

# Education TURNKEY Electronic Distribution, Inc.

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

---

## MEMORANDUM

**DATE:** January 30, 2012  
**TO:** TechMIS Subscribers  
**FROM:** Charles Blaschke, Blair Curry, and Suzanne Thouvenelle  
**SUBJ:** Title I Carryover Funding; New SEA Waiver Guidance; FY 2012 Education Budget; ESEA Reauthorization; and Professional Development Funding

An enclosed Special Funding Alert identifies states with large “carryovers” of unspent FY 2010 Title I regular and Title I ARRA funds carried over to this year -- between \$2.5-\$3 billion. Many of these estimates were confirmed by discussions during the National Title I Conference and through other sources which suggests that Title I programs in many districts are the best prospects for most TechMIS subscribers, especially for professional development. In addition, several hundred million dollars of freed-up SES set-aside funds will be allocated to Focus and Priority Schools under SEA-approved waivers, representing additional opportunities for firms with RTI applications and tools as well as professional development and related services.

Our analysis of the final FY 2012 education budget and Conference Report language suggests opportunities will continue to exist in School Improvement Grants and Promise Neighborhoods and in some districts which will receive new Race to the Top grants.

Our Waiver Update report includes an analysis of the second set of additional guidance from USED which should help subscribers identify districts which have Priority and Focus Schools that are likely to receive freed-up SES set-aside funding -- mostly those designated as Focus Schools. Implementation should begin in September for Focus schools in states whose waiver requests are approved early.

A second Special Report on the ESEA Reauthorization Update summarizes the House GOP proposal which will not likely pass this year; however, it does indicate possible opportunities when ESEA is finally reauthorized, most likely in 2013-14.

Washington Update items include:

- **Page 1**  
The latest USED survey on the use of Title IIA Teacher Quality funds reports increasing use of such funds for professional development and lower funding for class size reduction. The types of professional development conducted are also addressed. Title IIA funds are often used in Title I programs, which should also show a significant increase in the use of Title I funds for professional development using funds carried over from last year to this year.
- **Page 2**  
A new report from the Rural School and Community Trust shows significant growth in student enrollment of students in certain states, particularly those students from low-income and minority families which could pressure Congress to change the Title I formula to allocate more Title I and Federal funds to rural districts, which in turn could create expanded market opportunities.
- **Page 3**  
The Center on Education Policy estimates that almost half of schools did not make AYP in 2011, which is much lower than Secretary Duncan’s earlier estimates of 80%. Until states requesting waivers receive approvals, schools and districts “identified for improvement” are under existing set-aside sanctions; however, districts “identified for improvement” have greater flexibility in using Title I funds, for example, to provide professional development for all district teachers, not just those in Title I schools.
- **Page 4**  
The Education Commission of the States (ECS) has released a report on state activities underway to address training funding and other support areas for students with autism.
- **Page 5**  
A number of important miscellaneous items are also highlighted, including:
  - a) Head Start programs which have to recompete for continued funding offer good prospects for some TechMIS subscribers.
  - b) A new study which supports the use of virtual algebra courses could represent a growth area in rural isolated districts.
  - c) A new round of grantees for implementation and planning grants has been announced by USED.
  - d) A summary of trends in philanthropic funding/support for education could represent potential funding sources for district purchases of products and services.
  - e) Education research “guru” and founder of *Success for All*, Dr. Robert Slavin calls for an ounce of prevention using certain types of instruction to save billions by reducing the need for remedial and special education.

The state profile updates address issues relating to Race to the Top, new state grantees, State of the State addresses, state waiver requests, education funding, school reform, and online education.

## **Special Funding Alert: States with Carryover Funding for Title I**

*A Technology Monitoring and Information Service (TechMIS)  
Special Funding Alert*

*Prepared by:  
Education TURNKEY Systems, Inc.  
256 North Washington Street  
Falls Church, Virginia 22046-4549  
(703) 536-2310 / (703) 536-3225 FAX*

*January 30, 2012*

Based on information which we have gathered from a variety of sources, including discussions with state Title I and associated officials during the National Title I Conference, interviews with other knowledgeable persons, and recently published USED ARRA expenditure reports, we have identified a number of states with large proportions of regular Title I and related ARRA stimulus funding carried over from last year to this year. This has the effect of increasing the total amount of Title I funds which has to be obligated before September 30, 2012 by between \$2.5 and \$3 billion -- to the regular Title I allocation of between \$14.5 and \$15 billion this year.

Anticipating that districts in many states would be unable to spend all of their regular FY 2010 Title I funds by September 30, 2011, six months ago USED allowed states to request waivers to carry over more than the 15 percent "limitation" to school year 2011-12. Except in a few cases (e.g., states with Ed Flex status), states and districts must receive permission to carry over more than 15 percent of regular Title I funds more than once every three years. Virtually all states requested and received waivers to carry the money over. Based on discussions with knowledgeable Title I state and local officials before and during the National Title I Conference, we have identified 18 states in which the average district actually carried over 20 percent or more of last year's Title I funds to this school year which have to be spent by September 30, 2012. These states are: Arkansas, Arizona, District of Columbia, Michigan, Minnesota, Missouri, Nebraska, Nevada, New Hampshire, New York, New Jersey, Oklahoma, Puerto Rico, Rhode Island, South Carolina, Tennessee, Virginia, and Washington. Several of these states are estimated to have carried over more than 40 percent. A significant portion of the carryover has to be spent on professional development and related activities. It should be emphasized that not every district in these states carried over more than 20 percent of their Title I regular allocation from last year to this year, and many districts in other states not carrying over 20 percent or more might have relatively large carryovers. However, this information should point to potential opportunities among many districts in these states.

In the same announcement of waiver requests six months ago, USED also encouraged districts to

obligate/spend all of their Title I ARRA funds by September 2011, indicating early on that no waivers would be allowed. However, at the last moment, in September 2011, USED provided opportunities for states to apply for waivers that would allow them to carryover unspent Title I ARRA funds to be spent by September 30, 2012. On January 13, 2012 USED published its most recent education ARRA Title I expenditures reports. And, as Jennifer Cohen of NewAmerica.net noted in her *Education Funding* blog, “Only six states had used every single one of their ARRA Title I dollars...Hawaii, Iowa, Kentucky, Missouri, South Carolina, and Vermont.” Almost all states had less than two percent of their funds remaining, with a total of about \$175 million still unspent -- about 1.8 percent of the total \$10 billion in Title I ARRA funds made available two years ago. However, there are a number of states which, as of January 13<sup>th</sup>, have carried over four percent or more of their Title I ARRA allocation. These include: Arizona (\$8.7 million), District of Columbia (\$3.1 million), Nebraska (\$6.8 million), New Hampshire (\$2.0 million), New Jersey (\$14.9 million), North Dakota (\$2.5 million), and Puerto Rico (\$67 million). Some of the larger states still have large absolute amounts of unspent ARRA funds that have been carried over to this year including: California (\$9.2 million), Georgia (\$9.0 million), Michigan (\$7.7 million), Ohio (\$5.8 million), Texas (\$9.2 million), and Wisconsin (\$5.7 million).

In addition to Title I regular and ARRA funds carried over to this school year, in several states large “cumulative amounts” of State Fiscal Stabilization Funds (SFSF) have yet to be obligated as reported in the January 13<sup>th</sup> USED report. In many of these states, these funds will be allocated to districts in proportion to their allocations of regular Title I funds for this year and used for allowable Title I activities. The states with large cumulative available balances which could be so allocated include: Indiana (\$2.4 million), Rhode Island (\$6.9 million), Texas (\$6.1 million), and Wyoming (\$10 million). The cumulative amount reported as available on January 13<sup>th</sup> was \$28.8 million remaining from the total \$39 billion SFSF funding allocation two years ago.

The USED expenditure reports for January 13<sup>th</sup> are available at:  
<http://www2.ed.gov/policy/gen/leg/recovery/reports.html>

**Special Report:**  
**The Final FY 2012 Education Budget Includes Slight Increases for Both Title I and IDEA, Level-Funding for School Improvement Grants, With a Significant Increase in Promise Neighborhoods but a Reduction in Race to the Top Grants**

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

*Prepared by:*  
*Education TURNKEY Systems, Inc.*  
*256 North Washington Street*  
*Falls Church, Virginia 22046-4549*  
*(703) 536-2310 / (703) 536-3225 FAX*

*January 30, 2012*

In reference to our December 19<sup>th</sup> TechMIS Special Report, the President has signed the FY 2012 education appropriations part of the Omnibus Act. Just released, the House Conference Report includes some, but likely not all, details affecting some of the major programs.

As displayed in Table 1, Title I state grants will receive a \$73 million increase, with a \$112 million increase for IDEA special education programs. Race to the Top would not receive the amount requested by the Obama Administration, but would, for the first time, allow districts to apply just as SEAs have applied for the first three rounds of competitive grants. School Improvement Grants would be level-funded while Promise Neighborhoods would receive a significant increase from \$30 million to \$60 million -- signaling one of the highest priorities of both the President and Secretary Duncan. This increases and reinforces several of the directly-related priority activities under School Improvement Grants (e.g., wrap-around student services). Some details included in the Conference Report are noted below.

Title I will receive \$15.7 billion of which \$4.8 billion will become available on July 1<sup>st</sup>, with the remaining \$10.8 billion on October 1<sup>st</sup>. Almost all of the increase in Title I funds will be for “targeted grants” and for “education finance incentive grants,” which are components of the four-part Title I formula. Following a pattern similar to the last five years, the major beneficiaries will be large districts with large “numbers” of Title I-eligible students. Of the \$6.6 billion for basic grants, \$4 million will be allocated to the Secretary to update LEA census poverty data. All districts receive some of the “basic grants” while districts with five percent or more poverty receive portions of the “concentration grants.”

The passage of the FY 2012 appropriations for Title I will remove a significant amount of uncertainty which has reduced district spending of Title I funds in October-December caused by the unexpected 1.5% “rescission” in the final FY 2011 budget passed on September 30<sup>th</sup>. Hence,

districts should begin spending their Title I funds for this year shortly. The passage of the FY 2012 appropriation level also pretty much assures districts that their Title I allocations, to be announced in April-May, should be similar to this year's allocation and reduces the need to carry over much of this year's Title I funds to next year as a "cushion." District Title I programs will have the next eight months, through September 30<sup>th</sup>, to spend/obligate all of this year's Title I allocation plus an additional \$2.5-3 billion of last year's regular Title I funds carried over to this year, which also has to be obligated by September 30<sup>th</sup>; a large portion of the \$2.5-\$3 billion remains earmarked for professional development. As we have stated in previous reports over the last six months, Title I programs should be a high priority for the majority of TechMIS subscribers.

Some of the requirements under School Improvement Grants, which are level-funded at \$535 million, are codified, making clear that such funds can serve any Title I-eligible school not making AYP for at least two years or one which is in the state's lowest 25 percent of performance with priority given to high schools with graduation rates below 60 percent. Up to a total of \$2 million can be provided to each participating SIG school, which differs from the SIG ARRA guidance which states that up to that amount could be provided each year for three consecutive years. The Secretary can reserve up to five percent of SIG funds to carry out activities to build SEA and LEA capacity. As reported by Frank Wolfe, Education Daily staff writer, Congress also intends that a higher priority be placed on reducing poverty-related barriers in SIG programs. Specifically, Wolfe notes, "The conferees direct the [Education] Department to require that all schools receiving SIG funds have a plan in place for addressing the academic and non-academic needs of their students, including improving the overall school climate where necessary, in addition to addressing factors such as the usage of time, instructional practices, and professional development and supports."

A new Comprehensive Literacy Development program would be funded at \$160 million which is less than the \$180 million appropriation (FY 2010) for the previous Striving Readers program. This new program is patterned after the LEARN Act sponsored by Senator Patty Murray (D-WA). SEAs may set aside five percent for state leadership activities including technical assistance and training, data collection, reporting, and administration. The remaining 95 percent is to be provided to local education agencies (LEAs) or, in the case of early literacy, to LEAs or other non-profit providers of early childhood education that partner with public or private non-profit organizations or agencies "with a demonstrated record of effectiveness in improving the early literacy development of children from birth through kindergarten entry and in providing professional development in early literacy, giving priority to such agencies or other entities serving greater numbers or percentages of disadvantaged children." Fifteen percent of the funds are to be used to serve children from birth through age five, with 40 percent used to serve children in grades K-5 and 40 percent for students in middle and high schools, equally divided. The funds can be used for services and activities that have the "characteristics of effective literacy instruction through professional development, screening and assessment, targeted interventions for students reading below grade level and other research-based methods of improving classroom instruction and practice." Senator Murray is perhaps the leading Senate

advocate of response-to-intervention (RTI) approaches and techniques as reflected in the LEARN Act and other proposed legislation over the last several years.

Under Title IIA/Teacher Quality, 1.5% of the funds are to be reserved by the Secretary of Education for competitive awards for teacher or principal training or professional enhancement activities to be provided by “national not-for-profit organizations.” Some of these funds are likely to be awarded to some of agencies such as Teach for America which had funds specifically “earmarked” by the Administration for them, but which were not included in the FY 2011 budget. Of the approximately \$2.5 billion provided for Title IIA, slightly over 60 percent will be provided in July with the remaining funds available after October 1<sup>st</sup>.

Under the category of “Innovation and Improvement,” \$550 million is budgeted for Race to the Top (RTTT) to be provided to SEAs or LEAs, with five percent to be used by the Secretary for technical assistance and evaluation. Some observers have speculated that allowing LEAs to compete for Race to the Top funding provides chances for districts in states which, for whatever reason, have not applied for and/or received Race to the Top grants, including Texas. In Education Week (January 18<sup>th</sup>), Duncan said, under the new \$550 million competition, “...the bulk of the money will go through districts... what we’ll be asking of districts is still very much up for consideration.” Handwritten notes on the Conference Report released by the House Appropriations Committee also indicate that some SEAs which submitted previous applications for Race to the Top may also be allowed to resubmit those same applications during the fourth RTTT competitive round. The Teacher Incentive Fund (TIF) would be reduced from \$400 million to \$300 million and would allow partnerships of LEAs and non-profit organizations to apply for such grants. TIF applications must be developed with the input of teachers and school leaders in the schools and LEAs to be served by the grants. Such funds can be used to “develop or improve systems and tools (which may be developed and used for the entire local education agency or only for schools served under the grant) that would enhance the quality and success of the compensation system, such as high-quality teacher evaluations and tools to measure growth in student achievement.”

The Conference Report includes several new provisions that are designed to improve the quality of charter schools through accountability provisions. For example, each application submitted under Section 5203 (a) “shall contain assurances that State law, regulations, or other policies require that: ...each authorized charter school in the State operate under a legally binding charter or performance contract between itself and the school’s authorized public chartering agency that describes the obligations and responsibilities of the school and the public chartering agency; conduct annual, timely, and independent audits of schools’ financial statements that are filed with the school’s authorized public chartering agency; and demonstrate improved student academic achievement.” Increases in student academic achievement will have to include all groups of students and would be the most important factor in determining whether to renew or revoke a school’s charter.

Unlike other programs which are “advanced funded” (i.e., some funds allocated in July and the remainder in October), all of the \$734 million of Title III (English Acquisition) funds are to be

allocated to states in July 2012. In addition, the Conference Report states that 6.5 percent of the funds for FY 2012 can be allocated retrospectively back to October 1, 2011 to make up for some across-the-board cuts made through the FY 2011 rescission in September 2011.

Of the \$12.6 billion or an increase of \$100 million for IDEA Special Education programs, \$3.1 billion will become available after July 1<sup>st</sup> and the remainder after October 1<sup>st</sup>.

In DHHS, Head Start will increase to \$8 billion, up \$425 million, with new grant competitions beginning now (see related Washington Update item). In a related matter, the FY 2012 Defense Budget includes language in the Conference Report which lifts the current 10% cap on the number of graduates from cyber schools and other alternatives who can join the Army. Percentage caps for Coast Guard and other services have also been lifted. As reported in Education Week, Susan Patrick, President of the International Association of K-12 Online Learning, said, "the provisions for helping students who are learning full-time online to have equity and access to the same opportunities in the armed services and beyond is a major step forward." Lifting of the caps on the number of cyber school graduates entering the military service is a key step in removing barriers for expansion of online learning. Representative Joe Wilson (R-SC) was a major supporter of the cyber cap lifting and has been a major supporter of cyber school expansion in South Carolina.

**U.S. DEPARTMENT OF EDUCATION  
FUNDS AVAILABLE TO  
PURCHASE SUPPLEMENTAL/TECHNOLOGY  
PRODUCTS AND SERVICES**

(millions of dollars)

	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
	<b>Appropriations</b>	<b>Appropriations</b>	<b>Appropriations</b>
Title I (Total)	15,865	15,536	15,721
Total LEA Grants (Part A)	14,492	14,443	14,516
Basic	6,598	6,579	6,578
Concentration	1,365	1,360	1,362
Targeted Grants	3,265	3,252	3,288
Finance Incentive Grants	3,265	3,252	3,288
Migrant	395	394	393
Even Start	66	--	--
Comprehensive Literacy Development (formerly Striving Readers)**	200	--	160
High School Graduation Initiative	50	49	49
School Improvement Grants	546	535	534
Race to the Top*	--	699	549
Investing in Innovation (i <sup>3</sup> ) Fund	--	150	149
Improving Teacher Quality(Title II)	2,948	2,465	2,467
English Acquisition	750	734	732
State Assessments	411	390	389
Math Science Partnerships	180	175	150
Advanced Placement	46	43	27
Teacher Incentive Fund	400	399	299
Promise Neighborhoods	10	30	60
Technology State Grants(Title II D)	100	--	--
Special Education (EHA/IDEA) State Grants	11,505	11,466	11,578
Adult Education	628	596	595
Career/Technical	1,161	1,122	1,123
Smaller Learning Communities	88	--	--
Safe & Drug-Free Schools and Communities National Programs	224	126	65
21st Century Community Learning Centers	1,166	1,154	1,152
Charter Schools	256	256	255
Statewide Data Systems	58	42	?
College Mentoring (GEAR-UP)	323	303	302
HEA TRIO Program	853	827	840

\*includes estimated \$500 million Early Learning Challenge grants for FY 2011

\*\*of the \$200 million, \$180 million allocated in 2011

© Education TURNKEY Systems, Inc., 2012. Reproduction in whole or in part in any form is prohibited without credit to Education TURNKEY Systems, Inc.

## Waiver Update: Second Addendum to SEA Waiver Guidance Released

*A Technology Monitoring and Information Service (TechMIS)  
Waiver Update*

*Prepared by:  
Education TURNKEY Systems, Inc.  
256 North Washington Street  
Falls Church, Virginia 22046-4549  
(703) 536-2310 / (703) 536-3225 FAX*

*January 30, 2012*

Following its release of waiver guidance addendum in the form of Frequently Asked Questions (FAQ) on October 3<sup>rd</sup>, on January 5<sup>th</sup>, USED released its second addendum providing guidance which clarifies some questions which we raised in our December TechMIS report and which have implications for TechMIS subscribers identifying Priority and Focus Schools to target.

The most recent guidance states that, under certain conditions, Title I funds can be allocated to a Title I eligible high school that had a graduation rate less than 60 percent over a number of years: “If an SEA identifies such a high school as a priority school, but the school’s poverty percentage is not sufficiently high for the school to be served under ESEA section 1113, the SEA may request as part of ESEA flexibility an additional waiver...to enable the LEA to serve the school with Title I Part A funds, if it so chooses.” In such a case, the high school which is Title I-eligible, but which under Title I ranking procedures would not otherwise receive Title I funding, would become a Title I-participating school. If such a Priority Title I-participating school is so identified initially, the SEA may include it in a preliminary list of all Priority, Focus, and Reward schools or may submit it in the States’ final list based on state assessments administered in 2011-12. However, as the guidance states, “An SEA should keep in mind that its LEAs must implement interventions in all focus schools beginning in the 2012-13 school year and must implement interventions in all priority schools by the 2014-15 school year.” The guidance also emphasizes that LEAs must implement three-year interventions in their Priority Schools; however, it states, “Unlike priority schools, there is no requirement that a focus school implement interventions over a specific number of years. An SEA must ensure that, annually, its Title I schools that are identified as focus schools implement appropriate interventions.” If the SEA does not update its list of focus schools, the schools on its list for 2012-13 would continue to implement interventions each year for the duration of the SEA flexibility unless they meet the SEA’s criteria for exiting focus status.

As we noted in our state waiver request summaries (see November and December TechMIS issues), several of the SEAs, in their applications submitted in November, wanted to allocate Title I funds to non-Title I Priority Schools and require them to set aside a certain amount of

funds for SES and parent choice. At that time, we questioned whether or not this violated the so-called “rank and serve” procedure used in Title I for identifying what schools will receive Title I funds based on the “percentage” or “number” of poverty students enrolled. In the January 10<sup>th</sup> blog, *Title I-derland* contributors Leigh Manasevit et. al. state, “This new waiver is a striking departure from the longstanding, strict Title I ‘rank and serve’ requirement, which mandates that a local education agency (LEA) rank all of its school attendance areas in order of poverty from highest to lowest and use Title I, Part A funds to serve the schools -- in that order. Even more surprising is the fact that ED is offering this waiver without regard for the ESEA waiver authority (Section 9401(c)), which explicitly identifies the rank and serve requirement as one which cannot be waived by the Secretary of Education, except in cases where a school does not rank more than 10 percentage points below the lowest ranking school in the LEA which received Title I funds -- an exception which is notably absent from ED’s waiver guidance.” We agree with Manasevit’s concern that Congressional Republicans will point to this violation of the Secretary’s waiver authority saying such discretion on the part of the Secretary is not legal, and take measures which could slow down the waiver process.

This new guidance however does suggest that once Priority, and to a lesser extent Focus, schools are identified they will remain with such designations until they “exit” from the status. If and when USED approves each waiver request, the final list should be included in the “negotiated” plan and be on the SEA website. Some states have already identified these schools in attachments to their waiver applications, while others have submitted preliminary lists which should be updated and resubmitted for approval well before the beginning of next school year, especially for Focus Schools.

**Special Report:**  
**ESEA Reauthorization Update: House Accountability and Teacher  
Quality ESEA Draft Proposals not Likely to Pass This Year, but Do  
Indicate Possible Opportunities for TechMIS Subscribers When ESEA  
is Finally Reauthorized**

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

*Prepared by:*  
*Education TURNKEY Systems, Inc.*  
*256 North Washington Street*  
*Falls Church, Virginia 22046-4549*  
*(703) 536-2310 / (703) 536-3225 FAX*

*January 30, 2012*

Differing from the Senate Education Subcommittee's ESEA comprehensive reauthorization proposal, the House Education Committee chaired by John Kline (R-MN) has released its last two draft proposal "pieces" for reauthorizing "accountability" and "teacher quality" provisions. Because these last two pieces of the five-part House set of ESEA proposals had no bipartisan support, Senator Tom Harkin, Chairman of the Education Subcommittee, has reiterated that reauthorization this year is not very likely. As reported in *Politics K-12* on Education Week.org (January 10<sup>th</sup>), Secretary Duncan reportedly "isn't happy with either the substance or the process," indicating the House Bill is lacking in terms of reform accountability and bipartisanship. Specifically, he stated, "We need to set politics aside and put kids first. Until Congress can pass a real bipartisan reform bill that the President can sign, we'll be moving forward with our ESEA flexibility package because America can't wait." Several House provisions described below, however, do point to potential future opportunities, especially portions of the House bill which are related to similar provisions in the Senate version and in the State Waiver Initiative currently underway.

The House version, like the Senate and Waiver Initiative, would no longer require AYP calculations and perhaps more importantly, would not mandate the 20 percent set-aside for tutoring and parent choice. This is surprising, as the Education Industry Association and its lobbyists have predicted that SES requirements would likely be included in the House version. The State Waiver Initiative allows, but does not require, SES and parent choice sanctioned set-asides; however, two of the 11 initial SEA applicants for waivers (Oklahoma and Colorado) would continue SES/parent choice in some form, as noted in our November and December TechMIS reports.

In contrast to both the State Waiver Initiative and the Senate version, The Student Success Act (the title of the House version) "repeals" the four Federally-mandated interventions included in

the School Improvement Grants thus “giving states and districts maximum flexibility to develop appropriate school improvement strategies and rewards for their schools.” Rather, states can determine a system of school improvement interventions which are to be applied to low-performing schools and would set aside 10% of their Title I funds at the SEA level (up from 4% now) for school improvement using “freed-up” SES 20% local set-asides. This means, “more Title I money will flow directly to school districts.” Currently, the 4% set-aside, which totals between \$500 and \$550 million, is being used to support school improvement activities mandated or allowed by the SEA in schools that, for the most part, are not receiving SIG funds or have otherwise have been identified for improvement. Current regulations governing use of the SEA 4% set-aside are much more flexible than most of the SIG rules and would likely be made even more flexible under the Student Success Act; the 4% set-aside is used more for purchasing products and services than for salaries.

Many reform advocates oppose the House repeal of School Improvement Grants. As Ann Hyslop of the Education Sector stated, “Perhaps the most alarming change is that states would not be required to intervene in any set percentage of low-performing schools -- a stark contrast with both the Senate and waiver approaches. The School Improvement Grant program would also be eliminated. Taken together, this could mean that far fewer schools -- especially low-performing high schools that are less likely to be designated as Title I schools -- are part of state school improvement efforts.”

The American Association of School Administrators (AASA) has supported the increased flexibility at the district level, repealing some of the interventions prescribed from the Federal level, and doing away with set-asides such as the 20% for SES/parent choice. But as *Politics K-12* reported, the Council of Chief State School Officers (CCSSO), while pleased that states have greater authority in establishing state accountability systems, are concerned that the entire School Improvement Grant program "would be scrapped under the House draft. That would take away resources for turnarounds."

The House version would also allow all Title I schools to operate as “schoolwide programs,” which is also allowed under the State Waiver Initiative. This would allow schools greater flexibility to “consolidate” Federal/state program funds and focus on raising the achievement of all students in the schools, not just those students who come from low-income families. The House’s draft proposal would also maintain separate funding streams for Migrant Education, Neglected and Delinquent, English Language Acquisition (Title III), Rural Education and Indian Education programs, but would merge them into Title I. Even though current regulations allow schoolwide programs to consolidate all Federal and state funds into a single funding pool (i.e., referred to as “consolidation” or “co-mingling”), many districts are hesitant to do so for fear of future audit exceptions because of a multitude of confusing Federal and SEA rules. The House bill would likely have the effect of encouraging more districts to co-mingle most Federal and state funds in any Title I schoolwide program; and it would also encourage the use of Title I funds for response-to-intervention (RTI) approaches, without being subject to “supplement not supplant” requirement under the Waiver Initiative (see August 31 TechMIS Special Report).

Underlining its heavy priority on increased flexibility in the use of Federal funds at the district level, the House summary states, “While school districts will not be allowed to use funds received for Title I schools outside of those schools, they can move additional funding to low-income schools.” This allows state and local officials to use federal funds to meet their own unique needs. And as noted in Education Week (January 6<sup>th</sup>), the proposed legislation “would provide significant new funding flexibility for districts that want to transfer money aimed at one special population -- such as English-language learners -- to another.” Also, to assist SEAs and LEAs operating under budget shortfalls, the bill would remove all “maintenance of effort” (MOE) requirements “allowing states and school districts to set their own funding levels for elementary and secondary education. The federal government should not dictate state and local spending decisions as a condition of receiving federal funds.” Under the House proposal, current Title I comparability “loopholes” would not be fixed, as Jennifer Cohen writes in *Ed Money Watch* (January 12<sup>th</sup>). Several groups such as AASA and some civil rights groups, feel that these provisions will be a major “bone of contention.”

While The Student Success Act would maintain the NCLB requirements for assessments in reading/language arts and mathematics, it would no longer require such assessments in grades 3-8 and in high school for science, but leave such decisions up to the states. States would also be able to incorporate AYP requirements which they choose to retain in their state accountability systems and use multiple measures of student achievement. States would be allowed to establish alternative achievement standards aligned with content standards for students with the most significant disabilities, an approach similar to the current so-called “1% alternative assessment” with no cap. However, Hyslop of Education Sector notes that such alternative standards and assessments could be provided for “an unlimited number of these students -- a slippery slope to go down, in my opinion.” The National Center for Learning Disabilities expressed similar concerns about removing the 1% cap which “encourages schools to expect less from students with disabilities,” as reported in EducationWeek.org (January 13<sup>th</sup>). The bill would also consolidate the requirements for English proficiency standards into the main Title I program.

Additional flexibilities and consolidations (e.g., consolidation of the Small Rural School Achievement Program and the Rural Low-Income School Program) are included. The Student Success Act would also severely limit the Secretary of Education’s authority by constraining the Secretary’s “regulatory” relief authority, particularly in the area of state accountability plans. It would also prohibit the Secretary from influencing states to enter into partnerships with other states to support activities such as the Common Core Standards and would prescribe procedures the Secretary must follow in conducting peer reviews for grant applications. As reported in Education Week, restricting the Secretary’s authority is a major “deal breaker” as far as House Democrats are concerned.

The second draft proposal, entitled “The Encouraging Innovation and Effective Teachers Act,” also points to possible opportunities. For example, the proposal would cap the amount of funds under Title IIA Teacher Quality for class size reduction at ten percent, noting, “A substantial amount of Teacher Quality funds under current law are used for this purpose, which has little to no effect on student learning.” Under current Title IIA funding of approximately \$2.8-2.9 billion

annually, about 38 percent was used for class size reduction in 2010, down from 58 percent in 2002. Under the House proposal, more funds could be “freed up” and used for a variety of other allowable uses including:

- to train school leaders in how to evaluate teachers under new evaluation systems;
- provide evidence-based, job-embedded, and continuous professional development for teachers and school leaders focused on core academic subjects or specific student populations;
- provide additional support to teachers identified in need of assistance (see related [Washington Update](#) item).

Under a new Teacher and School Leader Flexible Grant, school districts alone, or in partnership with higher education institutions or “other entities,” could receive competitive grants to, among other activities, provide “additional professional development activities or other evidence-based initiatives likely to increase teacher effectiveness.” Changing from the current 35-65 population/poverty count split, funds would be allocated based on a 50-50 split. According to Steven Sawchuk’s *Teacher Beat* blog on [Education Week.org](#) (January 9<sup>th</sup>), this will have a “dramatic impact on state-level allocations, and stands to benefit states that have grown in population.”

It is interesting to note that on the day Chairman Kline released the two drafts, a letter was sent from the Council of Chief State School Officers to the President and to members of the House and Senate education authorizing committees calling for “an honest to goodness reauthorization” sooner than later, even though the State Waiver Initiative is just beginning. The Senate based much of its ESEA reauthorization proposal on the “principles” developed by the CCSSO which was supported by more than 40 states; and the “principles” were also the “backbone” of the State Waiver Initiative. Apparently, the CCSSO would like to consider the State Waiver Initiative as a “transition” phase into an ESEA reauthorization that would incorporate more of its “principles” into the House version. The CCSSO is especially interested in areas related to the inclusion of performance targets and annual measurable objectives, the use of alternative measures for measuring progress and identifying/funding lowest-performing schools, such as Priority and Focus Schools under the current State Waiver Initiative, which are not included in the House versions in a significant way.

For a copy of the summaries of the two draft ESEA proposals, go to:

- [http://edworkforce.house.gov/uploadedfiles/The\\_Student\\_Success\\_Act\\_Summary.pdf](http://edworkforce.house.gov/uploadedfiles/The_Student_Success_Act_Summary.pdf)
- [http://edworkforce.house.gov/uploadedfiles/The\\_Encouraging\\_Innovation\\_and\\_Effective\\_Teachers\\_Act\\_Summary.pdf](http://edworkforce.house.gov/uploadedfiles/The_Encouraging_Innovation_and_Effective_Teachers_Act_Summary.pdf)

# ***Washington Update***

---

*Vol. 17, No. 1, January 30, 2012*

## **The Most Recent USED Survey on the Use of Title IIA Teacher Quality Funds Finds the Percentage for Professional Development Increasing (to 42 percent), While the Percentage Used for Reducing Class Size Continues to Decline (38 percent), With the Smallest and Largest Districts Using More Funds for Professional Development than on Class Size Reduction**

USED's annual survey on the use of Title IIA funds -- totaling about \$2.5 billion in 2010-11 -- found that more of the funds were used for professional development activities (42 percent), up from 27 percent in 2002-03. The percentage used for reducing class size decreased from 57 percent in 2002-03 to 38 percent in 2010-11. Districts with fewer than 300 students used 30 percent for professional development versus 12 percent for class size reduction while the largest districts' (with 25,000 students or more) allocated 42 percent for professional development versus 27 percent for class size reduction. The highest poverty districts used 38 percent of the funds for professional development and 39 percent for class size reduction. The highest poverty districts received 40 percent of the total allocations versus 12 percent for the lowest poverty districts. Districts of 10,000 or more students enrolled received over half of the total Title IIA allocation. Approximately 17,000 class size reduction teachers were paid with Title IIA funds in 2010, with the average allocation per teacher about \$55,000. This represents the amount of

freed-up funds for professional development or other activities per teacher as class size reduction use decreases and the number of teachers hired is reduced.

While 66 percent of districts used Title IIA funds for professional development for teachers, only 53 percent allocated any funds for class size reduction. Of the 42 percent of funds used for professional development, 38 percent targeted teachers and paraprofessionals, with four percent for administrators, the latter of which has increased from two percent in 2002-03.

Based on the survey, USED estimates that more than four million teachers took part in full-day workshops and nearly three million teachers attended after-school professional development activities with the most common topics being the use of effective instructional strategies and increasing core academic content area knowledge. Seventeen percent of teachers participated in more than 370 professional development sessions on using effective instructional strategies, while 15 percent participated in 450,000 sessions on increasing core academic content knowledge. Most of the professional development funds were allocated to reading (34 percent) and mathematics (25 percent), while 12 percent were spent on non-academic topics which included the use of instructional strategies, using and analyzing data, and classroom management. Only six percent was allocated for initiatives such as mentoring, induction, or exemplary teacher programs to promote professional growth and reward

quality teaching, which are among the highest priorities of the Obama Administration. About two percent of Title IIA funds were transferred into other titles such as Title I.

The report estimates that, of the total of 2.37 million teachers in core academic content areas, 94 percent received professional development in 2010-11, up from 84 percent in 2006-07. More than one million teachers took part in daily learning team sessions, with more than four million participating in full-day workshops during the school day. Nearly three million participated in professional development activities after school with more than 830,000 attending multi-day workshops.

It should be noted that, in addition to the \$1.0 billion plus for professional development under Title IIA, in 2010-11 an equal amount or more of Title I regular and ARRA funds was likely also spent on professional development. It is also apparent that reform of Title IIA is a high priority, not only among high-level officials in the current Administration, but also in the House GOP leadership. In their most recent draft version of the ESEA reauthorization, House Republicans included several teacher quality reforms and put a 10% cap on the amount of such funds to be used for class size reduction (see related TechMIS Special Report). Also, as indicated in the other enclosed TechMIS Special Report, a large portion of the \$2.5-3 billion carryover of Title I funds from last year to this year likely includes half or more of the 10% set-aside for professional development that has been accumulated by districts over the last several years. Such funds can be used only to purchase professional development and directly related activities, which could

include “bundles” with student instructional materials, to be used as the object of teacher training.

### **New Rural School and Community Trust Report Provides Strong Rationale for Congress to Change Title I Formula Which Would Allocate More Title I and Related Federal Funds to Rural Districts, Thereby Creating Expanded Market Opportunities for Firms**

*Rural Matters 2011-12*, a biennial report from the Rural School and Community Trust advocacy group, reports a 22 percent increase in rural school enrollments between 1999 and 2008, compared to non-rural student enrollment growth of 1.7 percent during the same timeframe. Moreover, the number of disadvantaged students in rural schools over that same nine-year period has grown by more than one-third. Both of these trends provide a strong justification for Congress, in the next ESEA reauthorization -- and/or perhaps in “fix-it amendments” before then -- to address the concerns of rural educators. Changing the Title I formula to ensure rural districts get their “equitable share” of Title I funding, which under the current four-component formula favors large urban districts, is becoming a “hot issue,” especially among new Republican House members, most of whom represent rural constituencies. Pressures from groups such as the Rural School and Community Trust and the American Association of School Administrators (AASA) -- rural administrators constitute the majority of AASA membership -- could push the Administration to place a higher priority on grant competitions for rural LEAs (e.g., rural district participation in the

latest round of the Innovation in Education (i<sup>3</sup>) competition and likely in the next round to be funded at approximately \$150 million).

As we and others have reported over the last several years, a growing recognition of the inequitable treatment of rural LEAs in Title I funding allocations has placed pressure on Congress to change the Title I formula which currently allows districts to use either the percentage of poverty students enrolled or numbers of such students in a district to determine the amount of Title I funding going to the district. Use of the absolute number has benefited largely urban districts, especially as, over the last five years, virtually all of the increases in Title I funding have been appropriated for the “targeted” and “incentive” components of the Title I formula at the expense of the “basic” and “concentration” components (see related TechMIS Special Report). AASA, particularly, has been the strongest proponent of the use of only the “percentage” amount in calculating the Title I formula for determining funding per district. As reported by Frank Wolfe, Education Daily (January 13<sup>th</sup>), rural school advocates “are planning to press legislators to pass an equity amendment to a draft ESEA reauthorization measure on accountability that may come before the House Education and the Workforce Committee on Jan. 23. The so-called All Children Are Equal (ACE) Act would reduce the absolute student number weighting in the Title I formula.”

Some states are likely to benefit most if the Title I formula were changed. Taking into account the percentage of student enrollment growth, the report identifies ten states which are among the top quartile in both the number and percentage rural enrollment

growth indicators (Alabama, Arizona, California, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, and Texas). The report also found that rural districts in 42 states experienced an increase in the percentage of students living in poverty, with the largest percentage point increases in Arizona, New Mexico, Louisiana, Georgia, Arkansas, Michigan, Indiana, Ohio, and Missouri. While other changes in the Title I formula could affect state/district allocations, the above states are likely to benefit most in terms of increased Title I allocations to rural districts.

For a copy of the report go to: <http://www.ruraledu.org/articles.php?id=2820>

### **CEP Estimates Almost Half of Schools Did Not Make AYP in 2011, Much Lower Than Secretary Duncan’s Earlier Estimate of 80%**

The Center on Education Policy has released an updated report based on most current data on AYP results for 2010-11. These data differ significantly from Secretary Duncan’s estimate over six months ago that about 80 percent of the schools in this country would fail to meet AYP under current NCLB sanctions in order to pressure Congress to reauthorize ESEA. Six months ago CEP estimated the percentage of schools failing to make AYP in 2010 was 39 percent and the estimated percentage for 2011 would be much less than the Secretary’s estimate of 80 percent. Based on the most current data gathered from Consolidated State Performance Reports submitted by states to the Department of Education, CEP now estimates that 48 percent of the nation’s public schools did not make AYP in 2011.

In 24 states and the District of Columbia, at least half the schools did not make AYP and in a majority of states, at least one-fourth of the schools did not make AYP. The 2011 percentages varied from a low of about 11 percent in Wisconsin not making AYP to about 89 percent in Florida. CEP cautions readers that the final numbers may change when USED publishes its updated report.

Overall, the most recent CEP data showed that the estimated number of schools not making AYP was almost 44,000 out of a total of 90,000 schools. States with more than 50 percent of schools not making AYP included: Alaska (54%), Arkansas (69%), California (66%), Colorado (54%), District of Columbia (87%), Florida (89%), Hawaii (59%), Illinois (65%), Kentucky (57%), Maine (67%), Massachusetts (81%), Minnesota (51%), Mississippi (50%), Missouri (88%), Nevada (55%), New Hampshire (71%), New Jersey (50%), New Mexico (37%), North Carolina (72%), North Dakota (53%), South Carolina (76%), Vermont (72%), Virginia (62%), Washington (63%), and West Virginia (54%). CEP also “cautions” that these variations make it inadvisable to draw conclusions about student performance or education quality by comparing AYP status across states. These figures are estimates -- “official numbers will not become publicly available until next year.”

As we reported in our last [TechMIS Washington Update](#), based on a recent NCES survey, while almost three-quarters of districts report they use “academic failure” as an important criteria for identifying potential dropout students, less than 30 percent said they relied on state assessment data used for AYP calculations for determining academic failure. On the other

hand, as our reports on eleven states’ waiver requests (see November-December TechMIS Washington Updates), the SEA process for identifying the 5% Priority Schools and 10% Focus Schools will rely heavily on individual school AYP calculations, although there is some flexibility to take into account other criteria.

For a copy of the CEP report go to:

<http://www.cep-dc.org/displayDocument.cfm?DocumentID=386>

### **The Education Commission of the States has Released a Report on How Many States Have Activities Underway Which Address Training, Funding, and Other Areas Supporting Students with Autism**

To address some of the problems created by the significant increase in the number of students with autism spectrum disorders (ASD) -- estimated to be one in 110 children -- The Education Commission of the States (ECS) has compiled a list of activities underway among the states to meet the 10-17 percent ASD annual growth rate. According to ECS, some states “...have begun re-assessing their current systems and support and looking for better and more efficient ways to serve individuals with ASD and their families.”

Task forces have been created in:

- Arkansas, to determine best practices and recommend more efficient methods of treatment;
- Mississippi, to develop a plan and recommendations on how best to train students with ASD to maximize their potential productivity in the

workforce;

- Rhode Island, to study diagnosis/assessments and effective interventions.

Activities related to professional training include:

- Illinois has established an Autism Diagnosis Education Program that promotes best practices;
- Nevada has created a grant fund for the training and education of personnel available to districts and charter school authorizers;
- New York requires all special education teachers or administrators to complete courses or training in the needs of autistic children;
- Illinois has implemented the Giant Steps Autism Center for Excellence as a three-year pilot program for evaluation and teacher training purposes.

A number of states have established resource centers or otherwise provide state support services for ASD-related activities in such states as Alabama, New Hampshire, New Jersey, and Texas. Ohio has created the Autism Scholarship Program and another voucher program serving children with ASD and other special needs.

For a copy of the report by Emily Workman (November 2011) go to: <http://www.ecs.org/clearinghouse/99/51/9951.pdf>

## Miscellaneous

a) The Office of Head Start has identified

130 Head Start programs that have been notified that they are required to compete for continued funding. Based on 2009 monitoring results and other Designation Renewal criteria, the Office of Head Start provided a list of grantees that have met one or more of the criteria -- established in the November 9, 2011, Federal Register -- that identifies programs that are not delivering high-quality and comprehensive Head Start and Early Head Start programs that meet educational, health, nutritional and social needs of the children and families they serve and do not meet program and financial management requirements and standards (December 14 TechMIS Washington Update). These 130 grantees must compete for ongoing funding. Most of the grantees are single-purpose entities or community action programs; however, there are 10 LEAs that run Head Start programs that are required to re-compete. These include:

- Hitchcock Independent School District, TX
- New Haven Public Schools, CT
- Baldwin County Board of Education, GA
- Lincoln County Board of Education, NE
- Kanawha County Board of Education, WVA
- Augusta County Public Schools, VA
- Orange County Board of Education, VA
- Richmond City Public School District, VA
- School District of Pittsburgh, PA
- Milwaukee Public Schools, WI

Additionally, there are two very large

grantees, Los Angeles County Office of Education, CA, and New York City Administration for Children's Services, NY that enroll more than 10,000 children and operate a large number of centers that are also required to compete for continued funding.

Firms should consider partnering with organizations in the community that may be competing with the incumbent LEA grantee for the future grant. For the remaining grantees -- mostly community action programs -- which have to re-compete, a likely candidate for replacing the incumbent could be the school district if it has the capability to provide Head Start types of services. Firms might also contact the "re-competing" district or other "entity" to find out which criteria the recompete grantee failed to meet, which areas they need to improve, and to offer assistance if the firm has a capability to help them increase the probability of their winning the recompete effort. Firms might assist competing organizations in data systems for implementation and financial management, curriculum, ongoing assessment and classroom materials targeted to improving school readiness, professional development resources, basic human resources department services, and overall transportation services.

The list of Head Start grantees required to compete for continued funding may be reviewed at: [http://eclkc.ohs.acf.hhs.gov/hslc/hs/grants/Grantees\\_notified\\_of\\_requirement\\_to\\_compete\\_for\\_continued\\_funding-12-20-2011.pdf](http://eclkc.ohs.acf.hhs.gov/hslc/hs/grants/Grantees_notified_of_requirement_to_compete_for_continued_funding-12-20-2011.pdf)

b) Sarah Sparks' *Inside School Research* blog at [EducationWeek.org](http://EducationWeek.org) cites a study

by the Regional Education Laboratory Northeast and Islands which found that "8<sup>th</sup>-graders taking a virtual algebra course performed better in algebra testing and were nearly twice as likely to take rigorous math courses by 10<sup>th</sup> grade as students who only had access to general 8<sup>th</sup>-grade math." In this first longitudinal study of its kind, the study included "random assignment" involving 1,885 students from 60 rural schools in Maine and Vermont. Eighth-graders who participated in the online algebra classes outperformed control school peers who only had access to general eighth grade math by 5.5 scale points on a 100 point test; 30 percent of students who took virtual classes scored above the midpoint on the test on algebra knowledge compared to only 12 percent who took standard eighth-grade math. One of the study co-authors attributed the success of online eighth-graders to the fact that they "had to complete every topic in every unit and take a quiz in order to move on...They couldn't skip anything." As the [Education Week](#) blog notes, the study did not compare the effects of online to in-person algebra courses.

The REL-NEI findings highlight the potential of distance learning for students in many schools that cannot provide middle school algebra coursework. The study reported that 24 percent of rural schools do not offer Algebra I in grade eight compared to 21 percent of urban schools and nine percent of suburban schools. Armando Vilaseca, Vermont's Education Commissioner, stated, "The research makes a compelling case for extending access to an online version of Algebra I

in schools that otherwise do not typically offer the course.”

c) Under the second round of Promise Neighborhoods funding, five entities will be receiving implementation grants and 15 others will set smaller planning grants. The five communities with implementation grants include:

- Westminster Foundation, Buffalo, New York, (\$1.5 million)
- Maria College, Kentucky (\$6 million)
- United Way of San Antonio (\$4.3 million)
- California State University, Hayward, California (\$4 million)
- Northside Academy, Minneapolis, Minnesota (\$5.6 million)

Most of the 15 communities that were awarded planning grants will receive about \$500,000 and will be allowed to compete for implementation grants next year. Four of the five implementation grant winners were among the 21 groups receiving planning grants last year. The Promise Neighborhoods grant program will receive \$60 million next year doubling what it got this year (see related TechMIS Special Report).

In addition, an Education Week (December 19<sup>th</sup>) announcement highlighted the Strive Partnership of Cincinnati-Northern Kentucky and identified key principles that have led to a very successful record even though that project began before the Promise Neighborhoods was created. According to the article, the Strive Partnership involved more than 300 partners, including non-profits, businesses, civic groups and

philanthropies, to provide “every service and support that children and adolescents need at every stage of their education and development.” As a Senator, President Obama submitted legislation and was an advocate of the Harlem Children’s Zone model after which Promise Neighborhoods was patterned. As Secretary Duncan said during a recent conference call, he and the President “share a powerful, personal and permanent commitment to the work of the program.”

d) The latest annual report for the Oregon-based Grant Makers in Education, an association of almost 300 philanthropic organizations supporting education, reported their funding levels remained the same as last year. When requesting funding from foundations, consider the vision of and activities supported by the specific philanthropic organization and position your request in line with their overall vision. In its analysis of trends, Education Week found that the priority areas relating to Federal policy changes in education included teacher quality and preparation, common standards and assessments, STEM subjects, expanded learning, and out-of-school programs including 21st Century Skills. The survey also found that the 2010 priorities were more aligned with new initiatives and priorities of the new Administration including many of those above, particularly as some of the Federal initiatives required matching of up to 20 percent for some programs such as the new i3 grant program. On December 20th, Secretary Duncan announced that \$18 million has been provided by education funders to the 23 highest related projects that were recently awarded Investing In Innovation (i<sup>3</sup>)

grants in order to meet the matching requirements.

According to Education Week, the Chronicle of Philanthropy which tracks trends in philanthropy funding identified some of these same trends as did the Oregon-based group. The Chronicle also reported that foundations tended to allocate funds to their overall goals and missions rather than filling in holes due to cutbacks in federal or state funds. The Chronicle found that education funders continue to support their priorities of addressing "deep disparities in education and improving opportunities for underserved, at-risk, and minority students." More than 90 percent of the philanthropies surveyed say they invested in that area, with six out of ten committing major amounts, the association reported," according to Education Week.

As federal and certain types of state funds have dwindled, foundations and philanthropic groups do represent an alternative source of funding for districts that wish to use certain products and services for specific initiatives such as after-school programs and others mentioned above. The above described reports issued by the Chronicle and the Oregon-based group can be useful in identifying priorities of education funders (see Education Week December 30th). Some foundations target very specific types of districts such as the Kellogg Foundation which provided funds for groups such as the Rural School and Community Trust to provide technical assistance to rural districts to develop proposals under the first round of i<sup>3</sup> funding. It also provided matching

funds to some of the applicants who were subsequently awarded grants. Based on our experience in developing a funders forum for Apple Computer during the 1980s, the process of matching foundations and other education funders with districts interested in piloting and demonstrating technology applications requires upfront research and personal communications, and is a rather lengthy process.

- e) In his *Sputnik* blog on Education Week.org, Bob Slavin, creator/promoter of *Success for All*, calls for an ounce of prevention that could save billions of dollars that is spent on remedial and special education to reduce early reading failure, which he calls "catastrophic." As he states, "... there is plenty of evidence illustrating that most reading failure can be prevented by using proven preschool, kindergarten, and primary-grades reading strategies using structured, phonetic one-to-one or small group tutoring, and whole-school reforms focusing on reading for all. Add to these the likely improvements in prevention that could result from ensuring that all children who need them have eyeglasses and other health services necessary to ensure that students are ready to learn every day."

Without question, as confirmed by walking through the exhibit area at the National Title I Conference in January, Slavin is recognized as one of the top two or three "R&D" gurus in the Title I community and is a significant "influencer" of Title I purchase decisions in many districts. The *Success for All* Foundation and its affiliated organizations have been extremely

successful in receiving Federal funding directly or indirectly during both rounds of Investing in Innovation (i<sup>3</sup>) grant funding. He has a decade-long history of advocating for whole school reform which continues to influence Title I and School Improvement Grant programs.

# Arizona Update

## January 2012

---

Arizona will receive \$25 million under the Phase III Race to the Top grant. Funds will be used to implement priorities including establishing five regional education service centers to support transition to the Common Core State Standards. The Regional Service Centers will hire coordinators and specialists to support LEAs in the area of professional development and technical assistance. Implementation of the data system will include investments in technology services to support course mapping and student teacher data link processes, according to the State's abstract. The State's STEM efforts, already underway, will focus mainly on transitioning to Common Core State Standards with support being provided by the Science Foundation Arizona. For a copy of the report go to: <http://www.ed.gov/news/press-releases/department-education-awards-200-million-seven-states-advance-k-12-reform>

According to the East Valley Tribune, Arizona continues to be a leader in the charter school movement, with 524 charter schools, serving 135,000 students, now operating in the State. This school year, Arizona has opened 35 new charters with 10,500 additional students entering charter schools. The State has also closed 22 charters this year, in large part because it was the first year schools were up for their 15-year contract renewal.

The Arizona Republic reports that online classes are also expanding rapidly in Arizona. Close to 36,000 students -- three percent of the State's public school enrollment -- took at least one online course in 2010-11. An investigation by The Republic has noted a number of problems with online classes, including:

- The system has limited oversight and disclosure of information on the schools.
- There are few requirements for training of teachers or monitoring of tests.
- Research about what works is meager.
- The largest online schools do not retain many students.
- There is a lack of rigor in some courses.

- Tracking online enrollment and performance is difficult.
- There are concerns about student cheating on exams and parents keeping inaccurate activity logs.

# Arkansas Update

## January 2012

---

Arkansas' STEM Works program seeks to educate more students in the fields of science, technology, engineering, and mathematics. The existing pilot program will be expanded to include 15 school districts and one technical center for the 2012-13 school year. Each participating district will implement either Project Lead the Way, which focuses on engineering and biomedical sciences, or the New Tech Network, which incorporates all STEM subjects. Project Lead the Way participants -- which will receive up to \$95,000 -- will be: Gravette, Jonesboro, Prairie Grove, Riverview, Star City, and the Northark Technical Center (which serves 14 districts). New Tech districts -- receiving between \$75,000 and \$150,000 -- include: Arkadelphia, Cross County, Dumas, El Dorado, Highland, Hope, Lincoln, Marked Tree, Riverview, Russellville, and Van Buren.

# California Update

## January 2012

---

The Los Angeles Times observes that California Governor Jerry Brown's 2012-13 budget includes increased funding for education, but assumes the State's voters will pass his initiative to raise taxes. Faced with a \$13-billion budget deficit, the State risked an automatic cut that would have eliminated a week from the school year; but strong December revenues averted the cut. The Governor has said that, if the tax initiative is not approved, more deep cuts would have to be made to all State programs including education (the largest State budget item). The Democratic Governor has said that he has been unable to get the four Republican votes needed to present the voters with his plan to increase taxes on sales, vehicles, and incomes.

In his State of the State address, Governor Brown called for limits on standardized testing and for reduced Federal and State roles in local education. The Governor's remarks on standardized tests differ markedly from the policies of the U.S. Department of Education which has called for test results to become part of teacher evaluations. The Governor's comments are closely aligned with positions of California's two primary teacher unions.

In 2010, California passed a law that pushed back the date by which children must turn 5 to enter kindergarten and created a "transitional kindergarten" for those who did not make the new cutoff date. An estimated 40,000 children are expected to be eligible for transitional kindergarten this Fall. However, Governor Jerry Brown, in an effort to close the budget deficit, has provided no money for transitional kindergarten in his FY 2012-13 budget plan. The Governor estimates he can save \$224 million in 2012-13 and \$672 million in 2014-15 by not requiring districts to offer transitional kindergarten.

Supported by the Bill & Melinda Gates Foundation, the California STEM Network is seeking to improve the quality of the State's science, technology, engineering, and mathematics education. As reported in Education Week, the Network is encouraging more students to pursue STEM

careers through after-school and out-of-school programs. State officials say the Network could reach one million students, particularly the underserved, through 1,000 programs this year. One such program, Techbridge in the San Francisco Bay area, provides after-school STEM activities targeted at underprivileged girls.

Starting next year, California's Dream Act will allow undocumented immigrants to qualify for State financial aid at California's public university systems: the University of California, California State University, and California Community College. Illegal immigrants are already eligible for in-State tuition if they have graduated from a California high school and are on a path to U.S. citizenship. The Learning the Language blog on [EducationWeek.org](http://EducationWeek.org) notes that an effort to repeal the Dream Act has failed because organizers could not collect the 500,000 signatures needed to place the issue on the ballot later this year.

# Colorado Update

## January 2012

---

Colorado will be receiving \$18 million under Phase III of Race to the Top to support its priority of preparing students for success in a competitive world which requires advanced academic and technical skills. To do so, the State will address a number of components including developing Statewide capacity, transitioning to the Common Core State Standards, improving teacher and principal effectiveness, and continuing STEM activities. STEM initiatives will be embedded as part of a STEM Action grant in all content areas. Funds will also be directed toward implementing required elements in their teacher evaluation system. For a copy of the report go to: <http://www.ed.gov/news/press-releases/department-education-awards-200-million-seven-states-advance-k-12-reform>

The *State EdWatch* blog on [EducationWeek.org](http://EducationWeek.org) notes that a Colorado district court judge has ruled that the State's system for funding schools is "unresponsive" to the increasing and costly academic mandates placed on schools. The court's ruling addressed the link between the amount of money provided to schools and student achievement. It is expected that the matter will have to be addressed in more detail by a higher court.

The [Denver Post](http://DenverPost) reports that Colorado is considering new rules for online schools that would require them to follow the same rules as regular schools and to disclose more about their finances. In 2010, 15,249 Colorado students attended online schools and approximately two percent of the State's K-12 public school students take all of their courses over the Internet. Reports from State auditors have said some for-profit online schools increase their enrollments before the October 1 count date to maximize their State funding but cannot document how much time students were spending in online courses.

The [Denver Post](http://DenverPost) also reports that two middle schools in the Adams County School District 14 are pilot-testing a program by which students take the math class they would have to take in

college if they scored poorly on their placement tests. Fifty-two eighth-graders at Kearney and Adams City Middle Schools are participating in the program online through Adams State College. The program is an attempt to address the fact that, according to a recent State report, 56.9 percent of Adams 14 2010 high school graduates required remediation in college. By earning the math credit in middle school, students will not have to take the course in college regardless of their placement test scores.

# Connecticut Update

## January 2012

---

Education Week reports that Connecticut's largest teachers' union has proposed a number of reforms including:

- requiring annual teacher evaluations that encompass more than students' standardized test scores;
- streamlining the current 120-day process for dismissal hearings;
- providing incentives for all districts to offer full-day kindergarten;
- revising how the State pays for local schools;
- developing tutoring opportunities and extending students' learning time to ensure all students are proficient in reading by the end of third grade; and
- using lessons learned from charter, magnet, and "turnaround" schools to improve local public schools.

The Connecticut Education Association's recommendations are among the reports to be made available for the next session of the General Assembly (February 8).

Beginning in the Fall of 2009, a panel of district superintendents and university professors has worked on a series of recommendations that would lead to a "learner-centered" education program starting at age 3. As reported in Education Week, the recommendations include:

- offering parents a menu of options such as charter and magnet schools;
- providing assessments when an individual child is ready to be tested;
- progressing students through grades based on what they have learned rather than their time in class;
- replacing State regulatory mandates with mandated student-learning outcomes;
- providing appropriate incentives through State funding mechanisms; and
- consolidating some of the State's 165 school districts.

The superintendents' proposals, in many ways, correspond to education reform priorities put forth by Governor Dannel Malloy.

A new report states that in 2004, of the almost 3,600 high school students who graduated from Connecticut high schools, only two in five earned a degree or certificate from college six years later. About a third entered college but did not finish, while a quarter skipped postsecondary education altogether, as reported in Education Week. Another recent report, according to Education Week, has shown improved graduation rates in 2010, but about a fifth of students failed to complete high school.

The new interim superintendent of the troubled Bridgeport school district will be Paul Vallas who has headed school districts in Chicago, Philadelphia, and New Orleans. As noted in Education Week, Bridgeport has a high school graduation rate of 55.5 percent compared with 81.8 percent Statewide.

# District of Columbia Update

## January 2012

---

The \$75 million District of Columbia Race to the Top program did not use any funds for intervention efforts in Year 1, instead using School Improvement Grant and philanthropic funding. The District plans to implement intervention models in a total of 20 of its lowest-achieving schools. For SY 2011-12, detailed intervention plans were developed including timelines, hiring of staff, and identification of potential vendors. District schools are eligible to apply for “autonomous” (charter school) status if they have consistently shown high levels of student achievement. To qualify, a school must participate in a Quality School Review (QSR) and meet other criteria under the district’s Effective Schools Framework. During Year 2, the District’s STEM Task Force will outline activities and coursework related to success in STEM fields and will develop professional development activities for new and current STEM teachers.

# Florida Update

## January 2012

---

In his annual State of the State address, Governor Rick Scott called for an increase in State spending on public schools of \$1 billion per year. The Governor made major cuts in school funding last year. His proposed increase would raise per-student funding by approximately two percent -- to \$6,372.

Florida's plan to implement its \$700 million Race to the Top grant was facilitated by the passage, in March 2011, of the State's Student Success Act which: (1) established a new teacher/principal evaluation system based on multiple effectiveness measures; (2) tied compensation to evaluation results beginning in 2014-15; and (3) eliminated tenure for most teaching staff. Florida has budgeted 98 percent of its State-level RTTT funds for contracts. During Year 1 of the grant period, the State has struggled to issue contracts and hire qualified staff. The State is working with a vendor to conduct formative and summative evaluations of its RTTT implementation. During Year 2, RTTT activities include beginning: (1) recruitment and training of teachers for persistently lowest-achieving schools in the Miami Dade and Duval school districts; (2) development of a leadership pipeline for intervention principals; (3) professional development to build the capacity in ten small and rural districts to support their persistently lowest-achieving schools; and (4) expanding charter school in feeder patterns of persistently lowest-achieving schools. Florida's RTTT program has also furthered its emphasis on science, technology, engineering, and mathematics (STEM) by increasing the percentage of students enrolled in accelerated STEM courses and in RTTT-approved STEM career academy courses by at least three percent a year.

According to the [Tampa Bay Times](#), USED has asked that Florida address key concerns in its waiver requests, including exclusion of some students in school ratings, a low priority placed on graduation rates in grading schools, and a lack of emphasis on demographic subgroups in determining a school's grade. USED also reiterated its concern that Florida's contractual

oversight of School Improvement Grants is inadequate.

According to the Orlando Sentinel, Florida's high school graduation rate reached an all-time high of 80.1 percent this year. In 2007, the graduation rate was 70.3 percent and last year it was 79 percent. The State's current calculation method -- created by the National Governors Association -- does not include students who leave to attend adult education programs. A proposed Federal algorithm would count those students, as well as students receiving "special" diplomas, as "non graduates." If the Federal calculation method is adopted, Florida's high school graduation rate would be much lower. Moreover, for the Class of 2014, the State is expected to increase the passing score on the Florida Comprehensive Assessment Test required for a diploma and is also requiring students to pass end-of-course exams in many math and science classes.

The Florida State Board of Education adopted a new passing score policy which will likely increase the percentage of students who will not advance from the third to the fourth grade or graduate from high school. The State estimates that the number of students failing to advance to the fourth grade will increase by 16 to 18 percent because of higher cut scores increasing the need for remedial and catch-up type programs for this group of students.

# Georgia Update

## January 2012

---

In his annual State of the State address, Georgia Governor Nathan Deal promised an increase in education funding to cover enrollment growth (\$258 million) and regularly scheduled teacher pay raises (\$56 million). The Governor's plan does not, however, offset the more than \$1 billion in State funds cut over the past few years. Georgia has a standardized formula to determine school funding, but, during the current fiscal year, the State allocated \$1.1 billion less than the amount called for under the formula. School advocates say the State is still providing districts about 80 percent of the formula amount.

A State commission has prepared legislation that would, among other things, repeal Georgia's current law requiring that 65 percent of education funding be spent in the classroom. The measure is part of an effort to give local school districts more flexibility in the face of massive cuts in State aid over the past few years. Among other measures that are being considered by the commission are:

- revising a law that prohibits the use of personal electronic devices by students in the classroom;
- increasing, from \$130 million to \$150 million, the amount of money for school transportation; and
- repealing a never-enforced law that requires the State school board to approve any expense over \$100 made by local districts.

The U.S. Department of Education has raised questions about Georgia's efforts to implement reforms promised under the State's \$400 million, four-year Race to the Top grant. According to The Atlanta Journal-Constitution, the Federal progress report on Georgia's RTTT program notes that the State has been slow to fill 21 high-level jobs critical to executing some of the State's reform plans. Twenty-six Georgia school districts will be piloting a new teacher evaluation

system. But, the report says Georgia has also pushed back a number of timelines and scaled back some of its proposed initiatives.

Like many other states, Georgia, next Fall, will start requiring its ninth-grade students to select a career path and follow an appropriate class schedule. As reported in The Atlanta Journal-Constitution, public school students will choose one of 17 broad career categories, called career pathway clusters. Unlike South Carolina which budgeted \$28.6 million for its career pathways program, Georgia intends to do it with existing education funds. Supporters of the new approach argue it is needed to address the number of college students requiring remedial courses and lack of essential skills by graduates entering the work force.

# Hawaii Update

## January 2012

---

The battle between the U.S. Department of Education and Hawaii over the State's \$75 million Race to the Top award continues. In December, USED warned Hawaii that its RTTT award was at risk because of "unsatisfactory" performance -- particularly implementing financial incentives for teachers to work in low-income, low-performing schools. On January 19, the Hawaii State Teachers Association rejected a tentative plan that would allow the State to move toward a performance-based compensation system as called for by RTTT. The situation puts USED on the spot; if it caves on Hawaii, other RTTT winners may argue that they need not implement the reforms embodied in RTTT. State officials have declared that they will adopt a new teacher evaluation system even without the cooperation of the teachers' union.

# Idaho Update

## January 2012

---

Idaho Governor C.L. Otter, in his annual State of the State address, vowed to increase funding for K-12 education by \$31.6 million in the next fiscal year (beginning July 1). According to Education Week, the Governor also said he will "fully fund" his education reform program -- known as Students Come First -- that became law in 2011. Among these reforms are: expanding technology in schools Statewide; requiring students to take online courses; and placing restrictions on collective bargaining.

The Idaho legislature has set aside \$13 million in FY 2011 for classroom technology upgrades, including iPads, laptops, and desktop computers. Many districts are using the money for Internet access, computers, and teacher training in grades K-8 in hopes of better preparing students for high school. About \$4 million of the \$13 million has already been distributed to K-12 schools; districts have submitted plans to the State for how they would spend the remaining \$9 million. This year's \$13 million is not part of the Statewide laptop program by which laptops would eventually be given to every high school teacher and student.

As we reported last month, Idaho education officials have approved a plan that would require high school students to take at least two online credits in order to graduate. Under the plan, millions of dollars would be diverted from teacher and administrator salaries to pay for the online programs. This, as one might guess, does not please the teachers. As a consequence, State lawmakers have been reviewing the plan and will discuss the plan in their 2012 session.

Education Week notes that, starting on July 1, at least half of all Idaho teacher evaluations will be linked to student academic performance. The new evaluation plan is unclear as to the extent parental involvement will be a factor. As part of a 2011 education reform law, Idaho school districts were required to develop merit pay plans based on such factors as test scores and attendance rates. At least 29 districts have included parental involvement as part of their

performance pay plans.

# Illinois Update

## January 2012

---

Illinois will be receiving \$42 million under Phase III Race to the Top funding to support three goals: creating "reform exemplars" among cooperating districts, continuing and sustaining improved student outcomes, and State capacity-building. Activities include creating leadership and implementation teams, implementing revised State report cards, creating P-20 STEM programs of study with STEM learning exchanges, and establishing LEA assessment systems, while expanding online LEA support networks and developing induction and mentoring programs for new teachers. Priority STEM activities include establishing a technology platform for delivery of STEM resources and implementation supports for transitioning math and science into Common Core Standards. For a copy of the report go to: <http://www.ed.gov/news/press-releases/department-education-awards-200-million-seven-states-advance-k-12-reform>

The Chicago Tribune reports that the Chicago school district has produced guidelines for the district's longer school day. Currently, Chicago elementary and middle school students have 5 3/4 --hour days with only five hours of instruction. The new schedule will require 6 ½ hours of instruction. Under the new guidelines:

- grades 1-5 should devote at least 120 minutes a day to literacy and middle schools should devote at least 90 minutes;
- grades 1-2 should spend 60 minutes and grades 3-8 should spend 80 minutes in math;
- grades 1-2 should spend 40 minutes and grades 3-8 should spend 60 minutes in science;
- social studies should be taught for 30 minutes in grades 1-2 and for 40 minutes in grades 3-5.

District officials hope the additional time will also be used for intervention programs targeted at underperforming students. High school students will have 36 minutes added to their school day.

In November, the Chicago school district announced plans to close seven underperforming

schools this year and identified another ten schools for drastic "turnaround" action. The Chicago Tribune reports that, in January, a State legislative task force called for a moratorium on school closings and turnarounds arguing that some of the selected schools "should not be targeted." District officials say the moratorium would delay students getting the opportunity to attend a better school.

# Indiana Update

## January 2012

---

A County Superior Court has upheld Indiana's extensive school voucher law, according to Education Week. The judge ruled that the 4,000-student School Choice Scholarship program does not violate the State Constitution because the State does not directly fund parochial schools. The vouchers go to parents who decide where to use them. Program opponents, including the Indiana State Teachers Association, say they will continue to argue that the program is unconstitutional. The Indiana Choice Scholarship Program, unlike new voucher programs in other states, includes families other than those who fall under low-income criteria or students who attend a low-performing school. The new voucher law was part of the Indiana's SEA's request to USED for waivers of other State laws regarding the amount of time it takes to turn around priority schools. According to Education Week, of the 400 private schools in the state (over 90 percent being affiliated with religious organizations), more than half accepted vouchers this year. Superintendent Tony Bennett also "suggested that new, non-religious schools might form to take advantage of the new program." The court's decision could be an important signal for similar legislation being considered in other states.

# Kansas Update

## January 2012

---

The number of Kansas high school students who complete technical education programs has dropped from 13,788 in 2007-08 to 9,292 last year. According to The Wichita Eagle, Kansas Governor, Sam Brownback, has proposed a plan by which high schools could receive a \$1,000 credit for every student who earns a technical education certificate. A total of \$20.5 million would be made available to pay for the incentives, as well as for student tuition, transportation, and marketing of technical education opportunities. The plan would eliminate the State's formula-based vocational education funding to districts.

# Kentucky Update

## January 2012

---

Under Phase III of Race to the Top, Kentucky will receive approximately \$17 million to implement a number of initiatives based on the assumption that increasing education effectiveness improves student learning outcomes under two initiatives -- Continuous Instruction Improvement Technology Systems (CIITS) and STEM education through a one-stop shop. Through CIITS, LEAs will be able to customize student learning experiences and personalize education professional growth. Funding will allow LEAs to implement CIITS components which include integration of new models for measuring effective teaching and formative assessment systems. Funds will be used to provide technical support for meaningful STEM experiences for students and disseminating exemplary practices and models related to STEM in order to scale up the State's STEM priority called the Advanced Kentucky Project. For a copy of the report go to: <http://www.ed.gov/news/press-releases/department-education-awards-200-million-seven-states-advance-k-12-reform>

The Governor's Task Force on Transforming Education in Kentucky has set forth 11 goals that would take all of the State's public schools digital by 2010. Key elements of the approach -- which is called Digital Learning 2020 -- include shifting to totally online assessments by 2013-14 and instructional materials by 2014-15. Most local school officials agree with the plan but are concerned about the availability of funding for all 11 goals.

# Louisiana Update

## January 2012

---

Louisiana will receive approximately \$17 million under Phase III of Race to the Top to fund School Turnaround, Organizational Excellence, and Instructional Improvement. Funds will be used to:

- develop and implement initiatives through the State's district support office;
- develop and deliver professional development modules;
- increase the number of STEM courses offered by LEAs;
- provide teachers with access to real-time benchmark data to inform instruction;
- provide professional development leadership preparation programs through a number of leadership academies; and
- invest in STEM-themed charter schools to develop best practices.

STEM activities are embedded across all other implementation activities. For a copy of the report go to: <http://www.ed.gov/news/press-releases/department-education-awards-200-million-seven-states-advance-k-12-reform>

As noted in Education Week, Louisiana Governor Bobby Jindal has put forth an education agenda that includes a Statewide voucher program, an easier way to establish charter schools, and a revision in teacher tenure rules. The Governor wants to expand the existing New Orleans voucher program to include poor students at any school rated "C" or below on the State's accountability scale. He also wants to loosen the requirements for opening new charter schools. In addition, he proposes eliminating the Statewide salary scale for teachers, banning the use of seniority for personnel decisions, and making it harder for teachers to earn tenure. He can expect strong opposition from teacher unions and other traditional school organizations.

According to the *State EdWatch* blog on EducationWeek.org, Louisiana's new State Superintendent is John White, who has led the State-run Recovery School District. Selected by Governor Jindal, Mr. White has worked in school districts in New Orleans, Chicago, and New

York City. He has also been Executive Director of Teach for America's Chicago division.

# Maine Update

## January 2012

---

A new report from the Mitchell Institute shows that, although Maine's high school graduation rate exceeds the national average, the percentage of students who go on to college is well below average. Entitled "College Access and Persistence in Maine," the report includes findings that indicate that:

- the Maine high school graduation rate has increased from 74 percent in 2000 to 82 percent in 2010;
- only 60 percent of Maine students enroll in college within one year of high school graduation;
- the average annual cost at a public university grew from 35 percent to 46 percent of annual per capita income over the past decade; the cost of community college increased by just one percent (from nine to 10 percent of per capita income) over the same period.
- economically disadvantaged students are 25 percent less likely than their higher-income classmates to be proficient in math (math proficiency is a strong predictor of college readiness according to the report).

# Maryland Update

## January 2012

---

For the fourth year in a row, Maryland schools have been ranked the highest in the nation by Education Week. The State received particularly high marks for overall student achievement and for the fairness with which it allocates funds to schools. State officials are pleased with the ranking but acknowledge that more progress must be made in closing the achievement gap between poor and minority student and the rest of the student population. Moreover, according to Education Week, Maryland has not yet incorporated international standards for English, science, and social studies into the high school curriculum.

# Massachusetts Update

## January 2012

---

Of Massachusetts 393 local school districts, 258 are participating in the State's \$250 million Race to the Top plan. During its first year, the Massachusetts RTTT program encountered difficulty filling some of the positions including a professional development coordinator. During Year 1, nearly 35 Level 3 and 4 schools (the lowest-performing 20 percent in the State) initiated intervention models -- 20 transformation, 12 turnaround, and two restart. The State has established Wraparound Zones which: (1) develop a proactive system for identifying student needs; (2) offer customized, multi-faceted interventions for at-risk students; (3) connect social workers and families to school practices; and (4) monitor program effectiveness. Through six regional District and School Assistance Centers, the State provides assistance to LEAs in assessing professional development and targeted assistance to improve instruction in three areas: (1) supporting self-assessment and planning; (2) enhancing opportunities to learn about effective practices; and (3) facilitating the use of State-provided assistance tools.

In Year 2, the Massachusetts RTTT program will, among other activities:

- identify and award grants to three Priority Partners to execute the restart model;
- continue to evaluation its teacher preparation and school intervention efforts;
- continue to develop curricular units for the State's six STEM Early College High Schools and plan additional Early College High Schools; and
- expand the number of effective mentors available to new teachers, particularly in STEM fields.

# Michigan Update

## January 2012

---

The Mackinac Center for Public Policy reports that special education enrollments in Michigan charter schools have risen sharply in recent years. During the 2010-11 school year, 9.7 percent of charter school students had special education needs (compared with 12.8 percent in traditional schools). Compared with 2001, the number of charter students with disabilities has risen from 2,961 to 10,927. By contrast, special education enrollments in traditional public schools have dropped from 210,000 in 2001 to 185,000 now.

# Mississippi Update

## January 2012

---

Education Week notes that Mississippi's Three Rivers Planning and Development District, last Spring, pilot tested a program that uses high-performing high school seniors and college freshman and sophomores as paid tutors for students in grades 3-6 for two hours per week. During the past Fall, the effort -- known as the Performance Enrichment Program (PEP) -- was expanded to 13 schools in Northeast Mississippi using a \$50,000 donation from the CREATE Foundation and a \$100,000 grant from the Kellogg Foundation. The State wants to expand the program further but has yet to find a way to obtain continued and perpetual funding. At the least, the State would like to sustain the program for three years so they can fully measure its impact.

# Missouri Update

## January 2012

---

A State task force has released a proposal to the Missouri Coordinating Board for Higher Education that suggests Missouri should start awarding performance-based funding in FY 2014. The money would be in addition to base State funding and could amount to as much as three percent of an institution's total State funding. For community colleges, the task force recommended basing the performance funding on:

- the number of students who complete a degree within three years or transfer to a university;
- the percentage of students taking remedial courses in English or math who successfully complete a college-level course in three subjects;
- the percentage of technical track students who pass their required certification exam; and
- the number of credit-hours delivered per \$100,000 of State funding.

# New Hampshire Update

## January 2012

---

The New Hampshire legislature has enacted, over the Governor's veto, a law that gives parents the right to call for alternatives to instructional materials they find objectionable. According to Education Week, the parent-identified materials must be paid for by the parents and must be approved by the local school district as "sufficient to enable the child to meet state requirements."

# New Jersey Update

## January 2012

---

Under Phase III, New Jersey will receive \$39 million in Race to the Top funds to accelerate implementation of initiatives already undertaken in the State, including development of an instructional improvement system, launching a newly-created teacher evaluation system, and enhancing the charter school application review and renewal processes. The State's director of the project will be responsible for developing model math and science curricula and formative assessments. LEAs will be allowed to partner with the Progressive Science Institute or the Progressive Math Institute to improve math and science instruction. For a copy of the report go to: <http://www.ed.gov/news/press-releases/department-education-awards-200-million-seven-states-advance-k-12-reform>

According to Education Week's State EdWatch blog, an advocacy group called the Education Law Center has sharply criticized New Jersey's application to the U.S. Department of Education for a waiver from some of the requirements of the No Child Left Behind Act. The organization says that New Jersey's plan to allocate Title I funds to "reward schools" could result in that money going to schools with "low proportions of low-income students and English language learners." Moreover, the ELC charges that some of the proposals in the State's waiver application -- e.g., a new teacher/principal evaluation system, private school vouchers -- are not authorized under State law. State officials acknowledge that some of the policies in the waiver plan will require legislative approval.

New Jersey Governor Chris Christie has signed into law a ten-year pilot program, known as the Urban Hope Act, to create as many as 12 "renaissance" schools in Newark, Camden, and Trenton. According to The Philadelphia Inquirer, the renaissance schools will receive 95 percent of the per-pupil State aid that goes to traditional schools (charter schools only get 90 percent) and will be operated by non-profit organizations authorized to buy or lease school facilities. The nonprofit can contract with private entities for staff and management, but must retain control of

"instructional services." Under the law, those contracts need not be publicly bid and do not have to be publicly disclosed.

Beyond the Urban Hope Act, the Christie Administration has a number of other initiatives providing legislative action:

- The Opportunity Scholarship Act would establish a five-year pilot program to provide tax credits to entities contributing scholarships for low-income students.
- The School Children First Act provides for an educator evaluation system based on multiple measures, allows for merit pay, and requires layoffs be based on effectiveness not seniority.
- The Charter Reform Bill strengthens New Jersey's charter school law including an increase in the number of charter school authorizers.

# New Mexico Update

## January 2012

---

New Mexico is planning to change its funding formulas for both K-12 and higher education. The State will allocate \$5.5 million to K-12 schools, in part, according to a new A-F grading system that rewards higher-performing schools with awards of up to \$50,000. However, \$3.4 million of the \$5.5 million has been set-aside for low-performing schools (those rated D or F) for school improvement with the money to be used to attract better teachers and to improve facilities. The State also intends to change the higher education funding formula -- which is currently based on size and courses offered -- to include student performance and the number of degrees awarded in high-demand fields.

State data indicate that 80 percent of New Mexico's fourth-grade students do not read at a proficient level and that such students are more likely to drop out of high school. Governor Susana Martinez has asked the State legislature to approve a new \$17 million-per-year reading initiative that includes:

- funding for pre-kindergarten literacy programs;
- reading coaches to help teachers;
- after-school and summer reading instruction;
- screening tools to assess reading proficiency;
- ending social promotion by requiring third-graders to read at grade level before going on to fourth-grade; and
- an emphasis on parental involvement.

# New York Update

## January 2012

---

New York Governor Andrew Cuomo, as part of his \$135.5 billion budget plan for next fiscal year, has proposed a four percent -- \$805 million -- increase in education spending contingent on district reform efforts, particularly in the area of teacher evaluations. The Governor challenged the State's teachers to come up with a new Statewide evaluation system or he said he would prepare his own. Districts would have one year to get a new system operational or the State would withhold the four-percent increases. The Governor has directed that 76 percent of the \$805 million funding increase be targeted on high-need schools as part of an effort to reduce the achievement gap between wealthy and poor school districts.

New York State's \$700 million Race to the Top program has encountered delays, in part, due to a lawsuit filed by the State teachers' union challenging the planned teacher/principal evaluation system. Among the RTTT-related activities begun in the State's Year 1 are:

- implementation of intervention models in 28 schools;
- establishment of a new office to: (1) collect and distribute research on best practices; (2) coordinate professional development activities; (3) identify other partners to work with LEAs; and (4) conduct technical assistance and outreach;
- creation of the \$40 million School Innovation Fund which identifies LEAs and key partner organizations that are jointly committed to transforming struggling schools;
- awarding of 13 new School Improvement Grants and 17 SIG intervention grants; and
- award of nine new public school charters for schools to open in the Fall of 2012.

During Year 2, New York will

- hold targeted professional development events for SIG recipients; and
- create incentives for outstanding teachers in STEM fields, as well as teachers of English language learners and students with disabilities, to work in high-needs schools.

Education Week reports that New York State is suspending School Improvement Grants to ten school districts because they failed to reach agreement with teacher unions on an evaluation system for teachers and principals before the December 31 deadline. The affected districts are: New York City, Roosevelt, Poughkeepsie, Buffalo, Syracuse, Albany, Rochester, Greenburgh 11, Yonkers, and Schenectady. The most seriously affected is New York City which could lose \$60 million. The districts may request hearings to defend their plans. State officials say six of the districts have showed progress.

The New York State Education Department has reissued a solicitation (RFP#SA-03A) for Curriculum Modules and Statewide Professional Development for New York State English Language Arts and Literacy and Mathematics. The reissue was needed to address participants' concerns about intellectual property and Creative Commons License requirements. As noted AEP Online, changes were also made in the bidding requirements and schedule. The proposals were due by January 17, 2012.

According to The New York Times, New York City Mayor Michael Bloomberg has proposed a merit-pay system for teachers that would give \$20,000 raises to top performers and threatened to remove as many as have the teachers in some low-performing schools. The Mayor has said, to break the impasse between the City and the union over a teacher evaluation system, the city would establish evaluation committees at 33 struggling schools. This approach would, according to the Mayor, allow the City to reclaim the \$60 million in suspended Federal School Improvement Grants.

# North Carolina Update

## January 2012

---

As reported in the News & Observer, North Carolina has received permission from the U.S. Department of Education to drop its tenth-grade writing test which had been part of the State's accountability program under the No Child Left Behind Act. Over the past two years, North Carolina has eliminated more than ten standardized tests, most of them as called for by the State legislature. Beginning this Spring, high school juniors will take the ACT college entrance exam, which includes a writing section.

Under North Carolina's \$400 million Race to the Top project, the State has initiated components of its intervention model in 118 schools by October 2011, including:

- hiring 25 transformation coaches and 33 instructional coaches;
- completing comprehensive needs assessments in 97 schools;
- professional development for educators in RTTT intervention schools;
- targeted assistance to 12 school districts identified as Transformation Districts (the lowest ten percent in the State).

In Year 2, the State will:

- provide job-embedded professional development on topics such as differentiated instruction;
- implement its "Effective Teachers via Virtual and Blended Courses" project -- which would expand virtual course offerings in math and science -- in three pilot LEAs during 2012;
- continue intensive professional development for teachers in STEM Anchor and Affinity Schools through peer school reviews and residencies in national model schools.

According to the Winston-Salem Journal, North Carolina plans to use \$9 million of its Race to the Top grant to expand the State's digital record-keeping of student academic histories

beginning in infancy. The State already tracks students between kindergarten and twelfth grade. The NC WISE system allows parents to track children's homework, absences, and test results. The State has also applied for a \$4 million grant that would increase the system's capability to track student performance through college and into the workforce. North Carolina is one of 11 states that can follow students from before school age into college and beyond.

# Oklahoma Update

## January 2012

---

Oklahoma has requested a waiver from the requirements of the Federal No Child Left Behind Act. State education officials say such a waiver from the U.S. Department of Education would allow the State to use new State-developed standards and regulations that will focus on the growth of every student. Oklahoma schools would be evaluated on an A-F scale that incorporates student improvement on standardized tests rather than absolute scores as under NCLB. Oklahoma's waiver request also provides a comprehensive framework for transitioning to the Common Core Standards.

Spurred by the Federal Race to the Top competition, Oklahoma's Senate Bill 2033 calls for a teacher evaluation system that is based 50 percent on measurable subjective observations and 50 percent on measurable objective student performance data. On the quantitative side, the State has adopted a value-added model that bases 35 percent of a teacher's evaluation on how a student performs on standardized tests compared to how the student is projected to perform based on past performance. The problem is Oklahoma does not have the ability to attribute an individual students' test score to a specific teacher and to calculate an "expected" score for every student. Under Oklahoma's high stakes evaluation structure, tenured teachers will be dismissed if they score "ineffective" for two consecutive years, score "needs improvement" for three consecutive years, or fail to average at least "effective" over a five-year period. Nontenured teachers will be dismissed if they do not teach tenured status within four years.

# Pennsylvania Update

## January 2012

---

Pennsylvania will receive approximately \$41 million under its recent Round 3 Race to the Top grant which will be used to expand student and teacher access to quality instruction and instructional resources, particularly in STEM subjects, through increased access to online State resource portals and related professional activity components. The State is proposing to develop web-based resources, including a report card, which will provide immediate access to student data to inform instructional decision-making. The State plans to refine the teacher and principal evaluation system that includes student performance as a “significant factor.” Funds will also be used to provide increased oversight of charter schools and improve communications between LEAs and charter schools. For a copy of the report go to: <http://www.ed.gov/news/press-releases/department-education-awards-200-million-seven-states-advance-k-12-reform>

The 146,000-student Philadelphia school district plans to eliminate 50,000 seats in its lowest-performing schools, according to Education Week. The district has adopted a Great Schools Compact that promotes cooperation between the district and charter schools. With a \$100,000 grant from the Bill & Melinda Gates Foundation -- and hopes for millions more -- the district says it will transform the 50,000 seats through school closings and charter conversions.

Education Week also reports that, next school year, the Archdiocese of Philadelphia plans to close 44 Catholic elementary schools and four high schools because of declining enrollments and higher costs. In the past five years, the archdiocese had already closed 30 schools. The new closures will displace nearly 24,000 students in the City of Philadelphia and four surrounding counties. The Philadelphia situation mirrors school closures nationally; 1,750 U.S. Catholic schools, serving 587,000 students, have closed in the last decade.

# Rhode Island Update

## January 2012

---

According to Education Week, Rhode Island plans to ask the U.S. Department of Education for waivers of key aspects of the Federal No Child Left Behind Act. State officials are gathering feedback from various sources prior to submitting their application (probably before the February 21 deadlines). USED officials have indicated they will approve the flexibility in return for a commitment to reforms that will improve student achievement.

Among the challenges facing Rhode Island as it began implementing its \$75 million Race to the Top grant were leadership changes at the State and local levels, labor-management issues, and delays in implementing the State's School Improvement Grant program. Among the State's RTTT-related initiatives are:

- the High-Performing Charter Schools project which has adjusted its timeline to allow Charter Management Organizations (CMOs) more time for planning and grant-awarding; at least one grant will be awarded by the end of SY 2011-12 with most awards sliding to Years 2-4;
- the Multiple Pathways to Virtual Learning project which, in Year 1, solicited proposals to create Virtual Learning Math Modules; the modules will be implemented with secondary students in the Spring of 2012;
- Project-Based Learning, a pilot designed to engage students with STEM content in the Providence school district to be in place by Year 3.

# South Carolina Update

## January 2012

---

According to the [BeaufortGazette.com](http://BeaufortGazette.com) (December 21st), the Black Caucus along with education and civil rights groups have staged protests to State Superintendent Mack Zais for his refusal to accept several buckets of Federal funds over the last year. The group estimated that the State Superintendent turned down approximately \$145 million in Federal funding most of which was reallocated to other states. State officials argued that the Superintendent and Governor turned down funding for two programs, including Race to the Top, for ideological reasons and the state did not qualify for two other funding pots. A threat by the South Carolina Board of Education to sue the State's school superintendent has apparently come to an end. In November, the Board approved a rule that would have required the superintendent to report on any Federal or private grant over \$10 million for which South Carolina schools are eligible. The rule was in reaction to the superintendent's refusal to apply for a Federal Race to the Top grant. The superintendent has argued that he reports only to the voters, not to the Board.

# South Dakota Update

## January 2012

---

South Dakota Governor Dennis Daugaard, in his annual State of the State address, proposed a budget for FY 2013 that would increase State aid for education by \$40 million -- to nearly \$370 million -- after spending was cut by at least ten percent in FY 2012. The Governor's three-year plan includes: an \$8 million, one-time investment for teacher training in FY 2013; \$5 million in ongoing funds for bonuses of \$3,500 for math and science teachers in FY 2014; and \$10 million in FY 2015 in ongoing funds for \$5,000 performance-based teacher bonuses.

Federal data indicate that, in 2008, South Dakota attracts more high school graduates from out of State to attend colleges and technical schools in the State (2,134 students) than it loses to other states (1,564 students). As recently as 1996, South Dakota was losing 175 more students to out-of-state postsecondary institutions than it was bringing in. State officials attribute the new trend to South Dakota's economic growth despite the national recession. According to the Argus Leader, the State projects that, between 2008 and 2018, 41,000 new jobs will be created and believe the net in-migration of college students will help fill those jobs.

# Tennessee Update

## January 2012

---

According to The Memphis Commercial Appeal, Tennessee Governor Bill Haslam has proposed eliminating the State's current teacher pay schedule that includes increases for years in service and advanced degrees. The Governor's new approval would give local districts the flexibility to determine salary schedules, including the ability to pay higher salaries to teachers in hard-to-staff schools and subjects.

# Texas Update

## January 2012

---

AEP Online notes that Texas is a prime example of the evolution of school buying processes. The changes in Texas have been attributed to: (1) districts' need for technology; (2) legislators' impatience with the textbook adoption process; and (3) the State Commissioners' desire for more influence. A new State law (SB6) has established a new allotment system that gives each district a fixed amount of money for materials, technology, and tech services. AEP observes that ordering in Texas is down by 40 percent this year and in some subjects only one-third of the materials have been ordered. The lack of spending is a result of many districts having yet to determine what to buy.

According to the Dallas Morning News, the Dallas Independent School District (DISD) has adopted "Reasoning Mind," a supplemental math program, expanding it from the second to third and fourth grades. Reasoning Mind was developed by a Houston-based non-profit organization, based on initial developments by a Russian mathematician, which evidently received funding from Texas oil and energy philanthropists. Of the 300+ schools across eight states which allegedly have adopted the program, the 1,400 second grade students currently using the program in Dallas makes it the largest partner. The reported cost to the district has been almost \$4 million with district funds paying about half and the remaining from philanthropic groups.

# Utah Update

## January 2012

---

Education Week notes that Utah Governor Gary Herbert has proposed a \$12.9 billion spending plan for the fiscal year beginning on July 1 that includes \$2.5 billion for public education, an increase of \$111 million over the previous year. The proposed budget includes:

- \$41 million to address a net influx of 12,500 students next school year;
- \$21.5 million for a one-percent salary increase for teachers;
- A \$93 million increase for public colleges and universities (after 17 percent in cuts since 2007).

State data show that revenues are projected to climb to \$5 billion from a low of \$4.2 billion two years ago.

# Virginia Update

## January 2012

---

In his State of the State address, Virginia Governor Robert McDonnell called for a number of changes to public education. As reported in Education Week, the Governor has proposed: requiring school districts to provide reading help for third- and fourth-graders who do not meet the State's reading proficiency scores;

- repealing the law that prohibits starting the school year before Labor Day;
- consolidating seven types of high school diplomas into three;
- offering tax credits to businesses who support private school scholarships for low-income students;
- replacing "continuing" principal and teacher contracts with annual job contracts;
- establishing an alternative licensure route for virtual school teachers and new regulations for full-time virtual schools;
- creating a pilot program that would offer ninth- and tenth-graders lessons in such areas as character education, leadership skills, and preventative health care; and
- allowing high school students to work toward an associate's degree.

As reported in the Richmond Times-Dispatch, Governor McDonnell has proposed a two-year, \$84.9 billion budget for 2013-14 that includes \$438 million in new money for public schools.

Among the elements of the Governor's spending plan are:

- more than \$913,000 each year to pay the testing fee for all public school tenth-graders to take the Preliminary SAT exam;
- a requirement that schools report the percentage of their budgets that is spent on instruction; and
- reduced funding for the Virginia Preschools Initiative by using different membership projections.

# Washington Update

## January 2012

---

Washington Governor Christine Gregoire, in her annual State of the State address, projected that her proposed half-cent increase in the State's sales tax would yield \$494 million, \$411 million of which would go to K-12 and higher education. According to Education Week, the Governor reiterated a series of education initiatives including:

- new teacher/principal evaluation system
- pairing struggling schools with universities for research and innovation opportunities;
- a reduction in paperwork requirements for teachers and administrators; and
- an executive level office of student achievement.

# West Virginia Update

## January 2012

---

In his first State of the State address, West Virginia Governor Earl Ray Tomblin said he will be introducing legislation that would link teacher evaluations to student achievement -- an expansion of an existing pilot program. He also wants to create a new pilot program that would provide local district administrators the flexibility to attract well-qualified teachers to struggling schools. The Governor also noted that K-12 education represents about \$2 billion out of the State's total \$4 billion budget and that a recent audit says the State could save \$90 million by: (1) using technology to help rural districts; (2) giving local school boards more authority; (3) improving teacher evaluations, among other recommendations.

The American Federation of Teachers is leading an effort to turn around the struggling McDowell County school district in rural Appalachia. Working in partnership with private companies, foundations, community colleges, and government agencies, the union has developed a five-year plan and has committed \$100,000 and staff time over the next six months for planning the effort. According to [The Washington Post](#), the planned improvements include “wraparound services” like those successfully implemented in New York’s Harlem Children’s Zone. McDowell County’s remote location means that the “wraparound services” must be created from scratch rather than imported from a nearby community.

# Wisconsin Update

## January 2012

---

Wisconsin's Read to Lead Task Force has set forth a series of recommendations for improving the State's public education system. Among the Task Force's recommendations are:

- Testing incoming kindergarteners' reading proficiency;
- Providing teachers with more training opportunities;
- Improving teacher education programs, including a more rigorous reading exam for instructors in the field;
- Require teacher evaluations to include student achievement growth in Statewide reading scores;
- Giving extra weight to student performance on third-grade reading tests as part of the States under-development accountability system for districts and schools.

Some of the recommendations, according to the [Lacrosse Tribune](#), would require legislative approval.