal funds, while a third bill would address accountability (after August) and other issues on which there does not exist bipartisan agreement thus far.

On the Democratic side, over the last month, a number of bills have also been recently introduced which could be used as the basis of fix-it amendments to ESEA. One is the STAR Bill introduced by Senator Kay Hagan (D-NC) which would codify/authorize School Improvement Grant Part G regulations and guidance but would likely provide somewhat greater flexibility regarding the use of the four prescribed intervention models (see related Washington

Update item). Another bill is the so-called Time for Innovation Matters in Education (TIME) Act which has been proposed in both the House and the Senate. If enacted, it would provide grants to low-performing schools for at least 300 hours of extended learning time per year; supporters include Senator Tom Harkin (D-IA), and Chairman of the Senate Education and Workforce Committee and Jeff Bingaman (D-NM). Another bill recently introduced is the LEARN Act, spearheaded by Senator Patty Murray (D-WA), which many perceive as a replacement for the defunded Striving Readers program.

We plan to keep subscribers updated on developments as progress is being made or changes occur in both the push for regulatory relief as well as fix-it amendments.

U.S. Chamber of Commerce's ESEA Reauthorization Proposal Would Continue Some of the Major Accountability Provisions in NCLB and Calls for Comprehensive Policy Changes Through Comprehensive Legislation Action Rather than Regulatory Relief

The U.S. Chamber of Commerce, which claims to represent more than three million businesses and other organizations, has published its "guidelines" for ESEA reauthorization which includes maintaining important existing NCLB accountability provisions with some policy changes, including new flexibilities, to be determined through the legislative process rather than through changes in regulations. As the Chamber's policy statement emphasizes, "The Chamber believes that provisions in

current law must be strengthened and improved while preserving the fundamental features of this historic education law that are designed to raise student achievement and close achievement gaps for all students. At the same time, changes and updates are warranted. The law should provide flexibility and authority to states so long as strong accountability for student achievement is maintained." While recognizing school districts are primarily responsible for ensuring that students receive a quality education, the statement reads, "However, the Federal government has had a limited but important role in helping to ensure that poor, minority and disabled children are provided a quality education, and this role must continue."

The Chamber's guidelines would keep intact several current major provisions, including:

- Continuing annual state assessments of every child in grades 3-8 and once in high school, in reading and math. The Chamber "would like to broaden the subjects that count toward AYP to include science," according to *Education Week's Politics K-12* (May 4, 2011).
- Benchmark state assessments related to the Common Core State Standards (which the Chamber supports) against the NAEP, which according to the statement is "currently the only source of comparable independent student performance data at the state level."
- Continue reporting the disaggregation of assessment data by subgroups of students.
- Ensure that the states' transition to the College and Career Readiness goal "should be as ambitious as the

current law and recognize that significant progress from year to year will be necessary to get students on grade level in the core subjects.”

At a general level, some of the proposed flexibilities and changes appear to be similar to the Administration’s Blueprint including:

- Holding schools accountable for performance in science and improving STEM education with Federal funding focused on “scaling up proven programs;”
- Reforming high schools to better prepare students for strong college academics and real world experience;
- Recognizing and rewarding effective teachers and principals based on student performance including teacher evaluation systems based on effectiveness in advancing student growth;
- Overhauling teacher tenure;
- Eliminating and consolidating some Federal education programs;
- Encouraging innovation and technology which personalizes instruction for students and redesigning schools better to use time, people, and innovative ways to increase student achievement; and
- Enhancing data-driven decision-making which can help educators use information to differentiate instruction.

In several areas, the Chamber’s proposed guidelines and principles differ from the Administration’s proposals and others proposed by most education groups including:

- To provide real choices for parents and students, Title I funds should be portable; they should follow the child to wherever the parent believes their child can receive a better education, including free tutoring, public school choice, charter schools, online learning, and private school choice.
- Hold accountable schools that have been identified as low-performing, especially during the college and career readiness transition period so that new grading systems are at least as rigorous as current systems.
- Establish a grading system, such as A-F, with states providing targeted assistance and interventions to schools in each category so that students get support they need regardless of the school they attend; moreover, interventions must include public and private school choice, tutoring, online learning and charter schools.

The proposed grading system for schools has also been a major priority for former Florida Governor Jeb Bush who now spearheads a national lobbying effort to expand to other states his Florida accountability measures, which has already resulted in adoption of A-F types of grading systems in New Mexico, Oklahoma, Minnesota, Utah, and Indiana.

Alyson Klein, in *Politics K-12* noted that the Chamber’s position supports civil rights groups’ concerns that the Administration isn’t being specific enough when it comes to what the federal role would be in turning around most schools (i.e., those that don’t fall into the very bottom 5 percent in their

states). Former Secretary of Education Margaret Spellings, who is now president of the Chamber's Forum for Policy Innovation, stated that the new law "cannot substitute transparency for accountability." One of the major reasons that the Chamber's position on reauthorization will be taken seriously into account is that former Secretary Spellings still has a following among many seasoned GOP conservative education policy makers and can speak with a degree of authority. Also the Chamber's strong support of accountability and increased funding for STEM activities in its "guidelines" should engender support from STEM advocacy groups on both sides of the aisle. Earlier this month, CEOs from 110 corporations signed letters sent to Governors and other state leaders urging them to provide support and maintain high standards in science, technology, engineering, and math education. This business coalition, referred to as Change the Equation, has also pledged \$700 million of private funds and in-kind contributions supporting STEM education over the next year. The Chamber's "guidelines" are at: <http://www.uschamber.com/issues/education/statement-reauthorizing-no-child-left-behind-nclb-act>

Senator Kay Hagan (D-NC) Introduces the School Turnaround and Rewards Act (STAR) Which Would Provide Competitive Grants for Districts to Develop and Implement School Turnaround Models

As first reported in *Education Daily* (May 4th), the STAR Act would authorize \$600 million for competitive state awards to LEAs, and another \$300 million to schools,

that have shown turnaround success. *Education Daily* reporter Frank Wolfe said that, while the Act would allow districts to use one of the four existing School Improvement Grant model interventions (transformation, turnaround, restart or closure), Hagan's announcement "left open the possibility that the bill, and a final school turnaround policy in ESEA reauthorization, will be more flexible." Hagan was one of the 11 so-called moderate Senators who, several months ago (see March TechMIS *Washington Update*), released their "core principles" for reauthorization which argued that the four turnaround models have a need for "local input" to take into account the special needs of rural districts. The STAR Act would also include a provision for creating a "pipeline of principals," especially for rural districts. On May 16th, Alyson Klein's *Politics K-12* blog offered her interpretation that the principal removal provisions in three of the four prescribed models would be "a tighter restriction." The proposed bill would also require the school that would receive SIG funding to add at least 300 hours of extended learning academic time yearly. One allowable use of funds would be to involve partnerships with non-profit entities.

The proposed bill would also address two critical issues, one of which has become an increased priority in five addenda to SIG guidelines over the last year and a half -- increased parental involvement and community engagement. The bill would support the use of many of the activities also allowed under the Promise Neighborhoods program. The other issue which has been identified by experienced and knowledgeable school turnaround groups as critical to the success in turning around individual schools is increasing district

capacity and possibly allowing more SIG funds to be used for district reform initiatives, many of which are required or otherwise needed to realized the benefits of school-level reform initiatives. The latest set of SIG official guidance only allows SIG funds to be used for a limited number of district-wide reforms (e.g., early warning systems) that are directly tied to individual school turnaround efforts.

Several TechMIS subscribers, in recent conversations, have volunteered that their experience in dealing with high-level North Carolina SEA officials responsible for SIG and related activities has been “good.” These SEA “veterans” in school turnaround activities were receptive to approaches which work effectively under certain conditions. In her May 16th *Politics K-12* blog, Klein also suggests that the Charlotte-Mecklenburg School District, located in Hagan’s state, “...is seen as a national leader in school turnaround, arguably the trickiest area of education policy.” Over time during the implementation of NCLB, that district increased the number of offices responsible for various types of interventions at different levels, ranging from pre-K to Title I schoolwides’ use of RTI approaches which will likely be a critical component of the widely-used transformation model. Elements of the STAR Act proposal are likely to be included in any “fix-it” amendments as an alternative to a comprehensive ESEA reauthorization. Other related recently submitted bills of a “fix it” type include the TIME Act which would also extend learning time and the *LEARN* Act which would support expansion of literacy interventions at all levels.

Most State Fiscal Stabilization Funds (SFSF) Helped With General K-12 Education More than Higher Education Over the Last Three Years, While Unspent SFSF Funds in Certain States Could be a Boon to District Title I Programs Over the Next Six Months

The almost \$40 billion in State Fiscal Stabilization Funds for K-12 and higher education programs as part of the \$100 billion education stimulus package was allocated primarily to K-12 districts under regular state aid formulas (vs. higher education) in a majority of states. Jennifer Cohen’s new report, “The State Fiscal Stabilization Fund and Higher Education Spending,” published by the New America Foundation found that, “...on average, states allocated 78.9 percent of this funding to K-12 education and the remaining 21.2 percent to higher education.” As she further notes, “Only five states used a greater proportion of Education Stabilization funds for higher education than K-12. This suggests that these states decided to make budget cuts to higher education that were both larger in size and proportion of the total higher education spending than cuts to K-12. For states that spent more of the funds to compensate for budget cuts to K-12 funding, it is clear that they made larger budget cuts to K-12 than higher education and used federal funds to make up for those budget cuts.” States allocated funds to K-12 districts using existing state aid formula; however, as we noted a year and half ago, any “remaining” funds in states after K-12 state funding cuts were “backfilled” were to be allocated to districts based on their respective allocations of Title I funds.

The “cumulative available balance”

percentages in a number of states are significant (see April 29 table), including Alaska (58.4%), Delaware (31.1%), Maine (20.5%), Nebraska (34.3%), Rhode Island (27.9%), South Carolina (24.4%), Texas (22.2%), Virginia (28%), and Wyoming (74.8%). In several large states with small numbers of districts (i.e., mostly counties), the reported available balances are quite large, including Florida (\$280 million), Maryland (\$88 million), New York (\$363 million), Pennsylvania (\$265 million), among others. Some of the states which have high cumulative available balances -- either percentages or absolute amounts -- may decide to allocate funds at the last moment to districts through existing state aid formulas. However, other states may decide to allocate such remaining funds on the basis of districts' preliminary allocations of Title I funds. These districts have a higher propensity to spend such funds on products than those districts receiving SFSF funds under the state aid formula.

Based on our review and analysis of Cohen's data and the April 29, 2011 USED report on the cumulative available balances in a large number of states, such unobligated SFSF funds are likely to be allocated to districts based on the districts' most recent Title I allocations and must be spent on allowable Title I uses by September 30, 2011. The preliminary district allocations

have been reported to states and such allocations for certain types of districts were included in the May 20 TechMIS Special Report. The bottom line is that districts in some states should receive unexpected windfalls which, in combination with possible cumulative available balances of Title I ARRA funds (see April TechMIS Washington Update) and "remaining" SFSF funds should be prime candidates for targeting end-of-year spending on products and services such as professional development.

The Cohen report does suggest, however, a downside implication for state K-12 funding next year. The \$10 billion Education Jobs Fund (referred to as EdJobs) can be used only to support K-12 education and not higher education if the state is able to meet maintenance of effort provisions that pertain to both state K-12 and higher education spending levels. As Cohen concludes, "This will likely spur a shift in how states choose to cut education spending; they will likely cut more funding from K-12 to allow states to allocate sufficient funds for higher education. However, it is unclear whether many states will be able to restore higher education funding to 2008 for 2009 levels without further assistance from the federal government." The latter is not likely to occur except possibly through waiver requests.

Department of Education
American Recovery and Reinvestment Act of 2009 - Spending Report by Program
As of April 29, 2011

Name	State or Other Entities	Cumulative Obligated	Cumulative Available Balance	Percent Available
State Fiscal Stabilization Fund		Top		
	AK Alaska	93,043,162.00	54,313,464.65	58.4%
	AL Alabama	596,355,871.00	128,223,863.01	21.5%
	AR Arkansas	363,053,019.00	68,610,689.77	18.9%
	AZ Arizona	831,869,331.00	139,674.12	0.0%
	CA California	4,875,498,758.00	332,125,970.00	6.8%
	CO Colorado	621,878,397.00	61,640,591.92	9.9%
	CT Connecticut	443,251,855.00	75,007,987.00	16.9%
	DC District of Columbia	73,110,444.00	826,547.82	1.1%
	DE Delaware	110,320,067.00	34,256,488.64	31.1%
	FL Florida	2,208,839,244.00	279,531,952.45	12.7%
	GA Georgia	1,260,799,095.00	0.00	0.0%
	HI Hawaii	157,201,741.00	7,961,735.47	5.1%
	IA Iowa	386,373,745.00	5,068,418.00	1.3%
	ID Idaho	201,699,682.00	1,038,844.82	0.5%
	IL Illinois	1,681,130,685.00	0.00	0.0%
	IN Indiana	823,661,223.00	60,188,885.30	7.3%
	KS Kansas	367,422,833.00	35,031,764.79	9.5%
	KY Kentucky	532,797,583.00	45,741,302.37	8.6%
	LA Louisiana	579,592,482.00	24,579,522.99	4.2%
	MA Massachusetts	813,303,212.00	33,394,867.11	4.1%
	MD Maryland	719,676,984.00	88,121,512.40	12.2%
	ME Maine	158,250,330.00	32,403,595.26	20.5%
	MI Michigan	1,302,368,992.00	33,534,067.27	2.6%
	MN Minnesota	667,888,144.00	23,264,710.81	3.5%
	MO Missouri	753,172,335.00	71,825,766.00	9.5%
	MS Mississippi	392,067,945.00	32,302,913.02	8.2%
	MT Montana	121,628,250.00	2,221,941.74	1.8%
	NC North Carolina	1,161,931,564.00	67,720,742.47	5.8%
	ND North Dakota	85,644,337.00	0.00	0.0%
	NE Nebraska	233,955,926.00	80,294,816.00	34.3%
	NH New Hampshire	164,243,954.00	0.00	0.0%
	NJ New Jersey	1,088,335,774.00	0.00	0.0%
	NM New Mexico	260,436,399.00	24,394,923.54	9.4%
	NV Nevada	324,404,728.00	1.00	0.0%
	NY New York	2,468,557,791.00	363,003,779.00	14.7%
	OH Ohio	1,463,709,963.00	148,784,301.11	10.2%
	OK Oklahoma	472,820,714.00	27,673,367.13	5.9%
	OR Oregon	466,461,533.00	41,530,535.13	8.9%
	PA Pennsylvania	1,558,797,939.00	265,094,317.41	17.0%
	PR Puerto Rico	529,741,859.00	75,625,114.88	14.3%
	RI Rhode Island	134,912,142.00	37,621,546.73	27.9%
	SC South Carolina	567,741,302.00	138,246,200.20	24.4%
	SD South Dakota	104,292,688.00	0.00	0.0%
	TN Tennessee	775,135,036.00	51,264,314.73	6.6%
	TX Texas	3,250,272,133.00	721,405,156.41	22.2%
	UT Utah	392,581,821.00	3,996,067.50	1.0%
	VA Virginia	983,865,903.00	275,121,848.62	28.0%
	VT Vermont	77,150,071.00	6,914,243.95	9.0%
	WA Washington	819,946,848.00	9,023,196.15	1.1%
	WI Wisconsin	717,336,999.00	0.00	0.0%
	WV West Virginia	217,970,970.00	5,246,061.20	2.4%
	WY Wyoming	67,620,197.00	50,551,385.33	74.8%
	Total	39,524,124,000.00	3,924,868,995.22	9.9%
	AS American Samoa	36,497,956.00	32,214,267.89	88.3%
	GU Guam	75,742,784.00	74,817,550.48	98.8%
	MP Northern Mariana Islands	36,346,681.00	15,979,810.15	44.0%
	VI Virgin Islands	58,049,157.00	5,447,151.07	9.4%
	Total	206,636,578.00	128,458,779.59	62.2%
	Subtotal State Grants	39,730,760,578.00	4,053,327,774.81	10.2%

College Readiness and Remediation Update: Trends and Developments

In our lengthy March 1st Special Report on college remediation, we compiled and synthesized data and estimates from a variety of reports and knowledgeable groups to help interested TechMIS subscribers assess the market potential for their products and services in college readiness, including remediation. Since then, a number of recent reports and developments have occurred which are highlighted in this Washington Update.

In an April 27th virtual symposium, Secretary Duncan and Jill Biden, along with a number of researchers, presented “briefs” on college remediation, including “bridge programs” for adult learners who return to college after years in the work place and customizing remedial classes. One USED report recently estimated that 60 percent of incoming community college students enroll in at least one developmental education course to improve reading, writing, or math skills. As reported in eCampus News (May 3rd) some college remediation courses “may not improve students’ persistence or completion rates and, in some cases, may actually hinder their progress toward educational goals.” The article cited a brief by Shanna Smith Jaggars of the Community College Research Center in New York which called for more flexible and customized remedial courses focusing on specific students’ needs. Secretary Duncan referred to the Trade Adjustment Assistance Community College and Career Training Grants program, announced on January 20th, which provides several million dollars (estimated \$500 million in 2011) to colleges and consortia to support programs using

proven or innovative strategies to prepare students in high-demand careers. The Secretary also referred to a 2008-09 survey, conducted by the Instructional Technology Council, that reported distance learning enrollments in community colleges jumped by 22 percent in the 2008-09 academic year over the previous year and predicted that the expansion of online classes at two-year colleges would be key to increasing community college enrollment. The ITC survey also found that 65 percent of colleges currently offer online tutoring assistance, while 13 percent plan to offer it next year and eight percent more in the following years. A more recent survey by the ITC found that, between 2009 and 2010, the percentage of colleges offering online tutoring assistance had increased to 71 percent, with another 17 percent planning to offer it next year. Overall, community colleges reported a nine percent increase in their distance education enrollments in 2010 over 2009. Over the last seven years, administrators in community colleges ranked “Support staff needed for training and technical assistance” as their number one challenge. The need for “Adequate assessment of distance education” was the number two ranked challenge, and the number three challenge was “Adequate services for distance education students.” For a copy of the most recent Distance Education Survey Results go to: <http://www.itcnetwork.org/images/stories/ITCAAnnualSurveyMarch2010Final.pdf>

In May 2011, the Alliance for Excellent Education published an issue brief entitled “Saving Now and Saving Later: How High School Reform Can Reduce the Nation’s Wasted Remediation Dollars.” Based on its analysis of college students enrolled in the

2007-08 school year, the AEE estimated that students' "remediation needs throughout their time in college cost the nation an estimated \$5.6 billion. This figure includes \$3.6 billion in direct remedial education costs for students who did not have the skills to succeed in postsecondary course work. It also includes an additional \$2 billion in lost lifetime wages, since students who take remedial courses are more likely to drop out of college without a degree."

The AEE analysis included only 2008 college enrolled students under the age of 25 but found that "44 percent of all students at public two-year institutions and 27 percent of all students at public four-year institutions enrolled in a remedial course." It also noted that "four out of five students taking remedial courses had a high school grade point average above 3.0."

The AEE issue brief argues that, in the current recession and with reduced state education spending, the country cannot afford the cost of remediation and must focus on ensuring high schools graduate students which are college- and career-ready. One important step will be the implementation of the Common Core State Standards initiative. In order to do more with less, "One area of opportunity in this area is a more strategic use of technology. For example, schools and districts are increasingly utilizing technology such as computer adaptive assessments and online and blended learning strategies to identify and strengthen skills where students are most deficient. Districts and states are also adopting virtual learning technologies in order to remove time and place barriers standing in the way of delivering rigorous college preparatory courses to students." The AEE brief is available at:

<http://www.all4ed.org/files/SavingNowSavingLaterRemediation.pdf>

In a new report entitled "In Their Own Voices: Young Texans Talk About Barriers to College Completion," current students of two- and four-year institutions, including those who dropped out, were asked about what helped and hurt them in reaching their goals. As reported in Education Week's blog *College Bound*, the results of the survey -- which was supported by the Lumina Foundation and the Texas Higher Education Coordinating Board -- solicited recommendations from students and dropouts on how to improve college success. These included, among others:

- put more focus on writing with longer essays;
- have college students talk with high school students about the realities of college;
- require four years of math in high school;
- encourage students to take AP and dual-credit courses; and
- provide online classes for working students.

About three-quarters of the students participating in the focus group surveys had not earned a college degree of any kind.

State Funding for Preschool Has Declined for the First Time Since 2002 -- by \$30 Million; However, Secretary Duncan Points to “Good News” for Early Childhood Funding as \$500 of the \$700 Million in Fiscal Year 2011 for Race to the Top Will Be for Early Learning Competitive Grants This Year

The National Institute for Early Education Research (NIEER), which has tracked state preschool funding since 2002, recently reported that, for the first time, state early childhood funding has declined -- by nearly \$30 million. State pre-K spending per child decreased in “real terms” by more than \$100 to \$4,028 which is almost \$700 per child below the 2001-02 level. As reported in Education Week’s blog *Early Years*, “The report shows no existing state pre-K programs made advances in meeting NIEER’s benchmarks for teacher qualifications and training.” State programs serve about 31 percent of all four-year-olds and eight percent of three-year-olds in the country.

However, in his press release of April 26th, Secretary Duncan stated, “There is some good news today. Congress has provided \$700 million in the fiscal 2011 budget for continued support of the Department’s Race to the Top program. The new RTT money allows for an early learning competition and we will be developing that with the Department of Health and Human Services. It’s too early to provide details, but we will get back to you as the implications of the continuing budget resolution get fleshed out.” In his FY 2011 proposed budget, Secretary Duncan proposed an Early Childhood Challenge Grant program totaling more than \$300 million, some of which

would be used to develop comprehensive statewide preschool programs to coordinate funding from other sources.

The NIEER report also notes that California has consolidated several funding sources into a full-year pre-K program. Moreover, other sources report that New York City is seriously considering consolidating funding from multiple Federal and state agencies into a large-scale preschool initiative totaling more than \$100 million.

On May 25th Secretary Duncan and HHS Secretary Sebelius jointly announced the Race to the Top-Early Learning Challenge (RTT-ELC) would be funded to provide competitive grants to states totaling \$500 million. The department must award the money by Dec. 31. As the announcement states, “Specific competition requirements, priorities, and selection criteria are still under development.” USED plans to waive rule making on the new competition, but is encouraging interested parties to submit opinions, ideas, suggestions, and comments pertaining to the competition. In addition to increasing the number and percentage of low-income and disadvantaged students enrolled in high-quality early learning programs, the winning states must develop “an integrated system of high-quality early learning programs and services “and” ensure that any use of assessments conforms with the recommendations of the National Research Council’s reports on early childhood.” As originally proposed, the Early Childhood Learning Challenge grant program focused more on an early childhood “infrastructure” to ensure greater coordination among all relevant funding sources to provide comprehensive and systematic services to preschool children at all levels rather than providing grants to

districts to foster the use of innovative instructional approaches. When detailed requirements and applications are available, we plan to report on our analysis with implications for TechMIS subscribers.

Miscellaneous

a) The Chiefs for Change (CFC) coalition of ten current and recently retired Chief State School Officers has proposed “principles” for ESEA reauthorization which closely parallel those announced by the U.S. Chamber of Commerce (see related [Washington Update](#) item). This is likely to provide some real world credibility to the Chamber’s proposed “guidelines.” On the other hand, the CFC-proposed principles could negatively impact the influence of the Council of Chief State School Officers’ (CCSSO) ESEA reauthorization proposal which has yet to be released in updated form. A key supporter of both the Chamber and CFC proposals has been former Florida Governor Jeb Bush’s organization, The Foundation for Excellence in Education. Some of the key members of the CFC include: Paul Pastorek, who recently resigned as chief in Louisiana, Deborah Gist of Rhode Island, Kevin Huffman of Tennessee, Tony Bennett of Indiana, and Eric Smith of Florida, some of whom are reportedly “friends” of this Administration.

The CFC principles which are very similar to the Chamber’s guidelines, as reported by Erik Robelen in the *Politics K-12* blog on [educationweek.com](#) (May 19th) include:

- holding all schools, not just the lowest-performing schools, accountable;
- maintaining annual assessments in math and reading and using them for assessing student and teacher performance;
- grading schools on a scale of A-F rather than pass or fail;
- disaggregating student data; and
- using data to inform instruction.

Based on Robelen’s interviews with Eric Smith and Tony Bennett as reported in the *Politics K-12* blog, it appears that the CFC guidelines would place a higher priority than the Chamber on: annual growth and learning gains (rather than solely on math and reading student achievement); differentiated or tiered interventions based on school or student performance; and formative assessments of personalized learning, among others. Less emphasis would be placed on STEM initiatives and support compared to the Chamber’s proposal, and on the use of vouchers for providing school choice.

b) Rather quietly behind the scenes, the Rural School and Community Trust (RSCT) has been working closely with key Congressional members resulting in the submission of two bills which would level several “playing fields” for rural districts to help them obtain their share of competitive grants and receive equitable funding under Title I formula grants. As we have reported over the last year, the Rural School and Community Trust has been very vocal in criticizing the Administration for not following through on its verbal

commitments to ensure rural districts received an equitable portion of i³ grants. The Trust contests that only four of the 49 i³ grantees had innovative approaches for implementation in a rural environment. Subsequent articles have appeared in which some of the review panel members actually provided additional points to a New York City application as meeting the “rural district competitive points” requirements. The recent bill introduced by Senator Mark Begich (D-AK) entitled “Investing in Innovation for Education Act,” which will be most likely part of several fix-it amendments to ESEA, and would include a special focus on rural areas and require that 25 percent of i³ funding go to rural areas. According to Education Week’s Rural Education blog, that would mean: (a) A winning applicant would have to be an LEA in a rural area; or (b) It would have to be an educational service agency (e.g., BOCES, ISD) or non-profit organization “with demonstrated expertise” in serving students in schools designated as fringe, distant, or remote rural schools.

On several occasions during the first round of i³ guideline development, Secretary Duncan noted that between 20 and 30 percent of the so-called high school dropout factories were in rural districts. Moreover, additional funds and technical assistance could be provided to help rural districts develop the capacity to compete. During the first round the only significant financial assistance that was provided came through a grant to the Trust from the Kellogg Foundation. During the recent SIIA Forum, Jim Shelton, who directs the i³ program, noted that he expects the

next round of i³ funding would provide more grants to education service agencies.

In addition to the proposed Begich i³ legislation, Senator Max Baucus (D-MT) has introduced a new bill to create the Office of Rural Education Policy in USED. In addition to providing for clearinghouse and coordinating activities with other agencies serving rural districts, the office would be responsible for commenting on proposed regulations or administrative rules which would have a significant effect on rural districts, according to Education Week’s Rural Education blog. According to Senator Baucus, the proposed office would also focus on issues such as Federal and state education funding in equities and limited access to advanced courses. One of the biggest “money issues” is that the current four-part Title I formula favors large urban districts over rural districts because the funds are allocated on the basis of the higher amount generated by using “poverty counts” or the “percentage of poverty” students using the existing Title I formula. AASA, whose membership is primarily small rural district superintendents and other officials, has called for a major change in the Title I formula to require all funds to be allocated on the basis of “percentage” of poverty students as determined by U.S. Census counts. If such a change were to be implemented as part of fix-it amendments, then the proposed Rural Education Policy Office could play a significant oversight role. As a result of the November elections, almost half of the newly-elected GOP members, now constituting the majority in the House,

represented rural or small districts. The ranking Republican on the Senate HELP Committee, Senator Mike Enzi is from Wyoming.

Such a rural education office could also provide oversight over the peer review process during the next competitive round for i³. During the recent SIIA summit, in a conversation with Karen Cator Director of the Office of Educational Technology at USED, I suggested that she could play a very important role in the next round of funding for i³ by ensuring that the peer review process took into account the new technology-related priorities in final USED regulations. These priorities (Priority 6 and Priority 16) are intended to ensure that technology-based i³ applications do receive additional competitive points and consideration and are not marked down because of extensive use of technology in their grant applications (see April 29th TechMIS Special Report on SIIA Forum and March 16th TechMIS Washington Update).

- c) USED softens the so-called “State Authorization Rule” which requires colleges and universities to register online programs in every state in which students are enrolled with a deadline of July 1st. Last October, USED published the “State Authorization Rule” which generated opposition from online colleges and universities and other groups who argued that it would create the “monumental burden” of identifying where web-based students taking their courses are located, analyzing state regulations and applying to states,

according to eSchool News (May 2011). The rule would affect every online program in every state, requiring multiple registrations by one college for all of its courses in each state it sought student enrollees.

On March 17th, USED sent a letter which softened the ruling and deadline by stating that colleges and universities could satisfy the ruling if they demonstrate “good faith effort” in attempting to meet the registration requirement over time. According to eSchool News, evidently schools are not required to get permission from states that do not regulate state institutions; moreover, some for-profit schools -- such as Kaplan University or the University of Phoenix -- which have been certified among all the states in the past, are “grandfathered.”

A strict interpretation of the March 17 letter and deadline could make the cost of online programs offered by colleges and universities prohibitive and/or increase student tuition which, in turn, could reduce the demand for online course materials development and support services. Ironically, it appears that for-profit online colleges and universities which have been the focus of Federal probes and recent “tightening” of rules regarding enrollments of students with Pell Grants in for-profit colleges would only be affected minimally. The additional cost and potential revenue reduction would impact public colleges and universities offering online courses only recently the most.

Alabama Update

May 2011

Education Week reports that the Alabama legislature has passed a resolution that says the State will be responsible for the costs of rebuilding or replacing schools damaged by the recent tornadoes that are not covered by insurance or Federal disaster aid. Another measure would give local school districts the flexibility to make up class days lost from disaster-related school shutdowns by temporarily extending the length of the school day.

Arizona Update

May 2011

The East Valley Tribune reports that, in 2010, the Arizona legislature approved expansion of the State's online classes for K-12 students now known as Arizona Online Instruction schools. As of this May, 28 school districts and at least 14 charter schools have received permission to offer online programs. More than 31,000 students are now taking classes from these programs. Another 20 online entities are preparing to provide online learning. Among the newest programs is in the Chandler school district which has 26 students taking core classes as part of a pilot program. The district is hoping to expand its program into a full complement of courses with the help of a private firm with an appropriate curriculum.

California Update

May 2011

Soon after he took office in January, California's Democratic Governor, Jerry Brown, proposed a series of tax increases that would avert large cuts to the State's K-12 education funding.

However, according to Education Week, Republicans in the State legislature have not supported the Governor's revenue raising measures, arguing the Governor should take more cost-cutting steps (i.e., spending caps, lower pension contributions, using the private sector in K-12 education). The impasse has left California's school districts uncertain about their State funding and are facing the prospect of extensive layoffs, larger class sizes, and elimination of programs.

The *State EdWatch* blog on EducationWeek.com reports that more optimistic budget projections have caused California Governor Jerry Brown to submit a revised budget proposal that included \$6.6 billion more than had been expected. According to the Governor, an additional \$3 billion in State funding will go to schools. Even with the new projections, the State is facing a \$10-\$12 billion budget shortfall.

Despite the higher revenue estimates, California's K-12 schools still could lose as much as \$5 billion (about \$800 per student) over the previous year. The San Jose Mercury News reports that there are suggestions that, without additional revenues, the State's 180-day school year could be shortened by as much as five weeks in 2011-12.

The Mercury News reports that the California Assembly has passed a measure that would place a cap on the number of charter schools allowed in the State. The bill -- AB 401 -- would limit the number of California charter schools to 1,450 by 2017. During the 2009-10 school year, there were 815 charter schools operating in the State. At the current rate of growth, the number of charters will hit the cap by the 2016-17 school year.

John Deasy, the Los Angeles school district's new superintendent, has proposed a major

overhaul of the district's Public School Choice reform program. Public School Choice allows outside groups to compete with the district to operate some of the district's lowest-performing schools based on a community vote. The Superintendent's proposed changes include:

- eliminating the community vote;
- limiting new schools that can be included in the choice program;
- increasing parent participation; and
- providing more district support to new Public School Choice schools.

A total of 38 schools have been targeted under the third round of the Choice program, including 22 existing schools and 16 new campuses. Slated for opening in the Fall of 2012 are seven schools for which 34 initial applications have been received from teacher groups, non-profit organizations, and charter school operators.

The San Diego County Office of Education -- California county offices operate as intermediate units -- has undertaken "Unlimited Access," a collaboration with private businesses and nonprofit organizations, to provide computers to poor families. Since 2010, the program has provided computers to 1,500 families in the County. Most recently, 220 students whose parents are seasonal migrant workers received refurbished, three-year-old desktop computers (valued at \$950 each), along with a broadband device, for a \$20 fee. The program also trains parents on using the computers and Internet safety.

Connecticut Update

May 2011

In 2010, Connecticut approved a package of major reforms for the State's high schools. However, according to The Connecticut Mirror, Connecticut's difficult economic situation has caused legislative committees to recommend overwhelmingly to postpone consideration of the reforms. The legislature's budget office has estimated that it would cost as much as \$29 million to hire the additional teachers to staff the increased numbers of classes and to develop the end-of-course exams included in the reform package.

Delaware Update

May 2011

Last month, we reported that the Christina school district in Wilmington had backed off on some of the commitments it had made as part of Delaware's Race to the Top application and the State had threatened to withhold \$11 million in RTTT money from the district. After Secretary Duncan backed the SEAs threat to withhold funds and a meeting of the school board, the district reaffirmed its original commitment.

Florida Update

May 2011

Florida's annual legislative session ended in May with an eight percent cut -- \$542 -- in State per-student funding. According to the St. Petersburg Times, the budget also assumes that school districts retained their entire shares of Federal EdJobs funds awarded last year. Many districts have already spent the money to protect teacher jobs. Among the programs spared cuts are per-pupil funding for virtual schools, charter schools designated as high-performing, and school vouchers for students in failing schools and for students with disabilities.

As we reported last month and as highlighted by The Orlando Sentinel, class sizes in Florida will be getting bigger despite class-size limitation restrictions that have recently gone into effect. The 2002 amendment that called for limits on class size specified 18 students in grades K-3, 22 students in grades 4-8, and 25 students in high school and applied only to "core" courses. Under a new interpretation of the law, two-thirds of the 849 core classes have been downgraded to "extracurricular" for which the class size limits do not apply. Many districts are also getting around the limits through online classes.

The Orlando Sentinel also reports that student scores on the writing portion of the 2011 Florida Comprehensive Assessment Test (FCAT) were the highest ever recorded. A total of 1.8 million Florida students took the FCAT -- which also includes reading, math, and science exams -- this Spring. Graded on a 1 to 6 scale, 81 percent of fourth-graders, 82 percent of eighth-graders, and 75 percent of tenth-graders scored at least a 4. FCAT scores are used to grade public schools, to help determine student promotions and graduation, and -- under the State's new merit-pay law -- to measure teacher quality.

In order to receive a regular diploma, Florida high school students must pass both the reading and math components of the FCAT. Education Week reports that only about 15 percent of the 22,000 seniors who retook the FCAT reading exam passed; and only 21 percent of the 7,000

retaking the math FCAT passed. Scores for eleventh-graders retaking the FCAT were somewhat higher with 22 percent passing reading and 29 percent passing math.

Georgia Update

May 2011

As reported in The Atlanta Journal-Constitution, prekindergarten programs in Georgia will see a \$54 million cut next year despite adding 2,000 more pre-K students. The State will have 306 fewer pre-K classes next fall and the waiting list for the 86,000 slots will be 6,000-10,000 students long. The budget cut will mean that pre-K teachers will have a ten percent pay reduction and the pre-K school year will be only 160 days, down from 180 this past year. The cuts come at the same time as the National Institute for Early Childhood Education (Rutgers University) ranks Georgia 20th in the country in terms of State funds for prekindergarten -- down from 17th the year before.

In mid-May, the Georgia Supreme Court struck down as unconstitutional a law that would have allowed the State to approve and fund charter schools. The Court's ruling apparently means that only local school districts can establish schools, including charters. The legal challenge to State charters was filed by many Georgia districts, including Atlanta, Gwinnett County, and Dekalb County, who are concerned that State charter schools are taking away State funding that would go to districts. While the law was in effect, the Georgia Charter Schools Commission approved 17 charter schools, several of which were slated to open this August. The status of these schools, and the 5,000 students now enrolled in them, is unclear.

Hawaii Update

May 2011

During last year's legislative session, lawmakers passed Act 167 which required all schools to meet minimum hours starting next year. The Act requires all schools to have at least 180 instructional days and calls for extending the school day to at least six hours in 2013. The Honolulu Star Advertiser reported that, in mid-May, the legislature approved a bill requiring half of the State's elementary schools to offer an average of at least five hours, five minutes of instructional time each day in the 2011-12 school year. The new bill also said that middle and high schools must offer at least 5 ½ hours of instruction a day by 2014. State officials say that implementing Act 167 next school year could cost \$45-\$55 million in additional personnel cost.

Hawaii Technology Academy in Waipahu is the largest and fastest growing charter school in Hawaii. Begun in 2008, the Academy has increased its enrollment fourfold over the last two years. Currently serving 1,000 students, it opened 250 additional slots for next Fall with parents standing in line for hours to get their children in. The Honolulu Star Advertiser reports that, using a standardized online curriculum from K12 Inc., Academy students work mostly at home, coming to the learning center twice a week for face-to-face classes. Last year, 85 percent of Hawaii Tech's students scored proficient in reading with 45 percent proficient in math.

Idaho Update

May 2011

The New America Foundation notes that higher-than-expected tax revenues could provide Idaho schools with as much as \$50 million more in discretionary funds.

As reported in The Times-News (Twin Falls), Idaho's Students Come First plan will allocate \$80 million in State funding over the next four years for a wide range of school technologies and associated professional development. Although they will be able to purchase more laptop computers, interactive whiteboards, and other such devices, school district officials are concerned about being able to afford the support staff needed to keep the technology operating. The State's plan will spend \$3 million on professional development in each of FY 2012 and FY 2013, and \$2 million in each of the following two years. In FY 2013, mobile computing devices are expected to be provided to Idaho high school students with support from the technology providers. Wireless Internet will begin being implemented into schools this Fall. During May and June, online focus groups and webinars are being conducted to discuss how the technology funding will be used.

The Albertson Foundation is giving \$25 million to the State of Idaho to improve the State's tracking of student achievement and to cover its pledge to support the Idaho Education Network. The largest portion of the grant -- \$21 million -- will pay for software, developed by SchoolNet, Inc., that will improve the way schools monitor student progress and teacher effectiveness. The remainder of the Albertson investment will complete the Foundation's \$6 million pledge toward the \$60 million cost of installing IEN's broadband infrastructure Statewide.

The *State EdWatch* blog on EducationWeek.com notes that, this year, Idaho's Republican-controlled legislature approved education policy changes, including restrictions on teacher collective bargaining, limits on teachers' contracts, elimination of tenure, and implementation of a merit pay plan. These measures have been strongly opposed by educators across the State.

The State superintendent has also warned teachers and other school employees not to engage in political activities on school grounds.

Illinois Update

May 2011

As reported in Education Week, the Illinois legislature has passed an educational reform measure reflecting a deal among State officials, local administrators, and teachers unions. The bill calls for layoffs to be based on ability and credentials rather than seniority and places restrictions on tenure. It also restricts teachers' right to strike. Among the most significant elements of the bill is the authority given to the Chicago school district to extend the school day or school year. Proponents of the legislation say it gives Chicago Mayor-elect, Rahm Emanuel, the power to provide "adequate instructional time." Unlike in most other states, the Illinois plan was formulated with the cooperation of teachers unions.

The Chicago Tribune reports that Mayor-elect Emanuel's transition plan for the City includes a number of changes that would affect the Chicago school district:

- He wants State legislation to extend the school day and then wants to pilot test the longer day next school year and roll it out in all schools by the 2012-13 school year.
- He calls for a new Chicago Leadership Academy to coordinate principal preparation programs in the City.
- Emanuel plans to develop a new teacher evaluation system that would link teacher performance to student academic outcomes.
- He calls for a new high school strategy that would improve graduation rates and better prepare students for college.

Also according to the Chicago Tribune, English vacuum cleaner designer James Dyson is investing close to \$500,000 to provide after-school programs at 20 Chicago schools starting this Fall. Intended to increase science activities in American schools, the ten-week course will emphasize creative design, engineering, and technology. Chicago, where Dyson's U.S. headquarters are located, ranks below other major U.S. cities in science proficiency. District officials are pleased to have private sector philanthropic ventures to help close the achievement

gap. At the same time, Mayor Emanuel and district officials are calling for a more rigorous science curriculum to prepare their students for the global job market.

Indiana Update

May 2011

Indiana has begun implementing a piece of Governor Mitch Daniels' reform plan that would link teachers' evaluations and pay to the achievement of their students. Under Senate Bill 1, teachers would be ranked into one of four quality categories. Teachers in the top category could receive merit bonuses out of a \$15 million fund that is expected to be included in the State's next biennial budget. Those in the two lower categories would not qualify for annual pay increases. Each school district will determine how to measure student performance. The program is called unfair by teachers unions in the State.

Governor Daniels has signed into law one of the most expansive voucher programs in the country. As we noted last month, House Bill 1003 does not limit vouchers to low-income families or students in failing schools. Among the key features of the program are:

- A family of four making less than \$61,000 could receive a grant equal to half of their district's per-pupil funding.
- A similar family making less than \$41,000 could receive a 90 percent voucher.
- Approximately 60 percent of all students in the State qualify for vouchers.
- The vouchers are worth up to \$4,500 for grades 1-8; there is no cap for high school students.
- Students must attend public school for one year before becoming eligible for vouchers (i.e., current private school students would not be eligible).
- Next school year, the number of vouchers would be capped at 7,500 and, the following year at 15,000. There will be no limit after that.

Because of State funding cuts and falling enrollment, the Indianapolis school district is having to cut 350 teaching jobs. According to the [Indianapolis Star](#), the district has said that students who start a school year enrolled in a charter school will not be permitted to transfer to a public school during the school year. District officials are concerned that some charter schools are signing up

students and, after the charters receive State money for those students, encouraging them to return to the public school system.

Kansas Update

May 2011

According to The Wichita Eagle, the Kansas legislature is considering a measure that would allow local school districts to shift money from special funds to cover routine operating expenses. Under the bill, funds could be moved out of such programs as at-risk education, bilingual education, professional development, summer programs, virtual schooling, vocational education, textbooks, and even some special education programs. The bill provides districts the increased flexibility for one year; it has been estimated that it would free up as much as \$358 million next year.

Louisiana Update

May 2011

Education Week notes that Louisiana's State superintendent, Paul Pastorek, has resigned his office. Pastorek received national recognition for strengthening accountability in the State while implementing State takeovers of failing schools and fostering charter schools. He has also been praised for Statewide gains in school and student achievement, higher high school graduation rates, reorganizing the State education department, and reaching a \$1.8 billion settlement with Federal officials to rebuild New Orleans schools damaged by Hurricane Katrina.

The New Orleans Times Picayune reports that standardized test scores for students in New Orleans have improved for the fourth year in a row. Since 2007, the proportion of students in the Recovery School District (which took over most of New Orleans schools after Hurricane Katrina) scoring at grade level or higher has increased from 23 percent to 48 percent. Test scores for students in the Orleans Parish school district (which retained a small number of high-performing schools when the RSD was formed) also improved -- 82 percent scoring at grade level -- up two percentage points from the previous year.

Maine Update

May 2011

The Portland Press Herald reports that a Maine legislative committee has approved a bill that would allow school districts, regional groups, and a State Charter Commission to authorize public charter schools in the State. A high priority of Governor Paul LePage, charter schools would receive State funding that would “follow the child” from a regular public school. The measure -- L.D. 1553 -- has been amended such that only ten new charters could be established in the next ten years with the earliest being allowed to open after July 1, 2012.

Michigan Update

May 2011

The Detroit News reports Michigan Governor Rick Snyder has proposed an extensive education reform plan that would incorporate changes to teacher tenure, school choice, and the lengths of the school day and school year. The Governor has also recommended State aid cuts of \$470 per pupil and has said that as many as 23 financially distressed school districts could be placed under the control of emergency managers (like Detroit currently is). The Governor's plan includes such features as:

- delegating decisions on class time and school hours to local schools;
- using more online teaching;
- making school district funding and teacher pay based, in part, on student achievement;
- requiring every school district to offer college credit opportunities;
- allowing State funding to follow a student to community colleges or online courses (not just other school districts); and
- lifting the charter school cap in any district that has at least one academically failing school.

As reported in the *State EdWatch* blog on EducationWeek.com, a new study, published in the journal Education Finance and Policy, analyzed the effects of Michigan's mid-1990s overhaul of the State's school finance system. The overhaul transferred authority over many education funding decisions from local school districts to the State and increased the flow of State money to poor districts. The study found that the shift in resources significantly improved the academic performance of students in poor districts, but may have had a negative effect on the performance of students in wealthier districts.

According to Education Week, the Detroit school district plans to save millions of dollars by converting 45 of the district's public schools into charter schools by this Fall. A total of 18 organizations have submitted bids to operate as many as 50 Detroit schools. Recommendations

are expected to be made by early June. Some prospective charter operators may be given conditional approval or may be asked to consider alternative schools as specified by the district.

Also reported in Education Week, Robert Bobb, the Detroit school district's emergency financial manager has left the job and is being replaced by Roy Roberts, a former General Motors executive. The district is facing a \$327 million budget deficit and has seen its enrollment drop from 104,000 in 2007 to 74,000 this year. The new State-appointed emergency manager has available to him a new Michigan law that allows him to restructure contracts and assume power that had been in the hands of the elected school board. Although he has no plans for immediate change, Roberts expects to hire a new financial manager and a new academic overseer.

Minnesota Update

May 2011

The Star Tribune reports that the Minnesota legislature is considering a bill that would require schools to hold back third-graders who are not reading at grade level. Current State law says schools must identify first-graders who are not expected to be reading at grade level by the end of second grade. The new measure requiring struggling third-graders to be kept in grade allows exceptions for students with disabilities and for parent authorization to advance to fourth grade.

Education Week reports that a number of corporations have given a total of \$13 million in grants to support the educational improvement efforts of the Minneapolis school district. Target will contribute more than \$6 million over the next three years to improve early literacy, specifically to expand the Minnesota Reading Corps intended to help students read by third grade. Cargill will donate nearly \$4 million to support Minneapolis' STEM education, college and career centers, and AVID (Advancement via Individual Determination), a program to help low-income and minority students prepare for college. Cargill, General Mills and Medtronic will contribute a total of \$2.8 million to establish a "Collaborative for Education Excellence" which will recruit and train educators to serve as principals and district administrators over the next three years.

Montana Update

May 2011

Montana, with its revenues from natural resources, was able to increase its education spending by three percent in FY 2010, according to *Quality Counts: 2011* from Education Week. The State also made a \$15 million annual investment in school facilities.

The Bozeman Daily Chronicle reports that Montana has told the U.S. Department of Education that it will not raise the State's target test scores to meet the requirements of the Federal No Child Left Behind Act. State Superintendent Denise Juneau told USED that the goal of 100 percent proficiency in reading and math by 2014 is "unrealistic" and "undermines the work and morale of students and educators and the public's confidence in schools."

Nevada Update

May 2011

Democrats in the Nevada legislature have passed a K-12 education spending bill that would restore previously-cut funding and eliminate a plan to cut teacher salaries by five percent. As reported by the New America Foundation, these changes would total \$650 million more than was requested by Governor Brian Sandoval and would increase the State's per-pupil spending in 2012 from the Governor's \$4,877 to \$5,542. To fund the changes, the Democrats proposed a \$1.5 billion tax bill which the Governor is almost certain to veto.

New Jersey Update

May 2011

According to The New York Times, the New Jersey Supreme Court has ruled unconstitutional much of Governor Chris Christie's cost-cutting efforts and ordered the New Jersey legislature to increase next year's spending for poor schools by \$500 million. Although the amount of spending ordered by the court was far less than the \$1.7 billion requested by school advocates, it is still considered a rebuke to the Governor. Facing a State budget shortfall of \$10 billion, the Governor sharply criticized the Court's decision but said he would comply with it. The Governor has also announced that New Jersey will re-submit a modified proposal for the third competition for Race to the Top grants totaling about \$200 million.

New York Update

May 2011

As reported in The New York Times, New York State, facing an \$8 million shortfall in its testing budget, has decided to reduce the number of high school Regents exams offered each year. Required for graduation, the Regents tests will be given only in June and August starting in 2012. The current January testing will be dropped, making it difficult for many students to make up failed tests or to graduate early. The State also delayed the development of new ninth- and tenth-grade English exams which were intended to link with the new evaluation system for principals and teachers. State officials also approved regulations that, for the first time, require teachers to be evaluated in part by their students' progress on standardized tests.

New York's new State superintendent will be John King, currently the State's deputy commissioner for P-12 Education. A former teacher and charter school leader, King coordinated New York's winning \$700 million Race to the Top application. He has played a major role in New York's efforts in teacher development and turning around low-performing schools. His education includes an undergraduate degree from Harvard, a master's in teaching from Teachers College (Columbia University), a law degree from Yale, and a doctorate in education administration from Teachers College.

The New York Times reports that 93 percent of the school budgets put before school district voters on May 17 were approved. A preliminary analysis from the State indicates that 634 budgets were approved and 44 were rejected. The districts' average proposed budget increase was only 1.3 percent, the lowest in 15 years. In fact, 36 districts proposed no increase and 20 reduced their tax collections.

As reported in the New York Daily News, New York City schools has accepted 500 new teaching recruits to work in such shortage areas as special education. The recruits are from the New York City Teaching Fellows program (400) and Teach for America (100). Critics have

argued that the City is facing the possibility of large teacher layoffs and should be retraining current teachers. Currently, only 17 teachers are retraining through a program that began last Fall. Critics also cite the district's plan to spend \$20 million on consultants to recruit new teachers.

Ohio Update

May 2011

Among the changes to Governor John Kasich's proposed budget are a number of amendments -- put forth by the Ohio legislature -- that would favor for-profit operators of charter schools. According to The Cleveland Plain Dealer, Ohio currently has about 300 charter schools serving about 10,000 students at a cost to the State of around \$720 million. Among the proposed changes are:

- For-profit corporations and individuals would be permitted to operate charter schools, without the current requirement that they be monitored by a sponsor.
- Once State or local funds are given to a charter school operator, it becomes the property of the operator to be used as the operator sees fit.
- New online charter schools could be established once operating standards are put in place (by July 1, 2013).

The changes would benefit such companies as Akron-based White Hat Management which runs Hope Academics and Life Skills Centers in a number of states. Even the Ohio Alliance for Public Charter Schools has expressed concern that the legislative proposals could "take the public out of public charter schools."

As we reported last month, Ohio has a new law that sharply restricts the collective bargaining rights of public employees, including teachers. The Cleveland Plain Dealer reports that, under the law (known as Senate Bill 5), it is expected that salary schedules and step increases for the State's 110,000 public school teachers will be eliminated. Rather, a Statewide performance-based pay system would be put in place. Ohio would become the first state in the nation in which merit pay replaces automatic pay raises.

Oklahoma Update

May 2011

Oklahoma Governor Mary Fallin has signed into law a number of measures that will change education in the State. Effective next school year, Senate Bill 346 ends social promotions; public schools will no longer be able to promote third-graders who cannot read at an appropriate level. A second piece of legislation, House Bill 1456, will create an “A-F” grading system for public schools giving parents and others the ability to see how each school is performing.

According to Education Week, an Oklahoma legislative committee has approved a bill that would allow the State’s new Governor to replace the seven-member State school board. Under the measure, the Governor would appoint one member from each of the State’s five Congressional districts, as well as one at-large member. The State Superintendent would act as Chairman of the Board.

Oregon Update

May 2011

In early April, the Oregon Senate passed Senate Bill 552 that designates the State's Governor as the Education Superintendent. Some Democrats in the legislature have said that the measure would provide stronger leadership and raise the prominence of the position. Others have opposed the bill because it does not allow Oregon voters to decide whether the school superintendent should be appointed.

The Oregonian reports that the Oregon House has approved House Bill 2732 that would add at least one requirement for high school graduation. Under the measure, high school students would have to:

- apply to a community college or university; or
- apply to enlist in the military; or
- attend an orientation session for an apprenticeship or training program.

The bill now moves to the State Senate.

Pennsylvania Update

May 2011

As reported in Education Week, Pennsylvania Governor Tom Corbett plans to cut State aid to school districts by \$1 billion -- more than ten percent. A new survey of 263 districts (out of about 500 in the State) indicates that 68 percent are considering layoffs of instructional staff compared with 11 percent who actually did so this past school year. More than 30 percent are considering elimination of full-day kindergarten; none did so this past year. And 51 percent are considering eliminating summer school (versus four percent this year).

Also according to Education Week, Governor Corbett has pushed for education reform in the form of alternatives to public schools and has criticized teachers unions for stifling competition. The Governor says that “competition is the agent of change” and can help failing public schools improve. The Pennsylvania legislature is considering a number of Republican-sponsored measures that would extend State support for students attending private, religious, or charter schools.

A recent report by the nonprofit Research for Action has concluded that the Philadelphia school district’s efforts to overhaul its low-performing schools have achieved mixed results. The study found that student attendance has improved but that lateness has become more of a problem in some schools. Philadelphia teachers, who tend to be younger and less experienced than those in other districts, need additional support. Moreover, advisory councils intended to incorporate parents and community leaders in school decision-making need clearer direction.

The Greater Latrobe School District is planning to open its own online academy this coming Fall. According to the Tribune-Review, the district is currently paying cyber charter school tuition for 104 of its regular students at \$7,200 per student and \$15,000 for each of eight special education students. The district’s eCat Online Academy, offering either full-time online enrollment or a combination of online and in-person classes, hopes to win back some online

students in grades 7 to 12. A number of other Pittsburgh-area school districts have already established cyber schools (Deer Lakes, Gateway), have piloted such a program (Ligonier), or offer some online classes through the Westmoreland Intermediate Unit's eAcademy.

South Carolina Update

May 2011

South Carolina Governor Nikki Haley is urging all high schools in the State to participate in an online personal finances course funded by the South Carolina banking community. The State has required financial literacy instruction since 2005 but has not endorsed a specific program. However, the Governor has said that she would like *EverFi* to become a required component of the high school curriculum. This Fall, with funding from BB&T, *EverFi* has been rolled out in 34 schools.

South Dakota Update

May 2011

According to the Rapid City Journal, the South Dakota legislature is considering a bill that would require annual evaluations of school principals based on standards established by the State. The measure does not specify what the standards will be but rather calls for a 22-person committee -- consisting of principals, administrators, parents, and representatives of school organizations -- to develop recommended guidelines.

The Argus Leader reports that, next school year, 39 of South Dakota's 152 school districts will operate on a four-days-a-week calendar. Many districts were forced to the shorter school week by the State's 6.6 percent cut in per-student funding. Data indicate that shorter school weeks tend to correspond to slightly lower scores on the State assessment. State officials indicate that Friday tutoring for struggling students could offset the loss in regular instruction time.

Tennessee Update

May 2011

The Tennessee legislature has passed HB 1989/SB 1523 which eliminates the cap on the number of charter schools allowed in the State. Governor Bill Haslam has praised the measure which has been part of his strategic education plan. Through a partnership that has used funding from the private sector and Tennessee's Race to the Top project, the State has accumulated \$40 million to support new charter schools.

The Tennessee legislature is considering a bill -- HB 368 -- that would require State and local education authorities to "assist teachers to find effective ways to present the science curriculum as it addresses scientific controversies," including evolution and global warming. According to Education Week, the measure would also protect teachers from disciplinary action for critiquing scientific topics.

According to Education Week, a proposal to establish a school voucher program in Tennessee's largest counties is, by most accounts, dead for the current budget year. Governor Haslam and other Republicans in the State legislature have indicated support for the voucher concept but do not believe there is enough time in the current legislative session to pass a voucher bill.

According to the *State EdWatch* blog on EducationWeek.com, Chris Barbic has been appointed to be superintendent of Tennessee's new Achievement School District. Barbic is the founder of YES Prep Public Schools, a charter school network in Houston.

Texas Update

May 2011

The *Curriculum Matters* blog on EducationWeek.com notes that the Texas legislature is considering a measure that would bar the State or local school districts from adopting “national curriculum standards.” House Bill 2923 is a specific response to Core Curriculum State Standards developed by the National Governors Association and the Council of Chief State School Officers. The bill also says the State cannot adopt any criterion-referenced tests based on national curriculum standards. Texas is one of only two states is not participating in the CCSS initiative.

As reported in [The Texas Tribune](#), the TEXAS Grants need-based, financial aid program has awarded more than \$2 billion to more than 300,000 students since it began in 1999. The money is awarded on a first-come, first-served basis. However, because of the State’s budget shortfall, funds for the program are expected to be cut severely. A bill pending in the Texas legislature would change the eligibility to give preference to needy students who are more prepared for college as measured by two of the following four criteria:

- showing academic readiness by enrolling in the distinguished academic program or by taking 12 hours of college credit;
- passing tests in the Texas Success Initiative Act, the SAT, or the ACT;
- ranking in the top third of their high school class; and
- being successful in math beyond Algebra II.

Utah Update

May 2011

According to the New America Foundation, the Utah legislature has passed a budget that includes an additional \$50 million for K-12 education in the 2011-12 school year. However, because of shifts in funds between programs, some large districts will see reductions in their State funding. Moreover, a State program intended to cover the cost of enrollment growth is not funded at a level that compensates some districts for their increases in enrollment.

Education Week notes that Utah Governor Gary Herbert has signed into law HB 220 that requires American history and government courses to address focus of government including the United States as a “compound constitutional republic.” It also mandates that school curricula include a “thorough study” of such American historical documents as the Mayflower Compact and the U.S. Constitution. Critics of the measure call it legislative interference and “micromanaging the curriculum.”

Virginia Update

May 2011

The Washington Examiner reports that the Virginia State School Board has approved the teacher merit-pay plan proposed by Governor Robert McDonnell despite the fact that many local school districts rejected the plan. The \$3 million plan, known as “Guidelines for Uniform Performance Standards and Evaluation Criteria for Teachers,” calls for school districts to base 40 percent of teacher evaluations on students’ achievement gains. The program would also offer bonuses of up to \$5,000 for teachers at “hard-to-staff” schools.

As noted in The Washington Post, Virginia has awarded more than \$2.7 million in grants to 17 partnerships of school districts and colleges/universities to improve teachers’ knowledge of and ability to teach science, technology, engineering, and math subjects. As part of the Federal Math and Science Partnership competition, the grants will provide in-service training for STEM teachers and establish professional development programs linked to the State’s science Standards of Learning.