

Education TURNKEY Electronic Distribution, Inc.

256 North Washington Street
Falls Church, Virginia 22046-4549
(703) 536-2310
Fax (703) 536-3225

MEMORANDUM

DATE: February 17, 2010
TO: TechMIS Subscribers
FROM: Charles Blaschke and Blair Curry
SUBJ: More SIG Guidance; FY 2011 Proposed Education Budget; National Title I Conference Highlights; and State Profile Updates

Included in this issue are three Special Reports and a number of Washington Update Miscellaneous items. The first Special Report analyzes the proposed Administration's K-12 budget which was really a "wish list" of proposals for consolidation as well as other changes which would in fact be a precursor to the Administration's imminent ESEA reauthorization proposal. Because most of the major changes require legislative action, including early passage of ESEA reauthorization, Congress will oppose most proposed changes; however, the proposed budget levels for existing programs in the "Plan B" (which assumes no early ESEA reauthorization) clearly points to this Administration's priority initiatives which includes some funds for continuing Race to the Top, School Improvement Grants, Investing in Innovation initiatives, and "extended learning" through increased funding for Promise Neighborhoods and the Teacher Incentive Fund. Because the Administration is proposing allocating much of the requested \$4 billion increase to states and districts on a competitive rather than formula basis, it is not too early for subscribers to begin partnering discussions with agencies who are likely to be recipients of future competitive grants.

The second report analyzes the most recent set of "interim" USED Non-Regulatory Guidance on School Improvement Grants. Due to the passage of the FY 2010 Appropriations Act in mid-December, the interim guidance does increase the number of "newly eligible" schools, increases the maximum cap per Tier I and Tier II school allocation from \$500,000 to no more than \$2 million annually and, under certain conditions, allows a school which exits from restructuring or its other improvement status to continue receiving School Improvement Grant funds if the SEA approves, which creates better opportunities for partnerships with districts which are based on student or other performance indicators.

The third Special Report includes highlights of the National Association of State Title I Directors Annual Conference. Based on sessions, discussions with Title I directors and teachers, and interviews/discussions with exhibitors, a number of implications are worth noting, including:

- If you are planning to exhibit at next year's conference, it is critical that your product line

be featured during a program session by a presenter from your firm who is very familiar with the program research basis and evidence of its success, or that a district user makes a similar presentation.

- While a number of firms have recently hired former superintendents to act as “door openers” in order to sell products and services to the Title I niche market, experienced seasoned veteran Title I directors recommend instead that former Title I directors or other knowledgeable staff be used as consultants, not only to open doors, but also make themselves available as future support consultants to the client.
- If one seeks district purchases under School Improvement Grants funding, district Title I office, especially in medium and large districts, should be approached first, not individual Tier I or Tier II schools. On the other hand, if Title I ARRA funds are being used to expand the schools Title I program, individual teachers can be an important influencer of higher-level decisions.

The two types of sessions which had the greatest attention were those which were involved in “nuts and bolts” approaches to increase “parental engagement” in the learning process and research findings/lessons learned on successful efforts to turn around lowest-achieving schools. Such presentations by Dr. Joseph Johnson and Dr. Robert Slavin were very well attended. Their research findings are likely to influence selection and district purchasing decisions in the immediate future.

The Washington Update includes the following:

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A brief analysis of several proposals and/or initiatives which strongly suggest that the Community Schools market niche will likely expand dramatically under this Administration, creating new opportunities for firms with products that can be used to facilitate community school and student support activities, many of which are required under Race to the Top and School Improvement Grant guidance.

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A number of miscellaneous update items point to merging opportunities and/or trends of which most TechMIS subscribers should be aware as developments in these areas continue, including:

- Expansion of a lobbying effort on the part of the Education Industries Association and ESEA Coalition to prevent further erosion of supplemental education services (SES) funding and requirements through the Secretary’s waiver authority and the ESEA reauthorization.
- A recent announcement by Massachusetts Insight in which it will be partnering with six states to advise them in their School Improvement Grant funding amounting to about \$45 million and an additional \$30 million in private grants. Massachusetts Insight and its “collaborators” which include Education Council, Education First Consulting, Education Research Strategies, KSA Plus Communications, The New Teachers Project, The Parthenon Group, and Turnaround for Children will likely continue to not only influence, but also take lead roles in school turnaround efforts in these six, plus additional states.

- A recent USED report on LEA use of data systems to support reform found that districts' greatest perceived needs are in the area relating to data-driven decision making and how to connect student performance data to instructional practices, which could provide opportunities for firms which can facilitate such linkages.
- An in-depth analysis of the creation of six state consortia which are evolving to compete for the \$350 million in Race to the Top money earmarked for improved tests. Most states are members of several consortia whose major foci range from the creation and use of adaptive testing to curriculum embedded performance-based tests scored by teachers to help guide instruction.
- Excerpts from a question and answer session following the Secretary's FY 2011 budget press conference in which USED officials' responses suggest that policy-related matters which are likely to be included in the ESEA reauthorization are still being developed.
- Earlier this month, the White House announced the initial rollout of \$183 million in awards to expand broadband access in 17 states over the next several months.

Also included are state profile updates highlighting individual state activities related to Race to the Top, School Improvement Grants, and other Federal funding.

Special Report:
**The President's Proposed FY 2011 Budget Would Increase K-12
Funding by About \$4 Billion, Most of Which Would be Contingent on
Legislative Changes, Including Quick Reauthorization of ESEA Which
is Highly Unlikely**

A Technology Monitoring and Information Service (TechMIS)
SPECIAL REPORT

Prepared by:
Education TURNKEY Systems, Inc.
256 North Washington Street
Falls Church, Virginia 22046-4549
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February 17, 2010

The proposed FY 2011 education budget is less of a budget than it is a “wish list” of consolidated programs and other changes for inclusion in an early reauthorization of ESEA. However, if new legislation and/or ESEA reauthorization does not occur or is delayed, the budget document also includes a “Plan B” budget, which reflects the Administration’s highest funding priorities.

The “Plan B” document includes continued funding for Race to the Top (\$1.35 billion), for Investing in Innovation (\$500 million), School Improvement Grants (\$900 million), Teacher Incentive Funds (\$800 million), Charter Schools (\$310 million), and Promise Neighborhoods (\$210 million) and \$1 billion more for rewards and incentives if ESEA is reauthorized early. The budget document also reflects a priority of consolidating 38 separate programs into 9-11 funding streams, while eliminating six smaller programs. More importantly, it would provide USED more direct control of how the money is spent by converting many formula programs -- with the exceptions of Title I, IDEA, and a few others -- to Federally administered state and local competitive grants. One justification for this approach is to eliminate Congressional pork barrel earmarks. Last year’s proposed budget would have increased by more than 30 percent the use of competitive grants as a mechanism to provide funds to states and districts. In most cases, Congressional appropriators refused to approve the approach. The competitive grant percentage in this latest budget document would be more than 40 percent; Congress is again likely to turn down most of the consolidated grant programs. Each of the 38 programs planned for consolidation has at least one key Congressional leader who is not likely to support such consolidations. Congressional leadership is also likely to be unwilling to relinquish its earmark opportunities, arguing that proposed consolidation, in reality, allows the Duncan Administration to support its own priority “earmarks” by prioritizing “allowable uses” in the competitive grant process. Consolidation even potentially allows for even more of the funds than those requested in Plan B to serve USED’s prescriptive priorities. If Congress accepts some of the proposed \$4 billion in increased discretionary funding and ESEA reauthorization does not occur, Congress

will have the final say on where the increased funds will go and, to a great extent, how the money will flow to states and districts.

Under the proposed budget, Title I would be level-funded at \$14.5 billion and under reauthorization would be renamed the College and Career-Ready (CCR) Students Program. About 75 percent of the funds would be advanced funded and hence would not be allocated to states until October 2011. The changed name, which was proposed two years ago by the Education Trust, reflects an even higher USED priority on high school reform efforts as reflected in current guidance under School Improvement Grants and Race to the Top. The budget document also would place a much greater emphasis on positive incentives (e.g., recognition of, and rewards for, success) which is also included in the Administration's reauthorization proposal. During the January 20th National Title I conference, key congressional committee staffers implied that support is growing within Congress for rewarding districts who succeed in improving the effectiveness of Title I programs. The reauthorization plan would replace AYP by having states "measure school performance and differentiate schools on the basis of progress in getting all subgroups of students on track to CCR, the growth of individual students toward CCR, progress toward closing subgroup achievement gaps, graduation rates (at the high school level) and other measures as appropriate."

The School Improvement Grants (SIG), Part B program (under the proposed reauthorization, SIG would be called School Turnaround Grants) would increase from \$545 million to \$900 million. As the budget document notes, "While States and LEAs would have new flexibility under the reauthorized ESEA to develop their own improvement strategies and interventions for most schools, they would be required to implement specific meaningful intervention models in their very lowest-performing schools and would receive school turnaround funding for this purpose."

The Race to the Top (RTTT) would receive \$1.350 billion in addition to remaining portions of the \$4.35 billion which selected states will receive this year, to be spent over a three to five years. The document states, "Under the reauthorized program, the Department would conduct both State- and district-level Race to the Top competitions." Announcing his proposal for LEAs shortly after the Governor of Texas stated that his state would not apply for Race to the Top funds, President Obama noted that innovative districts in Texas would have an opportunity to compete individually for Race to the Top funding.

The FY 2011 budget would request \$500 million for the Investing in Innovation (i³) program; this is over and above the initial set of five-year Innovation grants planned to be released through a competitive process over the next 12 months.

The Administration did not request any additional funds for these three programs under ARRA legislation which will not have been reauthorized for 2011. Knowledgeable individuals do note, however, that in many cases where programs are failed to be reauthorized, if Congress wants to it can continue funding such programs. They feel that even if reauthorization does not occur in a timely manner (which Secretary Duncan wants by August), several observers noted that the President's State of the Union address was supposed to include more attention to reauthorization; however, he did not call for a specific date by which he would request Congress to have such passed legislation for his signature and hence, his priority might be lower than Secretary

Duncan's.

Below, we present proposed levels of funding for programs in several of the consolidated funding streams which are contingent on ESEA reauthorization, along with priorities and funding requests for specific programs included in Plan B. The Teacher Incentive Fund (TIF) -- for which Plan B calls for an increase from \$400 million to \$800 million -- will be part of a consolidated stream which would be funded at \$950 million. The Striving Readers Program, which received a sizeable increase in 2010 to \$250 million, would be part of another funding stream totaling \$450 million called the State Literacy Grants program; SEAs, or SEAs in partnership with outside groups such as non-profit organizations, would have to compete for funds. Under the \$450 million consolidation called Effective Teaching and Learning for a Complete Education, there would be a competition to create high-quality digital education content for children. Some funds would also be used to assist public telecommunications agencies such as PBS. The Math and Science Partnerships funded at \$180 million would be folded into a STEM funding stream funded at \$300 million. The High School Graduation Initiative, funded for the first time in FY 2010 at \$50 million, would be part of a funding stream called College Pathways and Accelerated Learning Programs which would also provide funding for accelerated learning for students in high-poverty elementary schools who exceed proficiency standards -- such as gifted and talented students who, many argued, were grossly neglected under NCLB. Promise Neighborhoods, a high Obama priority modeled after the Harlem Children's Zone, would receive \$210 million (up from \$10 million) under reauthorization and under Plan B. The Expanding Education Options funding stream would include charter school grants funded this year at \$256 million. Under Plan B, it would receive \$310 million, but, if reauthorization occurs, it would be part of a total funding stream of \$490 million.

Several programs would receive slight increases and would not be part of the proposed consolidations. Title III of ESEA -- English Language Acquisition -- would receive an increase from \$750 million to \$800 million; however, the Administration proposes to strengthen the conditions under which states receive formula funds and will shift more funds to competitive grants in order to support the development and implementation of high-quality programs for ELLs including dual language and transitional bilingual programs. For IDEA, the Administration calls for an increase of \$250 million to \$11.8 billion for FY 2011 which would average about \$1,750 per student for seven million children ages three through 21. The Technology and Media Services National Competition Program would be reduced to \$41 million from \$44 million last year.

Most of the programs not included in the proposed consolidations or eliminations would be level-funded. One exception is 21st Century Community Learning Centers which would be level funded at \$1.17 billion. However, the program would be redesigned to support efforts to implement "full-service community schools that coordinate and provide access to comprehensive services at the school site that address the developmental, physical, and mental health needs of students, their families, and, as appropriate, their communities." As we have reported on several occasions, Secretary Duncan expressed disappointment with the success record of 21st Century Community Learning Centers after-school programs; perhaps one of the strongest statement from any vested interest group about the budget came from the After-School Alliance who argued that the current after-school K-12 programs could serve more kids more successfully than

the proposed redesigned use of community schools, which are very costly. Under the FY 2011 budget plan, the E²T² state technology grants program would be consolidated into several of the streams. Most would go into the Effective Teaching and Learning for a Complete Education funding stream, including: grants to strengthen the use of technology in core academic subjects; a competitive grant program to encourage the development of systems of instructional supports and high-quality digital education contents and other grants related to Literacy, STEM, and Well-Rounded Education components. According to official USED statements, technology will be used to drive improvements in teaching and learning and would also be given a higher priority in the funding of i³ grants. However, even if education technology is an allowable use under these newly consolidated programs, there is no certainty that such funds will be actually used for technology products and activities. As history has proven, if programs are consolidated into large block grants, the constituency support for individual programs in the consolidation dissipates over time. This is often followed by a subsequent reduction in Federal funding for the entire consolidated grant program, as was the case with Title V, Improving Education Strategies. While the Congress might support some of the consolidations, early ESEA reauthorization is unlikely before the mid-term elections in November and under a “new” Congress could be significantly different from the Administration’s proposal and more difficult to pass.

Special Report:
**Highlights of National Association of State Title I Directors Annual
Conference of Interest to AEP Members**

A Technology Monitoring and Information Service (TechMIS)
SPECIAL REPORT

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On January 20-24th, NASTD held its annual conference in Washington D.C. at the Gaylord National Harbor. Below are some of the highlights that should be of interest to TechMIS subscribers which were covered in official sessions, off-line discussions with presenters and government officials, and several interviews with district, state, and district Title I directors. We also had a chance to talk with several AEP members who exhibited and had recommendations for firms which might be planning to exhibit in the future.

During a well-attended Saturday afternoon session, Dr. Joseph Johnson, Executive Director of the National Center for Urban School Transformation at San Diego State University, shared lessons learned from his research, over the last two decades, covering 35 schools in 13 states which at one time were high-poverty low-achieving. Now, many of these schools have been transformed into successful, high-achieving schools. Many of the lessons learned suggest opportunities for firms that have programs, instructional materials, and technology tools which can help turn around lowest-achieving schools, particularly under the School Improvement Grant program.

Across all 35 schools, strong leadership has generated a clear purpose, not because of NCLB and other sanctions, but because of school leaders' persistent passion and promotion of ambitious goals. One key to success is to tell teachers what students need to master, which technology can facilitate. Another important practice is teacher collaboration with their peers which is one of the requirements under the "transformation" model in School Improvement Grants. In these high-achieving schools, teachers worked as a team not as "private contractors." All of the successful high-achieving schools focused only on key academic content and did not attempt to cover the broad array of state standards which Dr. Johnson felt are "political products that were thrown into the pot" to placate certain political interest groups. Teachers in the high-achieving schools were trained to focus on key academic content in-depth compared to those in low-performing schools whose teaching was a "drive-by" experience, emphasizing coverage rather than depth. Another characteristic of high-achieving schools is a "maximized instruction time." Groups such as the Software and Information Industry Association (SIIA) have argued that technology can be used in many classroom activities to increase productivity and provide more time for direct

instruction. As a note, Dr. Johnson will be a speaker at the SIIA Education Forum in March. High-achieving schools also continued to seek “evidence” that students are learning on a continuing basis and that the emphasis is on increasing student growth, not necessarily to meet AYP criteria or to meet unrealistic goals forced on them by states. On several occasions, Dr. Johnson noted the conflicts between his research findings and rigid provisions under NCLB. It should be noted that Dr. Johnson was appointed as the first Bush Administration’s National Title I Director within USED by then Secretary Paige. During the annual NAFEDA conference in Washington D.C., in April 2002, a month or so after his appointment, Dr. Johnson’s advised district Title I directors who were redesigning Title I programs for NCLB compliance, to do “what they think is right and don’t ask any questions.” Shortly thereafter Dr. Johnson resigned to become a high-level official in the Ohio Department of Education. His NASTID presentation is available at: www.ncust.org.

Dr. Robert Slavin, Director of the Center for Research and Reform in Education at Johns Hopkins University -- who with associates developed the widely-used *Success for All* program -- shared recent research findings on effective teaching practices at the elementary level which he argued should be taken into account by district decision-makers in designing and implementing initiatives, some of which could be funded under the new School Improvement Grant program. These findings were identified through an exhaustive review of literature, including some of the studies that have yet to be reviewed by the What Works Clearinghouse but which met criteria developed by the Center for its Best Evidence Encyclopedia. Some of these criteria used by the Center (e.g., randomized control trials) are less rigorous than those used by What Works Clearinghouse during the early days; however, one important requirement is that the post-test used in any “control” or “matched” comparison school must be independent of the treatment (i.e., not developed by the operator/publisher of the treatment).

In terms of Effect Size Gain (ESG), Slavin and his associates found the largest ESGs, across the numerous studies that were analyzed, were for classroom instructional process interventions that included, in most cases, a combination of co-op learning, tutoring, and phonics. Such approaches also had the greatest long-term effects after the initial year of intervention. Slavin’s research also analyzed a number of studies that addressed the effectiveness of Reading Recovery and found that Reading Recovery did produce a significant ESG; however, Reading Recovery’s ESG was only slightly higher than that attributed to one-on-one tutoring by volunteers or aides. The one-on-one tutoring studies that were assessed involved in-school tutoring, not after-school tutoring such as that in after-school programs funded under 21st Century or SES programs. Lower ESGs were evident for small-group instruction usually involving five students to one teacher and computer-assisted instruction (CAI) which was found to have no significant ESG. During a Q&A session, Dr. Slavin was asked a question as to what recent studies were used to conduct a meta-analysis on CAI; he noted that, unlike some of the studies conducted in the 1970s and 1980s by researchers such as Kulick and Kulick, during the 2004-06 timeframe, USED conducted a major evaluation of technology interventions. Its contractor Mathematica Research reported, in 2004, that only slight gains were observed in mathematics and no differences between treatment and control schools appeared to be related to the use of technology-based interventions. After the session, I asked Dr. Slavin whether he had analyzed the results from the second year of the implementation (which was requested by numerous participating firms and which apparently still have not been made available to some of the participating firms). He

indicated that he did review the report on the second year of implementation in which Mathematica allegedly took into account some of the major implementation problems which occurred during the first year of the evaluation. Again he noted that the results were fairly similar with few if any significant differences.

Some of the recommended conclusions from this newly published research include:

- Provide effective professional development to teachers first.
- Consider the use of paraprofessionals, as well as teachers, as one-on-one tutors, noting that some paraprofessional aides are actually certified teachers who are only working as aides and are not as costly as full-time teachers (as in the case of *Reading Recovery*).
- While phonics instruction is necessary, by itself, it is not sufficient.
- In the long-run, a combination of phonics, cooperative learning (e.g., students reading aloud) and one-on-one tutoring are the best solution.

The Title I conference also provided an opportunity to conduct interviews/discussions with a number of Title I directors who offered advice to firms with products and services which could be purchased by districts using regular Title I, ARRA, and School Improvement Grant funding. An experienced large-district Title I director, who also spent several years with a small but growing supplemental publisher, felt that firms' approaches to districts should be flexible due, in part, to the fact that stimulus funding is a new phenomenon and USED guidance continues to change which affects the priorities of districts. For example, in this Title I director's district, nine high schools are likely to be served for the first time under School Improvement Grants. Authorized uses of such funds, particularly for schools which are Title I-eligible, but which are not currently receiving Title I funds remain unclear, he noted. About a third of the schools to be served are in their sixth year of school improvement; he felt guidance serving these Title I schools will undergo further changes. He also suggested that firms should approach Title I district offices initially rather than schools likely to receive School Improvement Grants or Title I ARRA funds. He indicated that the district Title I office will have a major influence over the specific instructional and related programs and support that will be selected, mostly under transformation models. He indicated that once firms' products and services have been screened, district Title I officials can facilitate use in selected schools.

Another seasoned veteran, who directed the Title I program in one of Florida's largest districts and who has used a variety of instructional approaches and services (e.g., such as *Success for All* and several professional development and support firms), also said initial contacts should be made with the district Title I office. She also felt that the firms' representatives should be very familiar with USED guidelines for Title I stimulus funding, and the use of funds under School Improvement Grants. She also cautioned against hiring retired superintendents as "door openers" to district superintendents and other officials unless they are extremely familiar with Title I programs, as well as changes in USED and state policies and guidance. In order to develop a "comfort level" with a prospective Title I director, there are numerous advantages of hiring former Title I directors as consultants and participants in sales approaches and discussions. A Title I director from an Arizona district echoed similar concerns, noting some firms' representatives are not aware of some of the new flexibilities in USED Title I regulations and guidance. She said she did not have time to "educate" the firms' sales person, thus resulting in a low comfort level for developing a long-term relationship with the firm.

The National Title I conference has had a tradition of having large numbers of Title I Parent Advisory Committees parents attending, especially when it is held in the Southwest (Arizona) or Southeast (Florida). A large number of Title I teachers were also in attendance this year. All of the ten teachers, from different parts of the country, with whom we talked indicated they were asked or directed to attend by their Title I director or district superintendent to find out what is “new” that could improve the performance of their students. Most of these teachers thought their school would be receiving increases in Title I stimulus funding and that Title I would be expanded to upper grade levels in these schools as a result of these additional funds. Several noted that while the early elementary program currently uses the program from company X, that when the math or reading program which is being expanded to upper grade levels, they would not be constrained in selecting alternative programs for the higher grade levels. Most felt that the district Title I office would seriously consider their recommendations. In several of these teachers’ districts, the teachers believed that the teachers in schools likely to receive School Improvement Grant funding would not be heavily involved in selecting programs because most decisions will be made by the Title I district office.

Some of the best attended sessions in the “nuts and bolts how to do it” strand was parent involvement. Several attendees parenthetically noted that, due to the stimulus funding in the 1% for parent involvement they finally had enough funds to actually engage more parents in the learning experience of their Title I children. While SEAs and even LEAs can request waivers to not apply ARRA funds to the set-aside percent (e.g., 20 percent of SES/parent choice), USED does not allow the Secretary to provide such waivers for the 1% parent involvement set-aside in districts receiving \$500,000 or more in Title I funds.

As expected, exhibitors’ perception of the potential benefits -- in terms of “quality leads” generated or actual sales as well as the operational conduct of the exhibit area by the responsible contractor -- ranged from “very pleased” to “disappointment.” Officials from two firms who were pleased with both the exposure and exhibit traffic to their booth shared their “secrets.” One had its key researcher make a presentation on the program about the firm’s research-based approach underlying its new product and research findings from districts using the program. Shortly before the exhibit area closed, 15-20 attendees from the session renewed their discussions with the presenter and received additional information (samples) at the exhibitor’s booth. As the firm’s officials noted, presenting the facts and not a sales pitch during a session presentation is critical.

Another exhibitor felt that increased traffic to its booth could be attributed to a presentation made by a district Title I staff who used its product extensively in implementing some of the NCLB provisions. The district has been recognized nationally as a model for after-school approaches. Several firms were pleased with opportunities to discuss potential partnerships with other firms that have complementary products which could facilitate the implementation of some of the new required and permissible activities under the School Improvement Grant program.

Special Report:
**New Flexibilities in Expanded School Improvement Grant Guidance
Changes the Number of Eligible Schools and Funding Per School
Allocation from \$500,000 to \$2 Million Annually; it also Allows
Schools Which Exit from Improvement to Continue Receiving SIG
Funding if Approved by the SEA**

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256 North Washington Street
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On January 20th, USED published a “revised” set of Non-Regulatory Guidance (NRG) for the School Improvement Grant program [Section 1003(g)] which would increase the number of schools “newly eligible” to receive SIG funding. It is also likely to increase the number of districts that can participate. A provision of the NRG would allow a school which exits from school improvement (including restructuring) status to continue to receive SIG funds if approved by the SEA. More districts are likely to be allowed to participate in SIG competitions by the states. Some of these changes are a result of the Consolidated Appropriations Act signed by the President on December 16th; others took into account calls for greater flexibilities, especially at the LEA level.

The January 20th document states that the Consolidated Appropriation Act signed by the President on December 16th created two “critical changes” to the SIG program; “First, the Consolidated Appropriations Act, 2010 allows SEAs and LEAs to use SIG funds to serve certain “newly eligible” schools (i.e., certain low-achieving schools that are not Title I schools in improvement, corrective action, or restructuring). Second, the law increases the amount that an SEA may award for each school participating in the SIG program from \$500,000 annually to \$2 million annually.” The revised guidance refers to “interim” revised regulations which were published the next day in the Federal Register January 21st. Below, we identify some of the new flexibilities which could have direct and indirect implications for firms targeting districts and schools that are likely to receive School Improvement Grant funding.

As we noted in our January 28th Special Report on Race to the Top (RTTT), the FY 2010 Appropriations Act changes the procedures by which SEAs must identify eligible Tier I, Tier II, and Tier III schools; this, in turn, has required more than three-quarters of the states that submitted Race to the Top applications on January 18th to revise their lists of schools eligible for

SIG funding, with corrections submitted in their School Improvement Grant application on February 8th. The revised lists will, in some states, likely increase the number of schools that are newly eligible to receive SIG funds. In addition, the Appropriations Act provides LEAs with greater flexibility in deciding what eligible schools are to be served based on the LEA's perceived capacity to implement one of the four required models. In some states, the number of Tier III schools that could be served might increase. However, in the Guidance and as reported by high-level USED officials to State Title I Directors at the January 20th National Title I conference, the primary objective is to force LEAs to serve primarily Tier I and Tier II schools for which it has the capacity to ensure effective implementation of one or more of the intervention models, generally with heavy reliance on an external lead or support partner. Also, USED is, to a large extent, abandoning the NCLB "subgroup" performance method for calculating AYP, and hence for determining whether a school is identified for improvement; this change was reflected in the proposed FY 2011 "reauthorization" budget request (see related TechMIS Special Report).

The guidance also clarifies that an SEA cannot limit eligibility for LEAs to receive SIG funding if the LEA did not "commit" to participate in the state's Race to the Top application. Among the states that submitted for RTTT, Phase I, as well as those planning to submit for Phase II, a large percentage of LEAs did not submit such RTTT "commitments" through "memoranda of understandings" (MOUs). However, another clarification in the guidance states that, "...an LEA that is in improvement, but that does not have any Tier I, Tier II, or Tier III schools is not eligible to receive SIG funds." This clarification would appear to be inconsistent with other recent Title I Non-Regulatory Guidance provisions which would allow districts in improvement to have much greater flexibility in using Title I ARRA funds to serve non-Title I students and teachers without violating supplement-not-supplant provisions, as noted in our September 15, 2009 TechMIS Special Report. It also "cuts across the grain" of several states approved "differentiated accountability models" which, in their recent Race to the Top applications, argued that turning around failing schools would take a district-wide reform approach. This clarification could also prevent a number of low-performing districts identified for improvement with no schools identified, in such states as North Carolina, from being eligible to participate.

By lifting the cap to \$2 million annually (up from \$500,000 in previous legislation) per "served" school, Congress and USED provided LEAs both the incentives and increased capacity to serve more Title I eligible high schools that are not currently receiving Title I funds. In previous SIG guidance, USED suggested that LEAs request much more than the previous \$500,000 cap per Tier I school, so that when the LEA received the money it could then reallocate a large portion of the SIG funds to a Tier II non-Title I high school. Several groups, such as Mass Insight, which influenced Secretary Duncan's approach to turning around failing schools have argued that \$1 to \$2 million per school annually would be required for successful turnaround efforts (see Miscellaneous Washington Update item).

In a new section of the revised guidance, USED invites LEAs to seek specific waivers; these could have implications for some firms. One waiver would be to allow a participating Tier I or Tier II school, which implements a turnaround or restart model, to "start over" on the school improvement timeline. The immediate implication is that the school would not have to set aside 30 percent for SES and professional development which would decrease the amount of funding

and the demand for SES which would be bad news for third-party SES providers (see related [Washington Update](#) item). Another “invited” waiver by the SEA would allow a Tier I or participating Tier II school, with a poverty percentage of less than 40 percent, to operate a schoolwide program. This would have the effect of allowing the school more flexibility than a targeted assistance school has and would further erode some of the legal framework of NCLB. Another invited waiver would allow SIG funds to be available for a period of up to three years. If an SEA does not request any of these waivers, an LEA may do so independently.

Also included in the revised guidance is a further clarification of what USED high-level officials have suggested previously regarding whether a school that exits from its improvement status can continue to receive SIG funds. As we and other groups have interpreted, if a school exits improvement three years from now, it could continue to receive SIG funding for additional years if SIG funds are available from the SEA and if the SEA approves the request. As Secretary Duncan as noted on several occasions, and as was reflected in the proposed FY 2011 budget, additional SIG regular funding (beyond ARRA three-year funds) have been requested. Based on its five years of studies on restructuring schools, the Center on Education Policy (CEP) has recommended that continued funding be made available when a school exits restructuring for at least two more years to prevent that school from regressing and to remove any disincentive for exiting from restructuring. In a recent discussion, Jack Jennings, CEP’s Executive Director, noted that recent USED policy guidance “appears to be moving in the right direction.” Opportunities for developing incentive or performance-based partnerships between firms and individual schools could certainly be enhanced.

In at least one area, USED appears to be “holding the line” -- namely in prescribing intervention models. In response to the question, “If an LEA lacks capacity to implement any of the four interventions in all of its Tier I schools, may it apply for SIG funds to provide other services to some of its Tier I schools?, USED responded, “No. The only service an LEA may provide to a Tier I school using SIG funds are services entailed in the implementation of one of the four interventions described in the final requirements (i.e., turnaround model, restart model, school closure, or transformation model).” LEAs can however continue the use of any other successful activities previously instituted in Tier I or Tier II schools by incorporating them into one of the four intervention models. For Tier III schools, LEAs can use SIG funds for other proven activities outside of the four intervention models as long as they are “research based and designed to address the particular needs of the Tier III schools.”

The revised guidance also reiterates some of the “flexibilities” identified in our January 13th Special Report on the previous set of school improvement guidance, such as:

- districts can use SIG funds to contract with third-parties to provide services rather than allocating all of the funds to the schools;
- an education service agency can apply for SIG funding for several LEAs; and
- external providers can provide services ranging from needs assessments to creating safe school environments.

For a copy of the January 20 revised guidance, go to:
www2.ed.gov/programs/sif/guidance20100120.doc

Washington Update

Vol. 15, No. 2, February 17, 2010

The Community Schools Market Niche Will Likely Expand Dramatically Under the Obama/Duncan Administration, Creating New Opportunities

As we have reported on several occasions, one of the priorities of President Obama as a Senator and now President has been Community Schools. He has also pointed to the model Harlem Children's Zone successful initiative which was reinforced in his FY 2011 proposed budget in which funds for the Promise Neighborhood program would increase from \$10 million to \$210 million. While the After School Alliance called the FY 2011 proposed budget a "set back," the Coalition for Community Schools is savoring victory. In our analyses of School Improvement Grant and Race to the Top guidelines, each version leading up to final regulations for the two programs encouraged and then required "extended learning" and included examples related to mental healthcare, parent engagement in student learning, job training, nutrition programs, and early childhood education. In the nine states which had been approved for "differentiated accountability models" two years ago, most acknowledged that several new initiatives in their Race to the Top proposals would include components focusing on extended learning, teacher collaboration, and the other community school activities noted above.

One of the first major Community Schools initiatives began early in the decade in Chicago Public Schools when Secretary

Duncan was CEO and has now grown to about 150 Community Schools. On several occasions he has expressed "concerns" that 21st Century Community Learning Centers after-school program have not met expectations in improved student academic performance; yet on more than one occasion, he has pointed to the effectiveness of community schools citing Chicago and the New York Harlem initiative. Current House Majority Leader Steny Hoyer (D-Maryland) and Senator Ben Nelson (D-Nebraska) have recently submitted legislation entitled "Full Service Community Schools" Act (HR3545) which would create partnerships between school districts and community-based organizations. According to Education Daily (January 5th), Majority Leader Hoyer's late wife Judith pioneered community schools in Maryland in 1990. Today, 24 state-funded "Judy centers" offer a variety of school-based services. The article also noted that the Center for American Progress recent report "A Look at Community Schools" cited effective practices in 21 community schools in Manhattan and the Bronx that were operated by the Children's Aid Society.

The Coalition for Community Schools, which estimates that about 5,000 Community Schools exist nationwide, will hold its Community Schools National Forum 2010 in Philadelphia on April 7-9. Additional information about Community Schools located in different parts of the country and other information suggesting the Administration's strong support for Community Schools are available on the

Coalition's website at:
www.communityschools.org

Miscellaneous

- The Education Industries Association (EIA), which claims to be the only organization working on the behalf of third-party SES providers, is mounting a lobbying initiative to stop the erosion of the SES set-asides through the Secretary's waiver process and/or reauthorization of ESEA. Joining EIA is the ESEA Coalition which supports SES as a "civil right and as a matter of equity and acceptability for low-income students." EIA selected as its chief lobbyist Dutko Worldwide which has lobbied for SES and school choice since former Under Secretary of Education Eugene Hickok joined the firm after leaving the USED. According to a summary of a February 4th EIA conference call on SES, 30 member firms and other groups are thus far participating in the campaign and about a third of its financial goal for lobbying has been raised. In its report summary, the EIA report notes, "Before the Budget was released, this past year saw a series of remarkable administrative actions affecting SES that signal future likely actions of the Department of Education. With new ARRA funding, the Dept offered states and districts waivers to avoid the 20% set-aside. New School Improvement Grantees, with \$3.5B in new funding to fix the nation's worst schools, were again offered flexibility to not offer SES to students in these drop-out factories. And school districts and schools in need of improvement were allowed to become SES providers if they

asked for this new authority." During the February 4th conference call, EIA officials warned that, if a grassroots organized effort is not mounted, "SES will go the way of dinosaurs." While a number of firms on the conference call suggested ways to improve SES, there appeared to be little consensus on how to justify SES besides the "civil rights" rationale. One EIA member raised a question of whether SES payment to third-party providers should be based on student performance -- the question we raised at an EIA meeting in 2003 when the president of a large SES provider stated that the firm's objective was to get children to attend tutoring sessions because that is the basis of receiving payment. One response was that it could be a consideration in SES language, version 2.0.

- In 2007, the School Turnaround Group at Mass Insight Education and Research Institute published its report entitled *The Turnaround Challenge*, which Secretary Duncan has referred to as the "Bible of school turnaround." It recently announced a two-year extension of the Mass Insight effort, which provides an additional \$75 million to six states with which it has been working over the last three years -- Colorado, Delaware, Illinois, Louisiana, Massachusetts, and New York. This Partnership Zone Initiative, funded by several million dollars in grants from the Carnegie Corporation and the Bill & Melinda Gates Foundation, will rely on \$45 million of School Improvement Grant, Part G funding. A large portion of these funds will be used for increased teacher compensation, to support extended learning time and incentive pay. If any

of the states receive Race to the Top grants, a portion of those funds would also be used.

In an interview reported in Education Daily (February 5, 2010), Bill Guenther, President of Mass Insight, noted that its approach is “heavily an HR strategy.... it focused primarily on getting the right people in the right jobs and giving them the flexibility to do their jobs well, rather than focusing on getting the right kind of program.” In the same article, he predicted that states will need “similar partnerships to implement the intensive ARRA reform programs effectively” because State Department of Education staff capacity has been the victim of state budget cuts.

The Mass Insight plan is to have each of the states identify one or two school districts to demonstrate successful turnaround models in clusters of three to five low-performing schools which will be “supported” by a lead partner who provides academic and student support services and coordinates the turnaround effort. Lead partners will be independent organizations or autonomous units within the district central office. Zone school leaders will have freedom to make staffing, scheduling, curriculum and related decisions in return for being held accountable for dramatic student achievement gains within two years. Key conditions to which lead partners must agree includes the use of a multi-year performance contracts that hold partners accountable for student outcomes in the schools they manage and the lead partner must have the power to supervise support providers, as

reported in Education Week (February 3).

According to Mass Insight, since 2009, it has organized a network of approximately 12 states which have committed to investing Federal funds in effective and innovative turnaround strategies. High-level state officials in the so-called “state development group” hold monthly conference calls to share lessons learned, and a group of national “collaborators” will continue to provide assistance at least in the initial six states. Collaborators include Education Counsel, Education First Consulting, Education Resource Strategies, KSA Plus Communications, The New Teachers Project, The Parthenon Group and Turnaround for Children.

As we pointed out in our January 28th TechMIS Special Report, Mass Insight was identified as a major “influencer” in the states Race to the Top applications and is likely to continue and/or expand its assistance directly or through “collaborators,” especially in states receiving Race to the Top grants.

For a copy of the Mass Insight report, “The Turnaround Challenge,” go to: www.massinsight.org/resourcefiles/TheTurnaroundChallenge_2007.pdf

- A new USED report on the use of data systems to support reform and particularly using data to inform instructional decisions, found that, in 2007, 99 percent of school districts surveyed reported using some type of student information system, while only 64 percent reported having an instructional and curriculum

management system to support access to curriculum and instructional resources. Almost 80 percent reported having an assessment system that organizes and analyzes benchmark assessment data, and 77 percent reported having a data warehouse that provides both current and historical data on students. The survey of over 500 districts found districts' greatest perceived area of need with respect to data-driven decision-making is for models of how to connect student data to instructional practices. Among teachers, there is a need to enhance their assessment interpretation and data use skills. While over 90 percent of districts reported having electronically stored data on student demographics, attendance, grades, and test scores on statewide assessments, less than half had electronic data systems that allowed them to link the outcomes to processes as required for continuous improvement. The report notes that only 42 percent of districts could generate data reports showing student performance linked to participation in specific instructional programs and can link student performance to teacher characteristics. While 65 percent of the districts say they made technical expertise available for all of their schools, only 32 percent reported they had provided "data coaches" for all of their schools. And last, the report concludes, "The greatest perceived area of need among districts is for models on how to connect student data to instructional practice." For a copy of the report released on January 27th, go to: www2.ed.gov/rschstat/eval/tech/use-of-education-data/use-of-education-data.pdf

- In an in-depth analysis of the movement by states to create testing consortia to compete for the \$350 million in Race to the Top money earmarked for improved tests, Education Week reporter Stephen Sawchuk identifies at least six consortia which could provide some opportunities for TechMIS subscribers. Because of uncertainty as to priorities and options to be included in the USED application -- expected in March -- many states have teamed up with more than one multi-state consortia through "memoranda of understanding," which Sawchuk notes are non-binding. Moreover, "The situation remains fluid, with the number of states involved in each consortium changing almost daily." Sawchuk points out several obstacles to the creation of these consortia, including "conflicting goals, delicate political questions about curricula, and widely divergent procurement laws" among the states. Most consortia are being led by one or two states which have had prior experience. The SMARTER Consortium, headed by Oregon, would focus on adaptive testing technology which the Bush Administration would not allow as a state assessment for determining AYP under NCLB. The 27-state MOSAIC Consortium would focus on professional development for classroom-based formative assessment techniques with Nebraska taking the lead role. Nebraska initially relied heavily on local assessments, but eventually had to phase them out in favor of statewide tests. The Balanced Assessment Consortium, consisting of 36 states, would likely focus on curriculum-embedded, performance-based tasks scored by teachers throughout the year to help guide instruction. Maine and West

Virginia appear to be taking the lead role. The National Center on Education and the Economy Consortium, which at the end of January consisted of seven states, will focus on high school exams and according to NCEE President Marc Tucker, would use comprehensive syllabus-based board examinations, analogous to those used in Britain. The 17-state Florida Assessment Consortium would focus on common year-end assessments and grade-by-grade benchmark tests assessing college and career readiness. The Achieve Consortium, which consists of 27 states, is led by Achieve which is also currently a critical group in the Common Core State Standards Initiatives supported by the CCSSO and NGA.

According to the article, Maine commissioner Susan Gendron, Board President of the CCSSO has called for a meeting to encourage some consortia to merge or share their work.

- In the question and answer period during a press conference on the FY 2011 Budget, Mary Kessler, AASA lobbyist, sought clarification on whether the proposed zero funding of E²T² was a result of consolidation, or was it one of the programs eliminated. Assistant Secretary Carmel Martin said that technology support would be “infused” into a “multi-faceted” approach for many of the consolidated programs such as the “well-rounded student” and other components in a reauthorized ESEA. Technology would also become a focus of the i³ initiative with a proposed budget of \$500 million, compared to \$650 million in ARRA funds this year. Joel Packer, former lobbyist for NEA

and now Executive Director of the Committee for Education Funding, asked whether any change in the Title I formula is being proposed; Assistant Secretary Martin said, “No, not at this time.” A lobbyist for several social welfare groups noted that all of the attention appears to be focused on improving the effectiveness of teachers and leaves out other important staff such as counselors. Martin’s response was that the Administration has proposed to include in the Teacher Incentive Fund opportunities for counselors and other staff to participate. She indicated that rewards and incentives could be provided to counselors, in several components, as an allowable use, but no specific funds aligned with the amount for the current counseling program would be “dedicated.”

- Earlier this month, the White House announced the initial rollout of \$183 million in awards to expand broadband access in 17 states over the next several months. Approximately \$2 billion will be made available on a rolling basis to bring high-speed Internet to communities that currently have little or no access to the technology. In addition to the ARRA grants and local loan funds are additional matching grants of \$46 million in public and private sector capital. The National Economic Council also released a report entitled “Recovery Act Investment in Broadband: Leveraging Federal Dollars to Create Jobs and Connect America” which argued that tens of thousands of jobs would be created in the near-term. Funding came from stimulus buckets in the Department of Commerce and the U.S. Department of Agriculture. A list

of the projects and brief descriptions are available at: www.whitehouse.gov.

Alabama Update

February 2010

Alabama's application for \$181 million in Federal Race to the Top money highlighted expanding the State's math and science initiative, a new distance learning program, and more Advanced Placement courses. The application was endorsed by 113 of 132 school districts and 108 local teachers union representatives. The union support came only after the State deleted from its original draft of the application, performance-based pay for teachers and more money for math, science, and special education teachers.

Arizona Update

February 2010

The Arizona Republic reports that, for the past ten years, Arizona has been operating a pilot program under which 14 local school districts and charter schools offer online courses to 15,000 K-12 students. A new State law allows all of the State's school districts (227 of them) and charter schools (500) to offer online courses and to make the courses available to any Arizona student. The State has also established the "Arizona K-12 Online Course Catalog" providing a list of courses approved through the pilot project. The Catalog can be accessed through www.ade.az.gov.

Arizona will be participating in a new national system to track high school students after graduation. Called the National Student Clearinghouse, the system will match information about high school graduates against a national database that includes enrollment information from colleges, universities, and trade schools. The Clearinghouse is partially funded by a \$2.9 million grant from the Bill & Melinda Gates Foundation.

Arizona State University is in the process of overhauling its approach to teacher education, placing greater emphasis on getting practical classroom experience and mastering the subjects taught. Using a five-year, \$34 million Federal grant, ASU's College of Teacher Education and Leadership will require potential teachers to take at least 25 percent fewer education courses and many more classes in the subjects they expect to teach. ASU has received another five-year grant -- for \$19 million -- from T. Denny Sanford to partner with Teach for America in an effort to improve the University's methods for selecting, preparing, and teaching future K-12 teachers.

California Update

February 2010

A recent analysis by the Los Angeles Times has found that, overall, charter schools in Los Angeles have outperformed traditional public schools in the district, but have not done as well as Los Angeles' network of magnet schools. Using 2008-09 test and demographic data, the analysis compared 152 L.A. charter schools with the nearest traditional public school and with 161 magnet schools. More than 40 percent of charter school students scored proficient or advanced in math compared with 25 percent of traditional school students. Similarly, 47 percent of charter students scored at proficient or advanced in reading versus 30 percent in traditional schools. The Times analysis found that, although charter school chains did less well than other charters, some of the highest-achieving schools were in the KIPP, Aspire, Bright Star, and Crescendo chains. The lowest-performing among the charters were the Green Dot chain.

As reported in Education Week's *Digital Education* blog, California is expanding its free digital textbook initiative. Last year, the State rated a number of math and science textbooks that are available online at no cost according to how well they align with State academic standards. This year, the program is being expanded to include history/social science and higher math textbooks. Governor Schwarzenegger has urged content developers to submit materials to the State's review panel.

According to the San Diego Union Tribune, California is undertaking a new initiative to close the achievement gap between high- and low-performing students and to improve teacher-student relationships. The State has developed new workbooks -- expected to be delivered to districts this month -- designed to help schools make appropriate changes. The workbooks will incorporate data from the State-sponsored school climate surveys conducted last year.

Education Week reports that, in his State of the State address, Governor Arnold Schwarzenegger said that his new budget proposal would spare K-12 and higher education from budget cuts

despite the State's \$20 billion deficit. But school officials indicate that the details of the proposal would result in a \$2 billion cut to K-12 education in FY 2011, in addition to \$17 billion in cuts in the previous two years. The Governor did sign two bills intended to enhance California's bid for Federal Race to the Top money, both of which were opposed by the State teachers union and School Boards Association. One of these measures would allow a majority of parents to trigger the closure or reconstitution of a low-performing school.

Colorado Update

February 2010

A report from the Colorado Department of Education indicates that the State's K-12 public school enrollment has increased 1.7 percent this school year. The largest jump was in twelfth grade which Statewide had 2,631 more students than the 2008-09 school year. Of the State's 832,000 students, 29 percent are Hispanic, six percent are Black, and four percent are American Indian. Moreover, the number of poverty students -- those eligible for free or reduced price lunch -- rose by three percentage points to nearly 40 percent of all Colorado students.

Colorado's application under the Federal Race to the Top program has requested a total of \$380 million. State education officials have, however, expressed pessimism about being funded in the first round of RTTT awards. They believe that the State's lack of guidelines for teacher tenure and dismissal will hurt Colorado's chances of initial funding. The State's RTTT plan calls for \$10,000 awards for effective teachers who share their curricula and up to \$1 million incentives for the best teacher preparation institutions. Most of Colorado's school districts have approved the State's RTTT application.

According to [The Denver Post](#), the Denver school district has received a \$10 million grant from the Bill & Melinda Gates Foundation to help develop a new teacher evaluation system. The largest private grant in district history, the three-year award will be used to develop:

- a research-driven definition of effective teaching;
- an assessment tool that incorporates not only student academic growth, but also student class work, student perceptions, and classroom observations;
- targeted professional development; and
- an alignment of teacher salaries that rewards effective teaching.

District of Columbia Update

February 2010

The National Alliance for Public Charter Schools has released a ranking of charter school laws in 39 states and the District of Columbia. The District's 1996 law was ranked second (to Minnesota) in the nation. Eleven states have no laws permitting charter schools. D.C. has 28,000 charter school students. Supported by the Walton Family Foundation and the Bill & Melinda Gates Foundation, the Alliance's rating system is consistent with the Obama Administration's pressure on states to create and improve charter school laws.

Florida Update

February 2010

The Florida legislature begins its 2010 session on March 2, having to address a \$3 billion budget shortfall. As reported in The Miami Herald, former Governor Jeb Bush and other members of his administration are working with the State legislature on a proposal intended to improve the State's education system and strengthen its work force.

The Miami Herald reports that 55 of Florida's 67 county school districts have agreed to participate in the State's application for Federal Race to the Top funds. The Miami-Dade school district, whose share could be \$65 million, has signed onto the RTTT application. But nearby Broward County, with a potential share of \$34 million, has declined to sign on, citing the controversial requirements that would accompany the grant.

THE Journal reports that the Florida Virtual School is expanding its use of technology from Blackboard. During 2008 and 2009, the FVS delivered 154,000 half-credit online courses and expects to see a significant increase in course-taking. In the past, the FVS used Blackboard's course management system for teacher professional development. By 2011, the school plans to move 100 of its student courses to the Blackboard *Learn* platform.

According to the Orlando Sentinel, Florida is seeing its biggest increase since 2005 in the number of home-schooled students. In some school districts -- Brevard, Polk, and Seminole Counties, for example -- the increase has been 15 percent or more. Overall, only about 61,000 of Florida's 2.6 million students are home-schooled, but the number is up from 47,000 in 2003-04. Experts say the State's shaky economy -- like the Nation's as a whole -- is a major contributor to the trend. Many families can no longer afford private schools (whose enrollments in Florida are down 7 to 12 percent) but do not want their children in public schools. Home-schooling is easier nowadays because of the availability of support groups and technological programs such as the Florida Virtual School.

Georgia Update

February 2010

In an effort to enhance its application for a Federal Race to the Top grant, Georgia is considering a major overhaul in its Statewide teacher salary schedule. Teachers could opt into a system that would determine pay partly based on performance-based measures (e.g., student performance, classroom observations). Scheduled to become effective in 2013, the plan would allow existing teachers to decide whether to participate or to remain on the current salary schedule. Starting in 2014, all newly hired teachers would automatically participate in the new system. Governor Sonny Perdue has announced support for such a plan but details must still be worked out before it is submitted to the legislature.

The Georgia legislature is considering a bill that would expand the definition of “textbook” to include computer hardware and technical equipment (such as a Kindle or iPod) to support the use of digital content. Under the proposed measure, local school districts would have the flexibility to seek alternative options for receiving information.

Hawaii Update

February 2010

In her State of the State Address, Hawaii Governor Linda Lingle indicated plans to use more than \$3 million in Federal stimulus money to expand a middle school program in the areas of science, technology, engineering, and math (STEM). The State will spend about \$1 million this year and \$2 million next year to support the Fostering Inspiration and Relevance through Science and Technology (FIRST) Pre-Academics program established in 2007. The Federal funds would expand the number of FIRST Pre-Academics from the current 26 middle schools to 70 (54 traditional schools and 16 charter schools) by the end of the 2010-11 school year. The money will be used to purchase equipment and curriculum materials, as well as to provide instructional and technical assistance to teachers.

Illinois Update

February 2010

The State Journal-Register reports that the Illinois legislature has approved Senate Bill 315 that is intended to enhance the State's application for more than \$55 million from the Federal Race to the Top program. SB315 would strengthen instructional staff evaluations by tying them to improvement in student test scores. The stronger evaluations would not go into effect this school year and would apply to the State's lowest-performing schools. If Illinois' RTTT application is not approved, the higher standards would not apply.

Indiana Update

February 2010

As reported in Education Week, starting with the January payment, K-12 schools in Indiana will have their State aid payments reduced by about 3.5 percent. This is in addition to previously announced cuts of \$300 million. State education officials say that districts can reduce spending by three percent without laying off teachers.

According to the Post-Tribune, the Indiana legislature is considering a measure that would require the retention of all third-graders until they achieve grade level proficiency in reading. Nearly a quarter of Indiana's third-graders fail the reading section of the State assessment. Supported by Governor Tony Bennett, Senate Bill 258 would require school districts to provide intensive reading support for struggling students, including such possible approaches as: small group instruction; extended school day, week, or year; summer reading programs; and transition classes with third- and fourth-grade students. It is estimated that the cost to school districts of the proposed policy would be \$8 million for reading assessments and \$17.5-\$24 million for interventions.

The Indiana legislature is considering a bill, supported by the Governor and State education officials, which would require third-grade students not reading at grade level be retained in grade until their reading skills improve. According to the Tribune-Star of Terre Haute, Under the legislative proposal, intensive reading intervention would be provided to these struggling students and exemptions could be made for students with disabilities and those held back for two or more years.

Iowa Update

February 2010

As reported in Class Notes, Iowa Governor Chet Culver has ordered a 10 percent, across-the-board mid-year spending cut for FY 2010. Projections of State revenues are \$415 million lower than expected.

Under a government reorganization bill being considered in the Iowa legislature, the State's network of Area Education Agencies (AEAs) -- which provide much of Iowa's special education and teacher professional development services -- would be eliminated. The Des Moines Register reports that Senate Study Bill 3030 moves much of the work done by AEAs to the SEA. The measure is intended to eliminate duplication of services in an effort to address an expected \$1 billion shortfall in next year's budget.

Kansas Update

February 2010

According to ABC News, Kansas has delayed State aid payment to local schools for the third consecutive month. The State's cash crunch will force nearly 100 school districts to violate cash management laws. As in November and December, the State funds will not be paid in full until the end of the month or the beginning of the following month.

Kentucky Update

February 2010

In an effort to enhance its Race to the Top application, the Kentucky legislature has passed, and the Governor has signed, a bill intended to improve low-performing secondary schools across the State. As reported in the [Louisville Courier-Journal](#), the new law establishes a more comprehensive definition of low-performing schools which incorporates graduation rates and student proficiency in reading and math. It would also allow school districts to close low-performing schools and reopen them as charter schools. Under the new definition, 12 Kentucky schools would be classified as low-performing.

Maryland Update

February 2010

An analysis by the National Alliance for Public Charter Schools has ranked Maryland last among the 39 states and D.C. that have charter school laws. According to the Alliance, Maryland's 2003 law includes no solid quality control measures and does not promote effective practices for authorizing new charter schools.

According to USA Today, Maryland leads the nation in the percentage of public high school students who have passed at least one Advanced Placement exam. In Maryland, 23.4 percent of high schoolers passed at least one AP test compared with a national average of 15.2 percent. It was one of only three states in the South (Delaware and Virginia were the others) in which at least 60 percent of AP exams scored a 3 or higher. The College Board, which oversees AP testing, is paying half the salary of Maryland's AP teacher trainer.

Massachusetts Update

February 2010

As reported in the Boston Globe, Massachusetts has approved new education legislation that it hopes will improve its chances of winning up to \$250 million from the Federal Race to the Top competition. Under the plan, the number of charter schools in the State's lowest-performing districts would double and districts would have greater authority to fix their worst schools and make changes in staffing and scheduling. Should Massachusetts be successful with its RTTT application, at least half of the State's grant would go directly to school districts committed to improving their failing schools. It is expected that the new legislation will result in at least 14 new charter schools, four of which would be in Boston.

Mississippi Update

February 2010

According to the Jackson Clarion Ledger, Mississippi is considering a number of policy changes that would lower the cost of textbooks for college students. These include:

- requiring instructors to use the same book for three consecutive years in lower-level courses and two years in upper-level courses;
- encouraging departments to adopt the same textbook for all sections of the same course;
- requiring universities to name a textbook coordinator to oversee implementation of textbook policies; and
- providing faculty and students with more information on book prices and usefulness.

A State task force will make recommendations to the State's College Board to become effective at the beginning of the 2010-11 academic year. The National Conference of State Legislatures says that at least 16 states have passed legislation to reduce college textbook costs.

Nebraska Update

February 2010

In his State of the State address, Governor David Heineman called for a transformation of Nebraska's education from preschool through college. According to the Lincoln Journal Star, the Governor is chairing the State's transformation initiative, called P16. Among the actions to be taken is an updating of high school graduation requirements. Future plans include extending Nebraska's school year and school day and the development (using \$22 million in hoped-for Race to the Top money) of a virtual high school that would provide rigorous online courses in such areas as foreign languages and advanced math and science.

The Lincoln Journal Star also reports that Nebraska's fastest growing youth population is children born to immigrants, 61 percent of whom live below the poverty line (compared with 13 percent of Nebraska children in general). According to the 2009 Kids Count report, 52,000 children fall in this category; 85 percent of them are U.S. citizens. Experts indicate that many immigrant parents have difficulty getting better-paying jobs because of poor English skills and a lack of education through high school.

A new State rule calls for tougher graduation standards for the Class of 2015 (this year's seventh graders). The total number of required credit hours remains at 200 (most Nebraska school districts require more). By 2015, however, graduates must complete at least 40 hours of English and at least 30 hours each of mathematics, science, and social studies. This means that close to half of the State's school districts will have to add science requirements.

New Hampshire Update

February 2010

The Concord Monitor reports that more than 20 New Hampshire school districts have been awarded a total of \$3.2 million through the Enhancing Education Through Technology (E²T²) component of the Federal stimulus program. The E²T² stimulus grants far exceed the district's regular E²T² funding of \$1.2 million. The districts that have been funded are:

- Allentown
- Alton
- Bartlett
- Chester
- Claremont/Unity
- Deerfield
- Epsom
- Laconia
- Lafayette Regional
- Manchester
- Milton
- Nashua
- Oyster River
- Pembroke
- Pittsfield
- Portsmouth
- Profile
- Raymond
- Somersworth
- Timberlane
Regional
- White Mountains
Regional

The money will be used for laptop computers, digital cameras, and interactive whiteboards.

New Jersey Update

February 2010

As part of its application for Federal Race to the Top funding, New Jersey has set forth a plan that would establish state-of-the-art data systems and tie teacher evaluations to student academic performance. The State's RTTT application incorporates four areas:

- implementing higher standards and revised tests;
- using data systems to improve teaching and learning;
- improving teacher and principal quality; and
- turning around persistently poor-performing schools.

Under the proposed data system, teachers would be able to access all tests/quizzes a student ever took and would have tools for using the information to improve their teaching.

According to the Newark Star-Ledger, last year, more than 36 percent of New Jersey schools where students were tested failed to make adequate yearly progress (AYP) under Federal standards. Of the 2,200 schools tested, 800 missed No Child Left Behind targets -- up from about 650 schools in 2008. State education officials attribute the increase in the number of schools missing AYP to a new, higher required student passing score as well as an increase in the percentage of students required to be proficient for a school to make AYP. The State believes the drop in performance may be temporary. In 2008, New Jersey made its fifth-grade test more rigorous and the percentage of students passing dropped sharply. But last year, scores recovered with 66 percent passing language arts compared with 60 percent in 2008.

According to Education Week, Rutgers University's Graduate School of Education plans to offer, beginning in 2011, a new teacher certificate program focusing on the resources and skills needed to teach digital literacy. Known as the Educational Leaders of the 21st Century program, the new certificate is designed to help New Jersey teachers "use technological tools to engage students."

New York Update

February 2010

As reported in Education Week, New York State, facing a budget deficit of \$7.4 billion, is having to make major cuts to State programs including State aid to education. Overall the Governor's budget proposal would make cuts to local government aid of about 0.5 percent. Under the proposal, New York City's public schools, for example, would lose \$469 million.

As reported in The New York Times, in January, the New York State legislature failed to agree on a bill to double the number of charter schools in the State. New York had hoped to improve its chances of getting a share of the Federal Race to the Top money, but opposition to charters from the State teachers' union played a large part in the legislature's failure to act. New York City, on the other hand, has welcomed charter schools, increasing their City enrollment this year by 8,000 students to a total of 38,000. Mayor Michael Bloomberg has indicated that he would like to see ten percent of the City's one million students in charter schools within the next few years; currently three percent are in charters.

As reported in The New York Times, the New York City school system has closed 91 schools since 2002, replacing them with smaller schools or charter schools. Another 20 are expected to be phased out this year as part of Mayor Michael Bloomberg's effort to turnaround failing schools. The closing of large schools has been met with vocal opposition from parents and staff at those schools, but the panel that determines closures is controlled by Mayoral appointees.

Ohio Update

February 2010

The Columbus Dispatch reports that more than half of Ohio's 613 school districts have declined to participate in the State's \$400 million application for Federal Race to the Top money. Among the 250 districts that have agreed to the policy changes inherent in RTTT are five of Ohio's eight largest big-city districts. Moreover, the State's two teachers unions -- the Ohio Education Association and the Ohio Federation of Teachers -- and 187 charter schools have agreed to support the RTTT application.

Oregon Update

February 2010

Currently, about 4,000 Oregon students attend virtual charter schools, 2,500 at Oregon Connections Academy, the largest online school in the State. The Statesmen Journal reports that the Oregon legislature is considering House Bill 3660 which would increase restrictions on online public schools and extend the 2009 enrollment freeze for online charter schools. Under the proposal, virtual charter schools would be required to use the same accounting systems as other public schools and virtual school teachers and administrators must hold State licenses. It would also require teachers to meet with students twice a week, either in person or through technology.

Pennsylvania Update

February 2010

Like many states across the country, Pennsylvania has adopted Statewide end-of-course graduation exams intended to prepare students better for college and the workplace. However, as reported in The New York Times, Pennsylvania's graduation requirements have, like many other states, been watered down to the extent that, according to critics, they do not benefit students and often lead to higher dropout rates. In Pennsylvania, students must pass at least four courses (with end-of-course exams counting one-third of the course grade). Students who fail a section of an exam after three tries still have the option of a district-approved subject-specific project. Pennsylvania officials estimate that development and administration of the tests will cost \$176 million through the 2014-15 school year and \$31 million a year after that.

The Philadelphia Inquirer reports that the Philadelphia school district has agreed to participate in Pennsylvania's application for as much as \$400 million from the Federal Race to the Top program. The application has been enhanced by the endorsement of the Philadelphia teachers union and the union's commitment to help implement an RTTT reform plan. The State has also committed to develop, by January 2011, a model teacher evaluation system that includes student test performance as a "significant factor."

Rhode Island Update

February 2010

As part of its effort to win a share of the money available through the Federal Race to the Top program, Rhode Island has indicated it plans to expand the number of charter schools in the State despite opposition from the State's two teachers unions. In its RTTT application, Rhode Island indicated that it is considering use of the mayoral academy model to expand alternative public schools and to train principals and teachers. As reported in The Providence Journal, an umbrella organization called the Rhode Island Mayoral Academies will contract with two charter school operators. Achievement First would create a K-12 school serving Providence and Cranston and MATCH Charter Schools would open a 6-12 school serving Providence and Blackstone Valley. The umbrella organization has requested a change in its original charter to double -- from 1,175 to 2,350 -- the number of students it can serve. The State also hopes to eliminate the limitation -- about 6,000 students -- on the total number of students who can attend charters.

According to The Providence Journal, Rhode Island State officials have identified six schools as persistently lowest-achieving -- Central Fall High School and five schools in Providence (Charlotte Woods Elementary, Feinstein High School, Lillian Feinstein Elementary, Roger Williams Middle School, and William B. Cooley, Sr. Health, Science and Technology High School). The State plans to use up to \$15 million in Federal School Improvement Grant funds over the next few years to fix low-performing schools. It is estimated that each school will need \$750,000 to \$1 million in start-up money in the first year and that it could take three to five years for a successful turnaround. The school districts have 45 days to gather data and identify which of the SIG intervention models they plan to use for each school and another 120 days after State approval to draft a comprehensive school reform plan.

South Dakota Update

February 2010

As reported in the Argus Leader, South Dakota officials have modified a legislative measure that called for a State-operated, residential charter school designed to serve 125 Native Americans in grades 9 through 14, focusing on science, technology, engineering, and math. The new charter was to be a key to the State's winning a share of Federal Race to the Top money, but the modified bill places limits the number of charter schools allowed in the State. This severely harms South Dakota's chances of getting RTTT money. The amendment also removes language prohibiting charter school teachers from unionizing.

Tennessee Update

February 2010

The Tennessean reports that the Tennessee legislature has passed a K-12 education bill designed to enhance the State's chances of winning as much as \$485 million from the Federal Race to the Top competition. The bill represents a compromise between Governor Phil Bredesen and the State teachers union on the issue of using student test data for teacher evaluation. Under the approved plan, teachers would be evaluated as follows: 35 percent on data gathered through the Tennessee Value-Added Assessment System; 15 percent based on other student data; and 50 percent on subjective criteria.

Texas Update

February 2010

Texas has decided not to participate in the Federal Race to the Top program because of the requirements RTTT would place on the State. Governor Rick Perry has criticized elements of RTTT and has said the up-to-\$700 million the State could receive under the program was not worth having the Federal Government dictate teaching practices. Texas and Alaska are the only two states not participating in the common standards initiative by the National Governors Association and the Council of Chief State School Officers, and factor that would work against Texas in its RTTT application. The State also turned down \$555 million in Federal stimulus money for its unemployment fund.

According to Education Week, the Texas Board of Education has heard vigorous testimony over how history should be taught to Texas' K-12 students. The State is in the process of establishing new social studies curriculum standards for the next decade. To be finally adopted in March, these standards will form the basis for State assessments and will be used by textbook publishers to develop classroom materials. Issues such as religion and civil rights have brought forth the most vocal arguments.

The Dallas Morning News reports that the U.S. Department of Education has ordered first-year Texas elementary and middle school teachers who failed a “generalist” exam in core subjects to take another exam as early as this Spring. It was originally estimated that as many as 30,000 new teachers hired this school year would have to take the exam, but USED did exempt fine arts teachers. Secondary teachers, who generally teach in only one subject, are not affected by the Federal ruling.

Utah Update

February 2010

As reported in the Deseret News, charter schools in Utah are currently funded by a “local replacement fund” that includes 75 percent from the State and 25 percent from local school districts. The State gives regular and charter schools additional per-student money. Under a compromise presented to the State legislature by the Utah School Boards Association and the Utah Association of Public Charter Schools, charter schools would be fully funded by the State and districts would keep all of their property tax revenues. Charter school advocates argue that charters are underfunded by about \$500 per pupil more than traditional schools.

Vermont Update

February 2010

The Burlington Free Press reports that, this Summer, the Vermont lottery instituted a new game -- Hot Lotto -- to offset a drop in lottery revenue last year. Profits from the lottery, which go to the State education fund, were down \$2 million -- nine percent -- last year.

Funded by Federal stimulus money, Vermont will soon be offering online courses to its students as part of the Vermont Virtual Learning Cooperative (VTVLC). Using a \$400,000 ARRA Title IID grant, the VTVLC is a partnership of: the Graduate School of Marlboro College, the Community College of Vermont, Global Classroom, the Learning Network of Vermont, and Florida Virtual School, as well as the River Valley Technical Center, the Springfield School District, the Burlington School District, and others yet to be selected.

Virginia Update

February 2010

The Richmond Times-Dispatch reports that a number of efforts are being undertaken in Virginia to ease the State's restrictions on charter schools. New Governor Bob McDonnell has appointed, as his State education secretary, Gerard Robinson, a long-time advocate for charter schools, virtual schools, and vouchers to help give poor and minority families access to high-quality education. The legislature is also considering a number of bills that would affect charter schools. One such bill would withhold State funding to school districts that deny charter applications approved by the State. Currently, local districts (known as divisions in Virginia) have the final say on charter applications.

Washington Update

February 2010

Governor Christine Gregoire has promoted a number of education reforms she wants the Washington State legislature to approve so the State will be in better position to compete for Federal Race to the Top money. Among her proposals are:

- extending the teacher evaluation period from two to three years;
- putting experienced teachers back on probation after several years of bad evaluations
- developing standards by which teachers and principals can be fairly evaluated; and
- establish a plan that pays teachers more for classroom innovation or improving student performance.

As reported in [The Seattle Times](#), this Spring, Washington will be replacing its long-time assessment -- the Washington Assessment of Student Learning -- with a new set of tests called the Measurements of Student Progress. Most schools will give the new tests in a pencil-and-paper format. However, in a pilot program, 364 middle schools (about 27 percent of the schools Statewide) will administer the reading and/or math tests online.

According to the [Everett Herald](#), Governor Gregoire has proposed an All Start preschool program that would ensure all preschools in Washington operate under the same State-approved standards and be certified by the State. Currently, the State has 7,600 licensed childcare facilities, serving 175,000 children; programs operating less than four hours a day do not have to be licensed. The All Start program would extend licensure, by the State's Department of Early Learning, to all childcare operations. The Governor has not yet put a price tag on her proposal.

Under a new State law, Washington high school students can opt out of some traditional elective classes at their schools and, instead, take online courses in game design, 3-D animation, video production, and other technology subjects. As reported in [The Seattle Times](#), the free, for-credit classes will be offered by Giant Campus, a national online technology education campus.

Although the program has not yet been approved by the State education department, there is a two-year “catch-up” window during which the program can operate without full State approval. The company expects to file for such approval soon.

West Virginia Update

February 2010

A legislative audit report has found that the factors with the greatest influence over graduation rates for West Virginia students are district and school size -- greater even than socioeconomic status or academic performance. The report found that the State has consistently underestimated dropout rates and that it should conduct a review of its school consolidation policies. Specifically, the report said the State should encourage a more “personalized learning environment” in its districts and schools, including establishing small learning communities and smaller class sizes.