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MEMORANDUM

DATE: March 24, 2010
TO: TechMIS Subscribers
FROM: Charles Blaschke and Blair Curry
SUBJ: Preliminary District Title I Allocations; the Administration's Policy Priorities and NCLB Changes; Innovation Fund (i³) Final Rules; and State Profile Updates

Earlier this month we sent TechMIS subscribers two Special Reports:

- *Governors to Secretary Duncan: We Need More Money if Reform is to Occur and Flexibility Once We Get the Money*
- *The Independent Center on Education Policy Sets the ESEA Reauthorization Stage with 10 Recommendations, Most of Which are Similar to the Administration's Likely Proposed Changes, but Differ Providing More Flexibility than Secretary Duncan's Prescribed Activities for School Improvement Grants*

Included in this TechMIS report is our annual report on district preliminary increases in Title I allocations for next year and an analysis which should be helpful to subscribers in deciding what types of school districts to target during the different purchasing cycles. Because of the one-time, \$10 billion ARRA stimulus increase in Title I funding, district purchasing behavior and decision-making are difficult to predict across the board; however, the districts which will receive (before SEA adjustments) \$400,000 or more increases, as well as those receiving 30 percent or greater increases, are among the best prospects.

The second Special Report addresses the Obama Administration's policy priorities, as well as proposed NCLB changes that were discussed by Secretary Duncan and White House Education Policy Advisor Roberto Rodriguez during the recent SIIA Forum jointly held with the American Association of Publishers and COSN. Even though the Administration's ESEA reauthorization Blueprint was released several days ago, the areas of policy emphasis that were gleaned from the Forum's presentations -- and subsequent interviews conducted offline with officials -- provides some insight into probable details which were not included in the so-called Blueprint. Our analysis of the proposed FY 2011 Administrative Budget also provided more details than the so-called Blueprint -- see March 11th Special Report. A number of Forum panel discussions focused on issues of concern to education publishers and software/technology firms;

knowledgeable experts from education associations, think tanks, and other policy observers shared their insights into:

- likelihood of ESEA passage this year;
- changes made through the Non-Regulatory Guidance process which could occur if there is no reauthorization;
- lessons learned from research on transforming low-achieving to high-achieving schools; and
- adoption of Common Core and College and Career-Ready standards, among other topics.

Rather than summarizing the proposed Obama ESEA reauthorization Blueprint, we have decided to focus on influential groups' perceptions about such proposed NCLB changes and new policy initiatives gathered during the Council of the Great City Schools legislative session, the March CCSSO legislative session, and the upcoming NAFEPA conference, through discussions and interviews. The findings will be reported in our next TechMIS report.

The Washington Update includes the following:

- **Page 1**
Our analysis of the final rules for the i³ Innovation Fund competitive grants in which few, if any, of the major concerns of the for-profit sector that were included in their comments on the October 6th draft rules were addressed or clarified. When the question of for-profit firms' opportunities to partner with applications was posed to i³ Innovation Fund Director Jim Shelton (noting that a response to an email question had not been received from his office as of March 22nd) he stated that the question could be addressed in an updated Frequently Asked Questions guidance "to be published shortly."
- **Page 3**
In light of the increased emphasis on parent and community engagement in RTTT and SIG grants, the National Parent Teacher Association has formulated its policy agenda to double the amount of Title I funds for parent involvement in most Title I districts and to otherwise strengthen parent engagement as part of the ESEA reauthorization.
- **Page 4**
The Duncan Administration is being pressured to pay greater attention to rural districts' concerns and issues regarding new initiatives.
- **Page 5**
State Education Agencies' interpretations of USED criteria, which SEAs must use in identifying persistently lowest-achieving schools to be eligible for Tier 1 and Tier 2 funding under School Improvement Grant (Part G) initiative are creating major LEA problems with respect to district preferences as to which schools to serve; funding allocations to many SEAs are being delayed pending USED/SEA negotiated settlements.
- **Page 7**
Miscellaneous Items:
 - Highlights of a March 19th webinar by The Rural School and Community Trust

Organization encouraging eligible rural districts to apply for i³ Innovation grants and how the Trust could help them and groups with “innovative” solutions.

- A recent report by the Center on Education Policy found that one-third of U.S. public schools have failed to meet adequate yearly progress (AYP) in 2008-09 and, in nine states, over half the public schools did not meet AYP. The report also includes SEA websites which list such schools.
- Supplemental instruction materials sales should increase by 5.3% in 2010 to \$5 billion.

**Special Report:
Preliminary Title I Allocations
to Districts Receiving Significant Increases**

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

*Prepared by:
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March 24, 2010

Enclosed are lists of preliminary Title I Part A allocations for school year 2010-2011 for districts which, before SEA and other adjustments, would receive: (a) an increase of \$400,000 or more (Exhibit A); and (b) an increase of 30 percent which is at least \$50,000 (Exhibit B). For a host of reasons described later, these allocations should be considered very preliminary because of numerous adjustments which SEAs and others will have to make over the next four months.

We have also included a table in Exhibit C which displays the actual FY 2009 state-by-state Title I allocations compared to the 2010 estimate which was made shortly after the FY 2010 budget was signed by the President in December. Several states will experience more than an eight percent cut, including Wisconsin, Massachusetts, and Nebraska; Florida, Oregon, and New Jersey will receive more than four percent increases. We, and others such as the Center on Education Policy, have questioned the accuracy of census data sets and calculations using the Title I formula, both of which have resulted in state-by-state volatility, with funding increases one year and decreases the next. For FY 2010, Title I was level-funded nationwide.

The volatility of preliminary Title I district allocations over the last three years has once again occurred this year. Most of the districts' funding increases can be attributed to higher enrollments of poverty students, while some of the districts' cuts can be attributed to lower census counts or lower Title I per pupil allocations due to larger census poverty counts nationwide.

The districts listed in Exhibit B are those which would receive preliminary increases in Title I allocations of 30 percent or more (before adjustments) which are at least \$50,000. Many of these districts received increases due to "miscalculated" allocations or large increases in poverty counts using the most recent census data, or because the percent of poverty enrollment in the district reached five percent or more for the first time which qualifies that district for a portion of the concentration, incentive and targeted grants. Four years ago, for this latter reason, Fairfax County, Virginia received a 75 percent increase in Title I funding because the percent of poverty enrollment went above the five percent threshold for the first time.

Within the context of the \$10 billion FY 2009-10 Title I stimulus funding increase over the two years, it is difficult to predict with precision district officials' purchasing decision-making behaviors based on whether a district received a significant absolute or percentage increase in Title I regular allocations for this coming school year. However, it is logical that the types of districts, which are "similarly-situated" and which will likely use most of their Title I stimulus funding for long-term investments -- such as products and staff development with low reoccurring costs -- are those districts receiving large unexpected percentage increases this coming year for the first time which appear not to be justified based on large shifts in poverty enrollment. These districts have been proportionately greater beneficiaries of remaining ARRA Stabilization Funds after some states (e.g., Wyoming, Texas, New Mexico, Colorado, Georgia, and Arkansas) have "restored" state aid cuts to the 2008-09 levels.

One can speculate about how purchasing cycles among similarly-situated districts might be affected as a result of their receiving their portion of the \$10 billion Title I stimulus funding (which has to be obligated by September 30, 2011) and their perception of the impact of the so-called "funding cliff." Districts which have received large absolute Title I increases over the last couple of years, and even districts receiving large percentage increases over the last two years, and which are located in SEAs which received waivers not to include ARRA stimulus funding in their set-asides for SES choice (20%) and professional development (10%) are likely to continue spending some of their remaining increased Title I ARRA funding on products and services. This is so because the number of Title I students served in upper grade levels and in district-operated SES and related after-school programs is likely to increase. These programs are not likely to face major funding "cliff effects" because they might anticipate continued Title I funding increases in FY 2011 due primarily to increases in poverty counts.

Districts which received large increases in Title I and ARRA Title I funding in FY 2009 and which have not or do not plan to request waivers of the 15 percent carryover limitation will likely have unspent Title I funds which must be obligated by June 30, 2010. Most of these states will experience an end-of-fiscal-year purchasing cycle in April-June, especially if they received increased absolute or percentage increases in FY 2010. Again, they are likely to purchase products of an investment type with low-operating costs or invest in professional development during the summer and the next school year. As of December 2009, 43 states have requested various waivers. Of these, ten states -- Colorado, Hawaii, Illinois, Indiana, Maryland, Massachusetts, North Carolina, Oregon, Pennsylvania, and Utah -- have not requested a waiver to allow districts (if the district so decides) to request an automatic waiver to carry over more than the 15 percent limitation of Title I funds from FY 2009 to FY 2010 school year. It should be noted that if a district used Title I ARRA funds to expand its Title I program to the upper grade levels in existing Title I schools or in newly-eligible Title I schools, the products and equipment, as well as staff development "investments," can remain in those grade level classes and/or schools if the school is no longer eligible for Title I funds under the FY 2011 budget due to the "funding cliff." In some cases, however, district decisions will likely be influenced by the nature and extent of adjustments which will be made to determine final district allocations. Some of the major adjustments are highlighted below.

Because of the large \$10 billion increase in Title I stimulus funding, adjustments for district "hold harmless" will not have to be required as in the past; however, SEAs will be required to set

aside 4% of each districts' preliminary allocations for school improvement; this will likely be between \$500 million and \$600 million this coming year, of which 95 percent is supposed to be reallocated back to districts with large numbers of schools in corrective action and improvement -- many so-called "Tier 3" schools. The \$3.5 billion in School Improvement Grants will be targeted separately to "Tier 1" and "Tier 2" schools through SEA competitive grants and possibly to some of the Tier 3 schools. This will result in an eight- to ten-fold increase in SIG allocations this year to some "turnaround" schools in corrective action and restructuring.

The SEA must also make adjustments for the number of Title I-eligible students in a district "attendance area" who go to a local charter school because Title I funding is supposed to "follow the child" to the charter schools for their own Title I programs. In a state like Arizona, where several districts have received increases in preliminary allocations, some of those increases must be reallocated to the 500 plus charter schools operating within the state for Title I-eligible students enrolled in charter schools in the districts' attendance areas. Other states with fifty or more charter schools, which will have to make similar adjustments, include Colorado, Wisconsin, Minnesota, New Jersey, Massachusetts, Georgia, Ohio, Tennessee, North Carolina, New York, Pennsylvania, Texas, California, Florida, Michigan, and Nevada.

In some states, the SEA will also make adjustments for entities other than LEAs that support or provide assistance to LEA Title I programs, such as county units in California. Other adjustments may have to be made in districts for which school attendance area boundary lines have changed since the census was taken.

And one of the last types of adjustments -- which can't be made until July-August -- is based on changes in final state per-pupil expenditures, which is currently taken into account in the "incentive" Title I formula. This determination is usually made by states at the end of the regular school year.

Two years ago, before the \$10 billion Title I stimulus funding was available, we could predict with some precision the purchasing cycles for districts which were similarly-situated and which received certain amounts and percentages of Title I preliminary allocations. For this year, a number of additional factors have to be taken into account which at present have not been fully determined, mostly because of state uncertainties, including:

- How funds under Fiscal Stabilization will be flowing to districts for restoration in FY 2010 (e.g., what categorical aid streams are being restored?); how much will K-12 districts actually receive; how much of remaining Stabilization Funds after restoration will be allocated to districts under the Title I formula?
- In states with approved waivers to not apply the 20% SES set-aside to its portion of the \$10 billion stimulus Title I funding, how many "identified" districts will provide their own SES programs under waivers in FY 2010?
- How SEAs will be allocating the 4% SEA set-aside in the context of 8-10 months delays in the allocation of SIG funds?

Answers to many of these and other directly-related questions will affect district purchasing cycles in individual states. Over the next two months, we will be interviewing numerous district/state and Federal Title I officials to identify patterns and trends in actual waiver requests

at the district level, purchasing behaviors, and timeframes. These will be included in subsequent TechMIS reports. Please call if you have any questions.

Special Report:
**White House and USED Officials Outline Policy Priorities and NCLB
Changes While Panelists at the SIIA EdTech Forum Point to Issues
and Concerns About Current Policies and Proposed New Initiatives**

A Technology Monitoring and Information Service (TechMIS)
SPECIAL REPORT

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March 24, 2010

During the SIIA EdTech Forum, with sessions jointly sponsored by COSN and AAP, Secretary Duncan and White House education advisor Roberto Rodriguez provided hints as to their policy priorities and changes to the NCLB that would be likely proposed in the Administration's version of ESEA reauthorization. Several panelists and observers suggested that other changes are likely to occur through the regulatory process and waiver authority which Secretary Duncan has used extensively over the last year. In several sessions, experts from think tanks and associations, including the Council of Chief State School Officers, along with other USED officials, discussed proposed initiatives pending in Congress and the issues and concerns of technology firms and publishers. Below we provide highlights of speeches by White House Education Policy Advisor Rodriguez and Secretary Duncan which provided some hints as to what might be included in the Administration's proposed ESEA reauthorization beyond the proposed FY 2011 budget which was addressed in our February 17th TechMIS Special Report. Several panels also discussed issues and concerns of the industry.

Roberto Rodriguez served as the lead policy aide for the Senate HELP Committee chaired by Senator Ted Kennedy until his death and was one of the key Congressional committee staff members involved in the negotiations leading to the passage of NCLB in 2001-02. Rodriguez noted early on that NCLB's 100 percent proficiency level goal for all students by 2014 has to be dropped and NCLB initiatives related to achieving that goal had to be revised. He referred to two major proposed changes in the Administration's FY 2011 budget that would require: (1) states having in place college and career-readiness standards as a condition for receiving Title I funds; and (2) the use of growth models, already approved for use in several states, to be expanded to all. Another policy priority would be the development and implementation of a new generation of assessments, particularly formative and ongoing assessments which Rodriguez championed while working with Chairman Kennedy. The Administration calls for increased investments in 21st Century literacy, upgrades to curricula, and a specific new priority in which the relatively largest increase in funding goes for dropout prevention. Rodriguez particularly noted the President's recent speech before America's Promise, which has assembled more than

400 groups nationwide to support dropout prevention, and increased graduation rate headed by Colin Powell and his wife. Another priority is increased support for building states' capacity to improve effective teaching and principal leadership, as well as student support activities related to social, mental health, and other domains to personalize instruction and related activities for students, including the Promise Neighborhood initiative. A continued priority, in the process of being implemented, is the Investing In Innovation (i³) program which Rodriguez described as providing the opportunity to scale up what's working and to identify breakthroughs in a number of areas, including writing. The newly-funded Race to the Top initiative would also be continued at \$1.35 billion providing opportunities for districts to submit applications directly rather than through states. Lastly, he referred to the "four robust intervention models" which the Department is requiring to be used by Tier I and Tier II schools under the \$3.5 billion School Improvement Grant (SIG) initiative.

Regarding the SIG initiative, we referred to the recent recommendations of the Center on Education Policy as being closely aligned to most of the new directions Rodriguez noted. However, CEP questioned the evidence and research basis for prescribing these four "robust" models (see March 11th TechMIS Special Report) and recommended that, where research evidence does not clearly suggest that one approach is effective, it should not be prescribed; rather states and districts should be allowed the flexibility to experiment with innovative approaches which would be implemented under an expanded "differentiated accountability model" initiative. Rodriguez said that CEP's recommendation is a "good suggestion." Having been directly involved in the "differentiated accountability model" initiative -- which former Secretary Spellings (under state political pressures) agreed to allow in nine states -- Rodriguez's comments, in the session and during an offline discussion afterwards, recognized that there is a "sector of schools in the middle" -- above the lowest persistently achieving one percent of schools which are now the primary target of School Improvement Grants -- that need to be addressed. One might infer from his comments that he was suggesting that one such opportunity could be created by another pool of funds, provided on a competitive/incentive basis, to support states who wanted to initiate or expand "differentiated accountability models." As noted in our January 28th TechMIS Special Report on Race to the Top applications, most of "differentiated accountability states" that submitted grants were in the situation of having to delete some of their differentiated accountability components or "force fit" them under the four models to be in compliance with the recently promulgated School Improvement Grant regulations and Non-Regulatory Guidance. Without question, the opportunities for most TechMIS subscribers under "differentiated accountability models" are much greater than under the current constraints and requirements of the "transformation model."

On the day before the release of the draft National Education Technology Plan, Secretary Duncan spoke before a joint session of the SIIA and American Association of Publishers (AAP) on the topic of using technology to transform schools. He highlighted some of the major points in the draft plan. Of greater interest to many in the audience were his comments on policy issues and initiatives related to larger concerns of the publishing industry.

Pointing to the trend of a rise in the amount of digital content -- "60 percent of students report publishing their own material online" -- Secretary Duncan elaborated on the President's proposed initiative to invest \$500 million over ten years in an "online skills initiative" designed

to produce “open” and free high-quality courses that contribute to post-secondary student access and success. Not only would these courses be available at no cost to students, institutions, and self-learners, they “will also be freely available to commercial firms.” He emphasized, “Our commitment to Open Educational Resources includes a commitment to you: that they will be fully open, including open to commercial producers of learning materials who want to add value to these resources and sell enhanced, proprietary versions.” In a following session, Senior Policy Advisor Hal Plotkin reaffirmed that the initiative would give “rocket fuel” to publishers, emphasizing that commercial derivatives could be developed. Secretary Duncan said that a new demand in colleges and universities would be created and that the initiative would “open a new market for supplemental materials --- one that you are uniquely positioned to fill.” In response to the question as to whether such an initiative would be considered “unfair competition with the industry.” Plotkin responded that “USED does not want to become a publisher.”

Partially in response to Secretary Duncan’s argument that the Department’s proposed \$500 million online initiative and Open Education Resources (OER) commitments, would create a market for new supplemental materials and derivative products, education analysts from JP Morgan and Piper Jaffray felt that publishers entering the digital age would increase the cost of their products, but not increase revenues. They did agree, however, that certain technology components, such as progress monitoring or formative assessment, would “add value.” Pirating will also continue to be a major problem and the downloading of digital textbooks will not follow a pattern similar to downloading of music, whose business model is significantly different.

The Secretary also addressed the much larger concerns of most technology advocacy groups that the FY 2011 budget did not include specific funding for (Education Technology State Grants); rather E²T² would be incorporated into several of the 11 consolidated streams proposed in that budget. He responded, “The EETT -- specific edtech funding -- was incorporated into bigger funding streams, most notably i3 -- the innovation fund -- as well as new funds for literacy, STEM, and the rest of the subjects. We believe that now is the time to truly incorporate technology into the core practices and strategies of our programs and schools. There are also funds for ensuring that teachers and principals are effective as possible, ensuring students have choices, and ensuring our schools are part of neighborhoods that are safe and healthy and supportive of students. The goals of each of these programs can benefit from the best technologies of the day. We encourage all of you to work with us to ensure we get this right.”

Perhaps anticipating questions from the audience as to the wisdom of the proposed inclusion of technology in several of the consolidated funding streams, the Secretary pointed to examples of how technology can be used including:

- Fairfax County, Virginia, teachers use the web-based Electronic Curriculum Resource Assessment Tool to create and access lesson plans, worksheets, assessment tools, and other resources tied to district standards and online assessments;
- the Manor New Tech High School in Manor, Texas which produces significant student results through the use of project-based learning and integrated use of technology.
- New York City’s School of One summer program at which only math is taught at the 6th grade level; technology is used to diagnose and prescribe a large menu of options to teach students the 77 math skills required at that level; lessons are assigned according to student learning styles.

Secretary Duncan also referred to several recommendations in the draft National Education Technology Plan, including:

- creating more effective and engaging learning experiences to personalize learning;
- better ways to measure “what matters, and to diagnose students’ strengths and weaknesses in the course of learning, so that immediate feedback can improve performance.”
- develop the capacity of teachers to improve their effectiveness by enabling more connected teaching and collaboration with peers; and
- using technology to increase productivity and efficiency during the learning process and to provide an accurate view of an education system’s financial performance.

Dr. Paine, State Superintendent in West Virginia and incoming President of CCSSO, expressed serious doubts about current Federal policies which are based on “business- and market-driven type models,” driving education transformation. He predicted that any reform successes that actually will occur will be a result of state and district efforts over time. He cited the state-led “common core standards” initiative as a “great start by addressing not only content, but also skills; however, “the next step -- assessment -- will be a greater challenge.” He referred to the six consortia of states that have formed to develop assessments under the \$350 million Race to the Top set-aside. In an offline conversation, he predicted, however, that the final number of consortia will be about two or three, as several are currently discussing merging. Perhaps the most important aspect of RTTT was that it caused states to “reflect on the four major priority assurances” (e.g., longitudinal data systems). He predicted that some of the “losing states for RTTT grant competitions will likely follow through on some of the policy changes that have been made in their states.” As an example of his skepticism about the utility of applying a market-driven business model in education, he argued that improving teacher quality is a function of good principals, better working conditions, and teacher collaboration. He cited the results of a recent Gates Foundation survey that reported slightly less than 30 percent of teachers felt that financial incentives would improve the quality of teachers.

Reiterating that education is not ready for the market-driven business model, Paine felt that the keys to success are finding ways to motivate students and parents and increase respect for teachers. During a question-and-answer period, he volunteered that he believes West Virginia would not be a winner during Phase I of the RTTT competition because the state legislature has yet to come up with an acceptable charter school law, although he did mention that the state had created a number of “innovation zones” which was a step in the right direction. In his response to a question about his state’s priorities regarding School Improvement Grants, he noted that his overall state plan is “research based” following principles designed by Dr. Robert Marzano.

During a session on opportunities under School Improvement Grant initiatives, Dr. Joseph Johnson, National Title I Director for a brief period under the Bush Administration, and Dr. Richard Long, Executive Director of the National Association of State Title I Directors, echoed comments by West Virginia State Superintendent Steve Paine that School Improvement Grant (SIG) policies and guidance are “too prescriptive” within the four model interventions and do not allow the flexibility for states and districts to develop a much-needed capacity to turn around failing schools. Prefacing his comments to a question, Long noted that state Title I directors are

going “nuts” because of the lack of flexibility. He argued that more of the \$3.5 billion in School Improvement Grant need to be allocated to develop capacity at the state and district levels. The emphasis in SIG to “start over anew” fails to take into account a decade of research on effective school reform which calls for resources to be allocated to fill the gaps needed to implement reforms over several years rather than attempting a “quick fix.” Regarding the probable impact of SIG funding, Long noted that it is really “too early” to tell, but some of the positive benefits are that more dollars will be allocated for high school reform and USED policies will emphasize and provide greater incentives for closing the conflicts between Title I and IDEA in such areas as Response to Intervention.

Dr. Johnson reiterated many of the points he made at the National Title I conference in February (see February 17th TechMIS Special Report) on lessons learned from highly successful schools that were persistently low-performing in prior years. Officials in successful schools used student achievement and related data for decision-making to inform instruction on an ongoing basis; however, they did not use data mining and analysis to the level of performing “autopsies.” The use of current data on individual students, not historical data on a school, is the most critical focus to determine what learning objectives are mastered and to develop alternative individual student strategies for mastering others. High levels of teacher collaboration in highly successful schools can be facilitated in numerous ways through the use of technology; and for students, technology can be used to “make learning fun and connect with students.” Peer learning can also be facilitated through technology-based collaboration to “engage and excite” students.

In response to questions related to the impact of stimulus funding and the proposed reauthorization of ESEA, Dr. Johnson said that when the “dust settles” more attention would be paid to accountability as it relates to the growth of subgroups of students who will be taught fewer standards/objectives, but in more depth. He noted that NCLB was based upon the so-called “Texas Title I model” which he directed at the turn of the century. The model emphasized results, but did not require prescribed actions as NCLB did; this is a mistake also being made by the current Administration, especially regarding School Improvement Grants. He agreed with some of the critics of ARRA who said much of ARRA was a “big supplant” activity to retain jobs, but admitted that such use of funds was needed in many states to prevent layoffs. Long was not optimistic about early reauthorization of ESEA, but felt that some of the new legislation -- such as America Competes, Graduation for All, and The Learning Act -- had a chance to become law this year.

The last SIIA forum session addressed ESEA reauthorization, the impact of stimulus funding, and the President’s education agenda. A number of seasoned veteran policy observers shared their thoughts and predictions. Regarding the impact of the ARRA stimulus funding, Mike Petrilli, Vice President of the Fordham Institute and former USED official under the Bush Administration, felt the “stimulus has delayed the inevitable,” which is a flat line for K-12 funding into the near future. Mary Kusler, Assistant Director and lobbyist for the American Association of School Administrators, felt the Federal funds have subsidized state funding “supplanting” for the most part, but some ARRA dollars did make up for reduced property taxes. The “funding cliff” will probably affect IDEA/Special Education more so than Title I because of the Section 613 Maintenance of Effort provision which allows districts to use up to 50 percent of the increase in IDEA/ARRA funding to free up that amount of local resources currently used to

pay for unfunded IDEA mandates in their district. Kusler did add that much of the current Title I and IDEA ARRA funding is being used to purchase technology, and in some districts “huge amounts.” Petrilli felt that many districts should use new technologies, such as white boards, to increase class size to stave off the funding cliff, while Andy Rotherham, cofounder of Education Sector and former Clinton education policy aide, felt that stimulus funds could be used to purchase technology to provide data analysis, improve productivity of management, and to provide instruction. He also noted that many of the losing states in the RTTT Phase I competition will likely not apply for Phase II funding, and some of the policy changes they made to meet eligibility conditions for Phase I competition could erode. On the other hand, Petrilli said he was surprised at the amount of “leveraged reform” that has been implemented in the states. He also noted that, while increased Federal incentives could get states to make policy changes, such federal dollars cannot force states to implement changes well. Alice Kane, former education policy advisor to Chairman George Miller on the House Education Committee, said that, on balance, changes in state laws were “good.” On the other hand, Kusler said she had a mixed reaction to RTTT.

Regarding early reauthorization of ESEA, all but Kane said it was not possible this year, with Rotherham noting that issues such as teacher quality and accountability have yet to be addressed seriously within the Congress. Prefacing a question with a comment that numerous changes in Title I have already been made in the last year by Secretary Duncan, I asked whether we can expect to see continued use of the regulatory process to make more changes in the near future. Kusler stated strongly that, if AASA doesn’t believe reauthorization will occur this year by early summer, it would expand its lobbying efforts for “regulatory relief” through the regulatory and/or waiver process, specifically attempting to remove a large number of set-asides created for parent choice and SES under NCLB. Based on his experience serving on the Virginia State Board of Education for four years, Rotherham chimed in that Secretary Spellings went beyond the Law in crafting regulations and related policies, which this Administration will continue to do. He noted that such can be done if “education groups generally go along with the changes.” He also volunteered that, beyond teacher quality and accountability, a big debate over “technology” has yet to occur between USED and the Congress which don’t see eye-to-eye on many of the current proposals. Kusler agreed, stating that AASA has a “big problem” with competitive grants replacing direct formula funding for many of the programs as proposed in the President’s FY 2011 budget. For technology, she noted that the budget document had a number of important mistakes as to what “pot” E²T² funding would be placed and that the Administration has yet to clarify what is really included in its proposal. Again reflecting on his days on the Virginia State Board of Education, Rotherham volunteered that state adoptions of “common core standards” would likely drive up the cost of curriculum and create more of a level playing field for small and medium publishers versus large textbook publishers.

In a session which focused specifically on the implications of state adoption of “common core standards” released by the National Governors Association and Council of Chief State School Officers, a number of comments from the panelists were noteworthy. Chris Minnich, Director of Standards for CCSSO, estimated that the costs of implementation would be between \$4-5 billion and take at least three years. When we asked him whether the mid-term election in the 38 states that are selecting governors would have an impact on the number of states actually adopting and then implementing the common core standards, he stated that NGA estimates that 30 states will

have new governors which will result in the current number of probable adopting states (48) to decline to between 30-35 states. If states pool their resources through consortia, the cost of implementation could be reduced to \$3-4 billion. He also clarified that, in order for states to participate, they must adopt all of the “common core standards” and can add up to 15 percent additional standards of their own. Many State Boards of Education members felt that the states would have to adopt only 85 percent of the recommended “common core standards.” Ricki Price-Baugh, Director of Academic Achievement for the Council of the Great City Schools, indicated that virtually all of the 66 district members of the Council of the Great City Schools have “come to an agreement” on the math and reading/language arts core standards, including the connection between reading and other subjects, reading standards by grade levels, and the writing and research standards, particularly as related to plagiarism and consistency among standards which takes into account the mobility of students in urban districts. She also volunteered her perception of the role of publishers in the areas of:

- quality alignment with materials;
- the development of interim assessments;
- professional development, including the use of on-demand, online services; and
- personalized professional development taking into account the different entry levels of teachers understanding and knowledge of common core standards.

Publishers can also assist in bridging the “transition” by helping students who are behind to get to grade level as soon as possible, particularly for English language learners. Margaret Horn, Director of State Leadership and Policy Development for Achieve, said that Achieve is developing a web-based “gap analysis tool” to determine whether state-adopted common core standards are aligned by grade and strand. She also noted that the six assessment consortia are working hard to ensure comparability and to merge with each other into one or two consortia.

Washington Update

Vol. 15, No. 3, March 24, 2010

USED Releases Final Rules for i³ Innovation Fund Competitive Grants to Eligible LEAs and Non-Profits with Only a Few Changes; However, None of the Major Concerns of the For-Profit Sector Which Were Included in Their Comments on the October 6th Draft Rules Were Addressed or Clarified

In our October 29, 2009 TechMIS Special Report, we summarized the draft rules for the Investing In Innovation (i³) fund and suggested a number of considerations firms should take into account in deciding if and how to participate in one or more of the three types of grants. One question we addressed then was if a current LEA or non-profit user of a firm's product which is seriously considering applying for one of the three i³ grants, whether there exist opportunities for firms to partner with the district or non-profit group. The final rules distinguish between an "official partner" and "other partners" as a result of the FY 2010 Appropriations Act of December 16, 2009. The distinction is important. The rule states, "...we interpret the fiscal agent's (i.e., the applicant's) ability to make subgrants as extending only to the official partners. Thus, while an eligible applicant can include other partners in its section 14007(a)(1)(B) partnerships, the applicant may not make subgrants to those other partners." The question was raised with USED's i³ office as to whether or not grant funds can be used to purchase additional copies/rights from a firm whose products are being developed/evaluated or taken to scale as part

of any of the three grants. No answer to the email had been received by March 22. Not having received a substantive answer to the email question to the i³ Innovation Fund Office, I posed the question to Director Dr. James Shelton at the Council of the Great City Schools conference on March 22. He appeared to be somewhat puzzled by the question; however, he noted that if we have not received an official response to our email the question would be addressed in a set of updated Frequently Asked Questions (FAC) guidance which would be published shortly. Earlier in a presentation before the Council, he strongly suggested that applicants submit their letters of intent, if they plan to apply for one of the three types of grants, by April 1st. We and other technology advocates will continue to seek clarification on the issue of for-profit firms' participation beyond providing equipment, software, and or curriculum beyond in-kind contributions counting toward the 20 percent matching requirement.

Some of the major changes were highlighted in a USED PowerPoint presentation on March 9:

- "An applicant will not, no matter what score it receives in the peer review, be funded if it does not meet all relevant eligibility requirements including meeting the evidence standard" -- which is more rigorous than those initially specified for the three types of grants. Some experts, such as the Education Sector's Andy Rotherham, feels that many of potential non-profit and LEA

applicants will not have a sufficient degree of evidence, based on rigorous evaluation designs, to meet the new criteria.

- “Matching requirements will remain at 20% for all grant types, but the match need not be secured at the time of the application.” This implies that 20% commitments generated after grantee selection would be allowed. Serious concerns, reflected in comments to the earlier draft, suggested that the 20% private sector matching from philanthropic and other groups would in fact create “gatekeepers” such as the Gates Foundation, which in its comments called for deletion of the 20% match requirement because they did not want to become gatekeepers (see November 18, 2009 TechMIS Special Report). Not only would selected grantees be given time to secure the 20% match, as the PowerPoint noted, but “In-kind contributions and existing funds from the private sector that can be re-purposed for i³ efforts may count towards the matching requirement.” This flexibility for philanthropic groups appears to tilt the playing field toward LEAs and non-profits that have already received grants from specific entities such as the Gates Foundation.
- “Note that under Absolute Priority 4, i³ does not limit the possible schools in which to focus reform efforts to those deemed persistently low performing (as defined in SIG/RTT), nor limit the possible interventions to the four articulated in SIG/RTT -- turnaround, restart, closure or transformation.” LEAs no longer

need to meet AYP for two consecutive years to be eligible to apply or otherwise participate. Reform can include “comprehensive interventions” other than the four SIG models; “targeted approaches” to reform include, but are not limited to, extended learning to increase instruction time for core academic subjects, integrating “student supports” into the school model to address non-academic barriers, creating multiple pathways for students to earn regular high school diplomas, awarding credit based on demonstrated evidence of student competencies, and offering dual enrollment options.

Other changes include: no longer requiring a pre-application phase for development grants; the focus on school “leaders” was changed to focus on “principals” along with teachers; and no group can win more than two grants totaling \$55 million.

Reflecting some of the recent changes, Andy Smarick of the Fordham Institute posted on Fly Paper, “When all is said and done, I expect the nation’s most well known education reform non-profits to win significant awards. These include: Teach for America, KIPP, New Leaders for New Schools, Achievement First, New Teacher Project, NewSchools Venture Fund, and so on. Also a number of reform-minded urban districts, such as New York City and New Orleans could receive major awards. The smaller grants will probably go to a wide array of projects that are still largely unknown nationally.... Though implementation still remains a huge question mark, because state and local politics will play a much smaller role in i³ than in the

RTT, at this point, I suspect the former has a clearer path to success.”

A letter stating intent to submit must be sent to USED within 20 days after publication in the Federal Register which officially occurred on March 12. Grants would be between 36-60 months with narrative portions of applications limited to 25 pages (developmental grants), 35 pages (validation grants), and 50 pages (scale-up grants). Fifty of the possible 100 points for developmental grants are based on two selection criteria “need and quality of design” and “experience of the applicant.” For the four competitive priorities, one of which is participation of rural districts, up to two additional points can be earned. For a copy of the final rule and application go to the Federal Register at: <http://edocket.access.gpo.gov/2010/pdf/2010-5147.pdf>

In Its National PTA Public Policy Agenda, the Organization Calls for a Number of Recommendations to Strengthen Parent Engagement to be Included in the ESEA Reauthorization

Parent and community engagement, as reflected in draft and then final regulations for Race to the Top/School Improvement Grants and the proposed FY 2011 Presidential budget, has become a higher priority of the Administration over the last year. Moreover, Secretary Duncan has stated that his office will not approve any waiver requests to not include ARRA funds in the current one percent set-aside required for any district receiving \$500,000 or more in Title I funds to be used for “parent involvement.” The National PTA recommends that the one percent set-aside

be increased to two percent. Several speech comments by President Obama and Secretary Duncan have suggested what they consider are “best practices” in School Improvement Grants required activities (especially under the “transformation” model) and under the Promise Neighborhoods initiative (which would, under the President’s budget, receive an increase from \$10 million this year to more than \$210 million in FY 2011). The PTA also recommends a number of capacity-building activities at the state level, including the creation of a Family Engagement Coordinating Council and expansion of the Parent Information Resource Centers currently funded at slightly over \$25 million nationwide. Other recommendations include:

- prepare, train, and recruit teachers and principals in effective models of family engagement that increase student achievement by amending Title II;
- extending family engagement to the Neglected or Delinquent Children program;
- require school/parent compacts to support school and family partnerships in the development of recommendations for student attendance, expectations, and supports; student behaviors compacts would include implementation of schoolwide positive behavioral supports and interventions or similar evidence-based programs and phase out of zero-tolerance suspension policies;
- make implementation of PBIS models of addressing behavioral problems an allowable use and

increase funding for technical assistance and training; and

- include, as part of integrated data systems, use of data to inform implementation of schoolwide strategies and to trigger supports and “strength-based” interventions (i.e., not punitive for students and families).

For a copy of the recommendations, go to:

<http://www.pta.org/PPA10.pdf>

Duncan Administration Being Pressured to Pay Greater Attention to Rural Districts’ Concerns and Issues Regarding New Initiatives

Under political pressures from several quarters, the Duncan Administration and Congress are likely to pay greater attention to problems and challenges confronting rural districts and schools in implementing current reform initiatives and proposed ESEA changes. A letter to Secretary Duncan from 22 Senators, dated February 26th criticized the proposed FY 2011 K-12 education budget as being detrimental to rural/frontier districts, especially the proposal to provide most discretionary funding increases, not only through program consolidation, but also through the use of competitive versus formula grant programs. Similar criticisms were voiced by the National School Boards Association and AASA, both of whom pointed out the inability of many rural school districts to compete adequately for competitive funds because of the lack of dedicated proposal writers. The letter -- signed by Senators from Arkansas, Colorado, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Ohio, South Dakota, Vermont, West

Virginia, Washington, and Wisconsin -- cited a 2004 Government Accountability Office (GAO) report citing numerous challenges for rural districts ranging from lack of trained personnel to provide professional development to long distance and travel constraints to the lack of profit and non-profit education service providers. The letter called upon the Department “to review each and every education reform initiative from the standpoint of urban, rural and frontier districts and provide adequate technical assistance for states and districts to compete for funding.” It also asked the Department to consider the establishment of an Office of Rural Education.

In his response to several governors from rural states during the National Governors Association Winter Conference (see March 11th TechMIS Special Report), Secretary Duncan recognized that 20 percent of the nation’s so-called high school “dropout factories” are in rural districts and asked governors to encourage such districts in their states to apply for i³ grants, noting that applications from rural districts would receive a “competitive priority.” The Secretary also noted that the Department is encouraging philanthropic organizations to redirect some of their financial and other support to problems facing rural districts and contributing matching funds to such i³ grantees.

Associations such as AASA, NSBA, and the Rural School and Community Trust have argued that the turnaround, restart, and close down options under School Improvement Grants are virtually impossible for the vast majority of rural districts to meet because of the lack of available replacement teachers and principals or high-performing schools to which students can be transferred upon

school closure. And most will have significant problems in implementing the transformation model as well. The Rural School and Community Trust also pointed out, in a February 2010 brief, that the Title I formula -- particularly the “targeted” and “incentive” grant components -- discriminate against rural districts, resulting in less Title I funding per student served than in most suburban and urban districts. During several closed White House meetings over the last three months, there appears to be some growing support for modifying the Title I formula by allocating such funds to districts based on the percentage of low-income students rather than the number; this would put rural districts on a more level playing field. AASA, most of whose membership includes administrators in small rural districts, strongly supports such a change. The Rural School and Community Trust website is www.ruraledu.org.

A new report from the Alliance for Excellent Education, funded by the Wal-Mart Foundation, calls for more Federal attention being paid to the needs of rural schools, for changing the Title I formula, and for the “use of cutting edge technology.” Approximately 3.4 million students attend rural high schools with student enrollments increasing 15 percent over the last several years; one out of four rural students fails to graduate. Only 17 percent of rural adults, age 25 or older, have a college degree, half of the percentage of urban adults. A higher percentage of teenagers in rural districts compared to suburban areas are neither in school nor employed. According to the report, Federal policy should build upon some of the advantages that rural schools have, which include a growing access to innovative technologies such as distance

learning infrastructure and high levels of volunteer support from parents and other stakeholders. Rural schools also have a small student to teacher ratio which provides opportunity for greater individualized learning. Disadvantages include shrinking local tax bases, Federal and state funding inequities, and problems in recruiting and retaining highly effective teachers.

State Education Agencies’ Interpretations of Criteria Which it Can Use in Identifying Lowest Persistently Achieving Schools to be Eligible for Tier 1 and Tier 2 Potential Funding Under School Improvement Grant (Part G) Initiative is Creating Major Problems Which Conflict With District Preferences About Which Schools to Serve

Based on discussions with numerous officials, including Title I directors attending the Council of the Great City Schools Annual Legislative Conference in Washington, D.C. on March 19-23, the current biggest problems confronting district officials appears to be related to School Improvement Grants and specifically to SEAs’ identification of schools who are eligible as Tier 1 and Tier 2 schools to receive School Improvement Part G funds. Across CGCS 66-member school districts attending, only a handful said that they were satisfied with the schools in their districts identified by the SEA as being eligible.

The vast majority disagreed with the SEA-selected schools for a variety of reasons. In two large districts, officials were very displeased that the SEA identified as Tier 1 schools alternative schools and/or

specialized schools for students with disabilities. One district official indicated that its SEA identified almost ten high school level “alternative schools” in which feeder schools had placed suspended students for behavioral, safety, and other reasons. The district’s staff felt that the feeder schools from which these students came should have been identified as Tier 1 or Tier 2 and should receive SIG funding to implement preventative behavioral and other interventions to address the problems of these students. The other large district indicated that several of its Tier 1 schools, selected by its SEA, were special schools for students with learning disabilities and that such schools were identified because graduation rates were significantly less than 60 percent, although many of these and other students received other types of “graduate certificates.” In fact during his presentation, one attendee asked Secretary Duncan to allow states to provide greater flexibility so that feeder schools could become eligible to receive some SIG funds. The Secretary indicated that states have been given the flexibility to identify the priority criteria they would use, among those allowed by USED to select eligible schools, but encouraged the districts who would like increased flexibility, to “push on us” on this issue -- from which one might infer greater flexibility could be allowed through Non-Regulatory Guidance or in the ESEA reauthorization. Another district official noted that in the proposed reauthorization Blueprint, SEAs would have to take into account the amount of growth occurring from year to year and student achievement, not just AYP calculations in determining whether a school falls into the lowest five percent category in the state.

In a subsequent session, one of Secretary

Duncan’s key staff persons noted that USED must approve the list of “newly eligible” schools submitted as part of revised School Improvement Grant applications by the states and that this process is continuing, which has resulted in many states’ approval for release of its SIG allocation being held up. Other states have requested extensions on their applications to settle conflicts between LEAs and the SEA over these issues. A subsequent discussion with a reporter who covers USED monitoring of SIG and other Title I grant applications confirmed that SEA identification of eligible schools is one of the most time-consuming negotiating points in ongoing discussions between USED and SEAs.

The “confusion” which has arisen has created another “stumbling block” for the smooth implementation of the SIG initiative in a large number of states. As of the middle of March, fewer than five states have announced publicly that they had received School Improvement Grant Part G funding. Based on discussions with some of the large districts’ Federal or Title I directors, it would appear that some districts have already begun the SIG application solicitation process for districts with eligible schools. One knowledgeable official also noted that many districts are using this year’s remaining allocation of the SEA 4% set-aside to implement large components of school improvement funding because the SIG Part G funding has already been delayed by eight to ten months from that originally planned a year ago.

Miscellaneous

- During a March 19th webinar addressing “Investing in Innovation (i³) Fund,” conducted by The Rural School and Community Trust Organization, more than 200 rural districts in the telephone audience were strongly encouraged to apply for i³ Innovation Grant funding. On several occasions, Trust officials pointed to the competitive priority of up to two additional points for LEAs that were designated as rural districts based on their eligibility to receive REAP and RSA funding and who are working in a partnership with a non-profit organization that meets eligibility criteria, including strong evidence of successful performance. It was noted that rural LEAs can still apply, but, if it is not eligible for REAP and RSA funding, then it does not qualify for the up to two additional points as a competitive priority. The rural LEAs eligible for REAP and RSA funding are available at <http://www2.ed.gov/programs/reapsrsa/eligible09/index.html>

Trust officials also stated that its i³ Technical Assistance Initiative is creating a potential funding pool which rural LEAs which are selected, but have yet to find 20 percent matching, could contact the Trust and, depending on the amount of available funding raised from foundations and other groups, could receive a portion of the 20 percent match.

The Trust has also initiated an outreach program targeted at low-resource, high-need districts -- which they estimate to number about 900 -- which will provide

web-based outreach and webinars and face-to-face cluster meetings. The Trust will also assist in capacity-building by identifying innovations aligned with specific needs and help LEAs refine “home-grown” innovations as they develop their i³ grant applications. The latter is important, argued Trust officials, because the percentage of discretionary Federal K-12 funding in the 2011 budget for competitive grants would grow to 27.7 percent compared to 16.8 percent last year. One of the most widespread criticisms of all of the Duncan initiatives -- including i³ -- is that rural districts do not have the staff to write proposals, much less have replacement teachers and principals available to replace “prior principals and teachers” under Race to the Top and School Improvement Grants.

The technical assistance effort is organized by six regions which are headed by key individuals who interested TechMIS subscribers might wish to contact if they have appropriate products and services which have strong evidence of success and would be considered innovative. Go to: www.ruraledu.org

- The Center on Education Policy just released its analysis of the number of schools in the country which failed to make adequate yearly progress (AYP) in 2008-09. These now include one-third of U.S. public schools; in nine states and the District of Columbia, at least half of the public schools did not make AYP while in 35 states at least one quarter did not make AYP. The nine jurisdictions in which 50 percent or more did not make AYP included: Florida (77%), District of

Columbia (74%), New Mexico (68%), Hawaii (66%), Missouri (63%), Washington (61%), Arkansas (54%), New Hampshire (53%), South Carolina (50%) and Indiana (50%). States in which 20 percent or a lesser percentage of public schools in the state did not make AYP included: Louisiana (19%), Rhode Island (19%), South Dakota (19%), New York (16%), Alabama (14%), Michigan (14%), Georgia (14%), Utah (13%), Nebraska (13%), Kansas (12%), Oklahoma (11%), and Wisconsin (6%). The brief CEP report also includes individual state website sources which, in many cases, identified the specific schools/districts which failed to make AYP. The report is available at: www.cep-dc.org.

- During the annual AAP School Division meeting on March 3rd, Peter Appert, Senior Research Analyst for Piper

Jaffray estimated that total elementary/high school instructional materials revenues will grow by 5.3 percent to slightly over \$5 billion in 2010 which is significantly better than the 20 percent decline in 2009. Supplemental materials will remain at approximately \$1.8 billion, the same as revenues in 2009 which experienced a 15 percent reduction from the \$2.2 billion total revenues in 2008. Total ELHI testing materials will grow two percent over last year which was a five percent decline from 2008. He also estimated that 48 states will likely cut total education expenditures in 2010, compared to only eleven states in 2009.

Alabama Update

March 2010

Education Week reports that Alabama, in order to avoid the “funding cliff” when stimulus funding ends, has held off on spending all its stimulus money in FY 2009 and FY 2010. The State will still have to make K-12 spending cuts in future years but the carried over stimulus money could soften the blow.

The new formula for calculating high school graduation rates, approved by the National Governors Association, would put Alabama’s graduation rate at 65 percent. The State, which currently reports its rate to be 87 percent, counts all high school graduates. The NGA-approved algorithm includes only students who graduate in four years. In preparation for the new data, the State has implemented a credit recovery program that allows students who fail only a portion of a course to repeat only that portion rather than the entire course. Another program, First Choice, automatically places incoming ninth-graders on a college diploma track requiring more rigorous math and science courses and two years of a foreign language.

The “State EdWatch” blog from Education Week reports that Alabama’s legislature has killed a bill, strongly supported by Republican Governor Bob Riley that would establish charter schools in the State. Alabama, one of 11 states that prohibit charter schools, is likely to be put at a disadvantage in its application for \$180 million under the Federal Race to the Top program because it does not allow charters. Shortly after the State was told it was not a RTTT finalist, the Governor openly blamed teacher groups and legislators for fighting the reforms he requested.

Alabama.com reports that a record 9.7 percent of undergraduates in Alabama colleges and universities took remedial math classes this past Fall - - up from 8.4 percent the year before. State officials attribute the increase to an increase in the number of older students enrolling in college classes. Among students taking remedial classes, the fastest-growing age group is 40 to 49. A 2004 study by the Alabama Policy Institute estimated that the cost to the State of college remediation was between \$304 million and \$1.17 billion including lost business productivity.

The State's two-year colleges typically see the highest percentage of students needing remedial work. This Spring, for example, Gadsden State Community College had an increase in enrollment of 20 percent, but a 30 percent increase in remedial math classes.

Arizona Update

March 2010

Since 1985, Arizona has operated a Statewide system, known as Career Ladder, which holds teachers accountable for student learning. Under Career Ladder, 17,000 Arizona teachers in 28 school districts receive up to \$3,500 in performance pay each year. Costing \$42 million a year, the program has not seen additional funding since 1994 and has, therefore, not been expanded to other schools (which would cost as much as \$175 million per year). The Arizona Republic reports that a Superior Court in Phoenix has now ruled that the program is unconstitutional because it is not available to all school districts. The Court's ruling, as well as the State's \$3.5 billion budget deficit, has caused members of the Arizona legislature to call for a repeal of the Career Ladder program.

According to www.AZcentral.com, a member of the Arizona legislature has initiated House Bill 2720 that would establish an institute to recommend whether private education providers meet State standards before public schools decide to use them. The measure would modify IDEAL -- an existing partnership between the Arizona Department of Education and Arizona State University, that provides online services for teachers -- to include evaluating commercially available online courses to determine if they : (1) are grade-level appropriate; (2) are easy-to-use; (3) increase academic performance; and (4) are transferable for credit. Eventually, the Institute would create a comprehensive list of materials for teachers. Under the bill, companies would pay a fee to have their materials evaluated by the Institute.

California Update

March 2010

According to Education Week, California Governor Arnold Schwarzenegger has said he will propose no cuts for K-12 education in his FY 2011 budget. The public schools have seen their funding reduced by \$18 billion since 2008 in an effort to close a \$62 billion budget deficit. The State is still looking at a \$20 billion shortfall over the next 18 months.

The California Department of Education has released a preliminary list of 188 “persistently lowest-achieving” schools in the State. Schools on the final list will be eligible to apply for Federal School Improvement Grants for the 2010-11 school year of between \$50,000 and \$2 million. However, SEA list has been contested by many LEAs who have repressed their “concerns” to high-level USED officials which could result in a modified list of “persistently lowest-achieving” Tier 1 schools before the SEA receives its FY 2009 SIG grant. The list is available at: www.cde.ca.gov/ta/ac/pl

The Education Week blog State EdWatch reports that California has been cautioned by the U.S. Department of Education that the State’s K-12 budget does not meet the “Maintenance of effort” requirements of the Federal stimulus law. In order for California to receive approximately \$200 million from the second phase of ARRA’s State Fiscal Stabilization Fund, it must maintain level State funding despite its huge budget shortfall. The State also failed to be a finalist under the first round of funding for the Federal Race to the Top competition. California educators hope that the State’s second round application will include more money to satisfy “maintenance of effort” requirements.

Education Week also reports that California’s State Assembly, in an effort to enhance its chances of winning money under the second round of Race to the Top program, has eliminated the “firewall” that prevented tying individual teacher evaluations to student performance data.

As reported in the Los Angeles Times, the Los Angeles Unified School District has 30 struggling

schools which, under the district's reform efforts, will be operated by a number of different entities. Most of the schools (22) will be run by teachers, an approach supported by Superintendent Ramon Cortines. Charter school operators will manage four of the schools and Mayor Antonio Villaraigosa's Partnership for Los Angeles Schools will run three schools. Charter school operators had lobbied for all of the schools, but groups of teachers, with assistance from the district and the local teachers union, created their own proposals. Three charter operators considered to be leaders in the movement -- Green Dot Public Schools, the Alliance for College-Ready Public Schools, and ICEF Public Schools -- were eliminated by the teacher proposals.

The Superintendent of the Los Angeles school district has proposed shortening this school year by five days plus eliminating one teacher work day. Faced with a budget deficit, the district believes the shortening of the school year will save \$90 million and an estimated 5,000 jobs. The proposal would have to be approved by the local teachers union. Earlier this school year, the district made a number of other cost-cutting steps for next year (which has a \$640 million projected deficit) including:

- cutting arts programs by 50 percent;
- consolidating schools with fewer than 400 students;
- consolidating eight district administrative offices to four;
- increasing K-3 class sizes from 24 to 29; and
- delaying new textbook adoptions by a year.

Education Daily reports that the U.S. Department of Education's Office for Civil Rights (OCR) is investigating the Los Angeles school district with respect to the access of English language learners (ELLs) to appropriate instruction. According to USED, only three percent of the district's high school ELL students are proficient in both math and English/language arts. The OCR investigation will assess whether the district provides an effective program of English-language instruction for ELLs. It will also explore whether the district regularly evaluates its ELL program and whether it communicates effectively with parents of ELL students.

Colorado Update

March 2010

The Colorado Department of Education has estimated that as many as 38,000 children are on waiting lists to get into charter schools. One such charter school, Classical Academy in Colorado Springs, has a waiting list of 7,800 students. Even high-performing traditional schools have sizeable waiting lists. The Denver school district, for example, received 10,539 applications for school choice; 8,013 of these students got into their first-choice school.

The Colorado Commission for Higher Education reports that about a third of the State's first-year college students require remediation in at least one core subject. The Commission's report shows that, in 2008, 53 percent of Colorado high school graduates who enrolled in two-year colleges needed a remedial class in reading, writing, or math; nearly 17 percent needed help in all three subjects. Math was the biggest problem area with 41 percent of two-year college students and 16 percent of four-year college students needing remediation. As reported in The Denver Post, a 2008 law, called the Colorado Achievement Plan for Kids (CAP4K), is intended to create a "seamless system of public education standards, expectations and assessments" from preK through college. This past December, the State Board approved a new set of content standards that will form the basis for a new assessment to replace the existing Colorado Student Assessment Program.

Florida Update

March 2010

According to the Orlando Sentinel, Florida plans to spend close to \$200 million on changes to the way mathematics is taught in the State. In the Spring of 2011, a new version of the State assessment -- the Florida Comprehensive Assessment Test (FCAT) -- will use more streamlined math standards, particularly in elementary and middle schools. Seventh-graders, for example, had been required to cover 89 math principles; now they will cover only 25 benchmarks, but in more depth. Textbook publishers are scrambling to offer customized math books that follow the new State standards. And school districts face the problem of paying for textbooks, teaching materials, and teacher training that incorporate the new approach.

A bill being considered in the Florida legislature would increase the value of the State's tax-credit vouchers which are funded by private corporations that, in turn, get State tax credits. Unlike Florida's original voucher program, the current measure is supported by both Republicans and Democrats. According to Education Week, 40 percent of the State's voucher families are Black and 25 percent are Latino. Florida's current program provides vouchers worth \$3,950 to about 25,000 low-income students (average tuition and fees at participating private schools is approximately \$6,335 a year). The pending bill would increase the value of the vouchers, over four years, to 80 percent of the State's average annual per-pupil cost -- currently \$6,800.

Hawaii Update

March 2010

Education Daily reports that the Hawaii legislature is considering using money from the State's Hurricane Relief Fund to end Hawaii's mandatory school furloughs. At the beginning of the current school year, State officials set a two-year policy that included 17 furlough days per year for teachers on ten-month contracts and 21 furlough days for those on 12-month contracts. Under the legislative plan, schools would have access to an estimated \$86 million from the State's Hurricane Relief fund to put students and teachers back in the classroom for the full school year.

The Honolulu Advertiser reports that Hawaii public schools are testing a new online version of the State's annual assessment. Developed by the American Institutes for Research, the online version of the Hawaii State Assessment (HAS), is expected to reduce errors in scoring, give teachers immediate feedback on how their students are performing in reading, math, and science, and potentially save as much as 40 percent of the State's \$10.1 million cost for the current pencil-and-paper test by the 2012-13 school year. Students will have three opportunities to take the exam over an eight-month period; only the best score for each student will be counted toward the school's measurement of progress. Field testing of the HAS will continue through May with all schools participating.

Indiana Update

March 2010

The Indiana legislature is debating a measure that would give the State's public schools more funding flexibility and would require the State to develop a program to improve students' reading performance. As reported in the Indianapolis Star, the bill would, however, weaken the original bill that called for end to social promotions, beginning in the 2012-13 school year. Citing the estimated \$49 million cost to schools of providing support to struggling students, the legislature's current proposal would no longer require schools to hold back students but would have State education officials evaluate the cost of the plan.

The Indianapolis Star also reports that Indiana has released a new web-based tool to help parents understand the performance levels of schools in the State. The new system shows not only how many students pass State assessment exams, but also how student scores compare with their own past performance and with other students Statewide. It would highlight schools by the percent of students who pass State tests and by the amount of learning "growth" students achieve. Eventually, the system will go beyond the school level to show growth information by student subgroup, grade level, and teacher.

Based on a recent discussion with high-level Indiana education officials, the SEA has not yet received its allocation of School Improvement Grant funding. These officials were also very disappointed and somewhat surprised that Indiana was not selected as a finalist in Round 1 of the Race to the Top (RTTT) competition. Our review of the State's proposal found it to be of high-quality, although some of the State's initiatives, which appear to be working very well, would evidently have to be "reopened" with new RFPs rather than using existing contracts. These same officials indicated that the State would be "pretty flexible" in identifying districts with Tier 3 and other schools identified for improvement to receive the 4% set-aside for School Improvement Grants this year and next year.

Kansas Update

March 2010

As reported in Education Week, Kansas school districts can expect to see a cut of \$187 million in State aid next school year as the State deals with a \$400 million budget shortfall. To address the funding reductions, Kansas school districts expect to have larger class sizes, to reduce extracurricular activities, and to shorten the school year (Kansas requires 186 days a year, more than most states) or school week.

The Wichita Eagle reports that, this year, for the first time, all Kansas students will be taking State assessments in reading, writing, and math by computer. It is estimated that the switch from paper-and-pencil testing will save the State \$350,000 in printing costs. Moreover, schools will be able to see official results in May rather than August as it was with the non-computerized assessments. This provides motivation for students and allows teachers to begin planning for next year. Although the State saves money in printing costs, districts must bear the burden of switching to computerized assessment forms.

Kentucky Update

March 2010

Kentucky has become the first state in the nation to adopt common core standards that have been developed as part of the nationwide effort in which 48 states participated. As reported in Education Week, the State Board of Education has approved the substitution of the common standards in English/language arts and mathematics for the State's own standards. The new standards will be reflected in the preparation and testing of new teachers, the design of professional development programs, and the way the State provides K-12 curriculum guidance to school districts. The State will begin training teachers on the common standards this Summer and will administer assessments designed for the common standards in the Spring of 2012.

As reported in the Louisville Courier-Journal, the Kentucky legislature is considering a bill, H.B. 301, that would raise the State's dropout age from 16 to 17 for the Class of 2017 and to 18 for the Class of 2018 and beyond. Education Week reports that, during the 2007-08 school year, three percent of the State's public high school population -- nearly 6,500 students -- dropped out and Kentucky had an overall graduation rate of 84.5 percent. Under the proposed bill, the State would set a goal of a 90 percent graduation rate by 2015 and would support strategies -- including State funding for "promising practices" -- to prevent students from dropping out. The measure also sets a goal for counties to reduce by 30 percent the number of adults between 16 and 24 without a high school diploma or GED by 2016. Kentucky is one of 16 finalists in Round 1 of the RTTT competition and recent discussions with SEA leaders were very upbeat.

Louisiana Update

March 2010

Louisiana's application for \$315 million under the Federal Race to the Top (RTTT) competition -- which was selected as one of the finalists -- included a number of features relating to teacher and principal performance including:

- creating a value-added system for measuring teacher performance;
- evaluating teachers, in part, on their students' test score growth;
- rating principals on how many successful teachers they hire;
- expanding or contracting professional development programs based on their measurable results; and
- assessing schools of education based on the performance of their graduates.

Louisiana's RTTT application was approved by only 28 of the State's traditional school districts but nearly all of the independent charter schools.

As reported in The Advocate, Governor Bobby Jindal has recommended legislation that would relieve local schools and school districts from many State rules and regulations. The proposed measure would allow schools and school districts to apply for four-year waivers from State rules on curriculum, textbooks, instructional time, class size, and other matters. The Governor hopes the elimination of red-tape will give schools facing State takeover the tools they need to succeed.

Recent discussions indicated that high-level SEA officials were pleased that Secretary Duncan, in his speech before the Council of the Great City Schools, noted that Louisiana was the first state to develop an evaluation system which linked student performance to graduates of schools of education and that such data could be used to improve the curriculum, instruction, and teacher pre-service training in those colleges and universities. They also downplayed a recent Education Week article in which a member of Louisiana's State Board criticized the State superintendent's selection of the briefing team on the RTTT competition for not having enough African-American administrators as team members. These officials also pointed out numerous reform success stories which have occurred since Hurricane Katrina.

As reported in The New Orleans Times-Picayune, ten New Orleans charter schools have formed a partnership to share data and test results in order to measure their strengths and weaknesses. Following the approach of The Achievement Network, the schools will administer tests every six to eight weeks and compare results well before their students take the State's standardized exams in the Spring. The Achievement Network's program cost about \$30,000 per school this year with the non-profit New Schools for New Orleans picking up about two-thirds of the cost. The charter schools participating this year are: Luster Elementary and Middle, McDonough City Park, Arthur Ashe, Green, Langston Hughes Academy, Success Preparatory Academy, NOLA College Prep, Capdau, and Nelson.

Maine Update

March 2010

Education Week reports that Maine is distributing half of its E²T² stimulus money by formula and the other half for two projects awarded through competitive grants. The first competitive project, working through the State's extensive one-to-one laptop computer initiative, will seek districts to investigate open education resources (free digital content) in nine content areas. A second competitive project will seek districts to use new technologies to create teacher professional development initiatives and to track the effect of the initiatives on student performance.

Maryland Update

March 2010

Despite longstanding disagreements about State education policies and Maryland's application for Federal Race to the Top (RTTT) funding (the State chose not to submit in Phase I), Governor Martin O'Malley and School Superintendent Nancy Grosnick have agreed on the Governor's Education Reform Act of 2010. According to the [Baltimore Sun](#), the proposal includes a number of teacher-related changes such as:

- lengthening the teacher tenure track from two to three years;
- requiring schools to provide mentors and additional professional development for struggling new teachers;
- making data on student growth a "significant component" of teacher evaluations; and
- if the State wins RTTT money, providing incentive pay for high-performing principals and teachers who move to lowest-achieving schools.

In a further effort to enhance its chances of winning RTTT funding, Maryland legislators and the Maryland Charter School Network are pushing a number of changes to the State's charter school law. Among these are a bill that would make charter schools eligible for capital funding and another that would allow charter school operators to opt out of their local teacher unions. There are also plans for a separate authorizing body for charter schools. Currently, charter schools fall under the purview of local school districts but must raise their own money for buildings and equipment.

As reported in [The Washington Post](#), a recent study has found that, by 2016, Maryland will gain 434,000 "middle-skill" jobs -- police, firefighters, nurses, and computer specialists. Currently, only 37 percent of the State's workforce has the credential to fill these jobs. Governor Martin O'Malley has proposed increasing the number of "middle-skill" workers by 20 percent in two years. The principal target of the proposed training efforts will be the 730,000 adult residents who do not have a high school diploma or English fluency. The Governor believes adult education and GED programs will fill gaps in basic skills (i.e., reading, math) to help address the

problem.

Like many states, Maryland is allocating its E²T² stimulus money through both formula and competitive grants. The State's competitive component includes three priority areas: open education resources; college and career readiness, and science, technology, engineering, and mathematics (STEM) education.

A recent Statewide survey of Maryland teachers indicates that three-quarters of them feel positive about their jobs, their schools' efforts to help students, and the resources they are given. As reported in the Baltimore Sun, the survey found that nearly 75 percent of teachers spend more than three hours a week outside the classroom. Most teachers do not believe they have enough influence over decisions at the school or district levels and say their districts should increase mentoring and other support for new teachers. Only about a third of new teachers said they had mentors. Survey results for each of the State's 1,000 schools are available at: www.tellmaryland.org.

The Baltimore Sun reports that eight Baltimore schools and five neighborhood associations will receive a total of \$435,000 in Neighborhood-School Partnership Grants from the Goldseker Foundation. The grants are intended to increase school enrollment and improve academic quality by involving communities and families. The funded schools are: Rodwell Elementary, Cross Country Elementary/Middle, Gwynns Falls Elementary, City Neighbors Charter, Hamilton Elementary/Middle, St. Francis of Assisi, Barclay Elementary/Middle, and Brent Elementary/Middle. Associations receiving support are: Comprehensive Housing Assistance, Garwyn Oaks Northwest Housing Resource Center, Greater Mondawmin Coordinating Council, Neighborhoods of Greater Lauraville, and Greater Homewood Community Corporation.

Massachusetts Update

March 2010

Massachusetts has received an additional \$268 million in Federal funds under the American Recovery and Reinvestment Act (ARRA). To date, the State has received more than \$1.4 billion in stimulus money, some of which provided funding for more than 3,200 education jobs last Fall. Massachusetts' application for the new funding would focus on:

- how teachers and principals are evaluated for purposes of retaining, promoting or removing staff;
- the extent to which State has a Statewide Longitudinal Data System;
- whether the State provides student growth data in, at a minimum, reading/language arts and mathematics; and
- the names of Title I schools that are identified as persistently lowest-achieving schools.

According to the Boston Globe, the high school dropout rate at Massachusetts high schools dropped to 2.9 percent last school year -- down from 3.4 percent the year before. Although every demographic and racial group showed improvement, State officials believe that dropout rates for some groups are still too high. For example, the rate for Hispanic students dropped from 8.3 percent in 2008 to 7.5 percent last year. In an effort to improve graduation rates, Governor Deval Patrick has urged the Legislature to raise the high school dropout age from 16 to 18 and to adopt new programs targeted at struggling students. The Boston school district saw its dropout rate decrease to 7.3 percent last year from 7.6 percent the year before.

The Boston Globe reports that, Statewide, 35 Massachusetts schools (serving 17,000 students) are listed as underperforming and are subject to drastic shake-ups. Nine of the underperforming schools have already been participating in reform efforts that began last year. Massachusetts is one of 16 finalists for Federal Race to the Top money, potentially receiving \$250 million to reform low-performing schools. Of the schools listed, 12 are in Boston and ten are in Springfield. The Boston schools include Burke Elementary, Trotter Elementary, Blackstone Elementary, Dover Elementary, Harbor Middle, Kennedy Elementary, and Orchard Gardens K-8

which will require staff to reapply for their jobs or replace their principals.

Last year, Governor Patrick selected six regional partnerships to establish virtual Readiness Centers, “collaborative hubs” to improve the quality of Massachusetts education from early childhood through higher education. As reported in the Boston Globe, the Centers are intended to help train teachers, share the services of educational specialists, and exchange information about teaching strategies. As yet, budget constraints have prevented the State from providing adequate resources. State officials have expressed hope that success under the Federal Race to the Top competition would provide additional money for the Readiness Centers.

Urban Educator highlights a program in the Boston school district -- called “Parent University” - - which provides education and training to help parents support their children’s academic achievement. Funded by Federal stimulus money, the yearlong program includes three full-day Saturday sessions and other sessions throughout the school year. The elective classes include financial management, health and wellness, computer literacy, and English as a second language.

Michigan Update

March 2010

According to Education Week, Michigan will divide its stimulus funding for technology into formula and competitive components. The competitive grants will be used to encourage regional data initiatives by school districts.

State data show that more than 20 percent of Michigan community college students are enrolled in at least one remedial course at a cost to the State of more than \$28 million per year. As reported in the Detroit Free Press, this parallels nationwide data that show more than one in five students at four-year colleges also requires remediation. Nationally, more than 90 percent of high school teachers felt their students were prepared for college-level work. But only 26 percent of college instructors reported students arrived college-ready.

Minnesota Update

March 2010

The Star Tribune reports that, in order to avoid borrowing up to \$1 billion from banks, Minnesota may withhold State aid payments to school districts through May. The State's plan would amount to forced loans from local districts. Minneapolis, for example, could have as much as \$95 million withheld over the next few months. State officials say the money would be repaid in June, without interest.

According to State data, 13 percent of Minnesota's high school seniors (more than 8,000 students) have yet to pass the State reading exam which was first given to them in the tenth grade. Three percent haven't passed the writing exam. The highest percent of seniors who might not graduate because of the exams is in Minneapolis (28 percent). The new generation of tests, known as the Graduation Required Assessments for Diploma (GRAD) test, is designed to measure whether a student is prepared to succeed beyond high school. Although the GRAD math requirement was eliminated, students must still pass the reading and writing tests. The only exceptions are students who have lived in the U.S. for less than four years and some special education students.

A bill pending in the Minnesota State legislature would replace the current high school graduation tests with a hybrid system that includes end-of-course exams. As reported in the Pioneer Press, students would take a combined reading and writing test at the end of tenth grade. They would also take end-of-course exams in geology and advanced algebra. The exam scores would count toward 25 percent of a student's class score. If implemented, the changes would become effective for next year's eighth-graders. Additional end-of-course exams for geometry, chemistry, and physics would be developed for the 2015-16 school year.

Minnesota's application under the Federal School Improvement Grants (SIG) program calls for major overhauls of 34 lowest-performing schools. The State's new Office of Turnaround Schools would work with the schools -- about half of which are charter schools -- to select one of

the four SIG restructuring plans. The State teachers' union has expressed support for the "transformation" model as the least "draconian" of the SIG alternatives. The transformation model calls for greater teacher involvement, a revised teacher evaluation system, and more money to attract and retain high-quality teachers. As reported on TwinCities.com, many of the 34 schools are already undergoing some form of corrective action under Federal NCLB sanctions or State-ordered reforms.

The [Twin Cities Pioneer Press](#) reports that the Minnesota legislature is considering a bill would allow charter schools to own their own buildings. It is believed that allowing charters to own their own facilities would be more transparent and save taxpayer money by giving the schools access to lower interest rates. The proposed measure would close conflict-of-interest loopholes by prohibiting charter school insiders from benefiting financially from a charter building project. It would also ensure that ownership of a charter building would revert to the State if a charter school is closed.

Mississippi Update

March 2010

As reported in the Jackson Clarion-Ledger, the Mississippi legislature is negotiating the final version of a bill that would allow a kind of charter schools in the State. “Innovative schools” are types of charter schools that do not divert students or funding. Parents would restructure an existing school that is failing or at risk of failing for three consecutive years. Currently, 200 Mississippi schools fall in this category. Senate Bill 2293 has passed the State Senate and has had hearings in the House. If approved, the measure would allow independent groups -- including universities and non-profit organizations -- to petition the State for a charter to operate a school. Other charter school bills have, in the recent past, been killed by opposition in the House.

Missouri Update

March 2010

Facing a \$50 million budget shortfall, the Kansas City school district has developed plans to close 31 of its 61 schools at the end of the current school year. Over the past 40 years, the district's enrollment has dropped from 75,000 students to 17,500. It is expected that the plan will eliminate 700 of the district's 3,000 jobs, including 285 teachers. As reported in USA Today, teachers in six low-performing schools will be required to reapply for their jobs and the district will be selling its downtown central office. The district's original list of 31 schools slated for closing has been cut to 25. The five schools that got reprieves are Northeast High School and Carver, James, Wheatley, and Whittier elementary schools.

Nevada Update

March 2010

Education Week reports that Nevada's Governor and State legislature have reached an agreement -- Assembly Bill 6 (AB6) -- to close an \$800 million budget shortfall. Cuts in State aid to school districts totaled \$117 -- far less than the \$211 million originally proposed by the Governor. The State's colleges and universities will see cuts of \$50 million over the next 18 months. Other cost cutting measures include AB4 which allows districts to increase class sizes in lower grades (from 16 to 18 in grades 1-2 and from 18-21 in grade 3) and AB5 which provides districts with a temporary waiver of the State's minimum textbook spending requirements. State officials have projected that the revenue shortfall could reach \$3 billion by next year. The State's 6.9 percent rollback in State education funding means cuts for all school districts. Nevada's largest district, Clark County, will see a \$77.5 million cut in its operating budget.

The Las Vegas Review-Journal reports Nevada Governor Jim Gibbons has approved legislation that eliminates the State restriction on using student performance data. The new law says that test score information "must be considered, but must not be used as the sole criterion" in teacher evaluations. The change should allow the State to compete under Round 2 of the Federal Race to the Top Program.

New Jersey Update

March 2010

As reported in The New York Times, New Jersey Governor Christopher Christie, in an effort to close a \$2.2 billion budget deficit, has proposed to reduce State aid to school districts by \$820 million. This is on top of a \$475 million cut in State aid announced in February. Currently the State contributes about 81 percent of budgets for its poorer school districts; this will drop to 76 percent under the Governor's proposal. The State's wealthier districts will see their State contribution cut from nine percent to four percent. Fifty-nine of New Jersey's wealthiest districts will see their State aid for school operations cut to zero although they would still receive State money for such items as teachers' pensions. Social Security benefits, high-cost special education placements, and debt service. Local school districts will have to deal with the reduction in school aids by relying on their surpluses. The Governor says that, because the freeze applies only to districts with surpluses, there will be no layoffs or increases in property taxes. The New Jersey School Boards Association has expressed relief that the K-12 education cuts were not larger.

Governor Christie hopes that, along with a number of Democratic urban legislators and community leaders, he will be able to direct school choice vouchers to the New Jersey cities in which the schools are struggling the most. Against opposition from teachers unions, the voucher supporters are in favor of a system, like the Florida voucher program, that gives State tax credits to participating businesses.

The DailyRecord.com reports that 14 of the 40 school districts in Morris County have elected to redirect some of the Federal special education stimulus money for non-special education purposes. Districts are allowed to redirect up to 50 percent of the stimulus funds for other programs. The Chatham school district, for example, used 92 percent of its \$850,000 Federal windfall to install infrared wireless sound systems in all six of its schools; these systems are designed to amplify voices to assist students with hearing disabilities.

New Mexico Update

March 2010

Education Week reports that, in 2008, less than 40 percent of New Mexico's students in grades 6-9 scored as proficient in science on the New Mexico Standards Based Assessments -- down from 81 percent in third grade. State officials attribute the low science scores to: low reading and math performance; large populations of low-income students, English language learners, and special needs students; and the lack of qualifications to teach science for many teachers. In January, the New Mexico Math and Science Advisory Council set forth a plan to improve the State's math and science education, including increased teacher training involving professional scientists and more distance learning particularly for rural students who do not have access to adequate math and science classes in their local schools.

Urban Educator reports that Albuquerque voters have approved a \$616 million capital improvement package for the city's school system. The money -- \$391 million in tax levies and \$225 million in bonds -- will be used for construction and maintenance for classrooms and other facilities at 120 sites. About \$50 million of the money will provide new computers for teachers and students, as well as smartboards for about a third of the district's classrooms. Another \$40 million will go toward construction at the district's charter schools.

New York Update

March 2010

The Albany Times Union reports that, Statewide, graduation rates for New York State high schools have continued to improve. Seventy-two percent of the students who started math grade in 2005 graduated in four years, up 0.9 percent from 2008. State officials have, however, expressed concern about the 25 percent gap between white students and their black and Hispanic peers and about the low (44 percent) six-year graduation rate for English language learners and students with disabilities. Among the steps the State plans to take to improve graduation rates include a Statewide curriculum, better teacher preparation, and a more rigorous teacher evaluation system.

Despite an intensive effort to get rid of bad teachers, the New York City school district has fired only three of 55,000 tenured teachers for incompetence. Ten others resigned or retired. As reported in The New York Times, the district has a Teacher Performance Unit staffed by eight full-time lawyers and eight retired principals/administrators who serve as part-time consultants.

North Carolina Update

March 2010

According to the Raleigh News & Observer, Wake County, North Carolina's largest school district has approved a plan that would divide the district into separate community zones, each with its own year-round and magnet school alternatives. If implemented, the plan would end the district's policy of trying to limit the percentage of low-income students in individual schools. The district will use the next nine to 15 months developing details for the new zones.

Education Week reports that Del Burns, Superintendent of the Wake County school district has resigned citing interference from the newly-elected five-member Republican majority on the School Board. Supported by many Democrats as well as the Raleigh business community, Burns had, during his 3 ½ years in office, undertaken a number of initiatives -- including a nationally-recognized diversity policy and mandatory year-round schools -- that the new Board members have voted to overturn.

Ohio Update

March 2010

As reported in the Dayton Daily News, Ohio is one of the 16 finalists in the Federal Race to the Top competition. Among the key elements of the State's \$410 million RTTT applications are:

- 47 percent would go for programs to improve students' readiness for college and careers; 35 percent would go for innovations aimed at closing achievement gaps; 18 percent would be invested in programs intended to produce short-term results, including information technology;
- finalizing State English and math standards by May and science and social studies by June;
- assessment systems developed and phased in over three years;
- professional development for teachers on the use of the new standards;
- creation of a public-private partnership to improve at least 20 low-performing schools each year;
- establishment of School Turnaround Leader Program to train 20 leadership teams each year;
- creation of software-based principal and teacher evaluation systems using student growth as a primary measure;
- development of new teacher and principal licensing standards, as well as mentoring coaching, peer assistance, and tenure review programs; and
- expansion of a college fellowship program for preparing new teachers of science, technology, and math at low-achieving schools.

The Columbus Dispatch reports that a new State law will enable high school students to earn credits by: completing coursework; pursuing an educational option such as a senior project, an internship, or college classes; or demonstrating mastery of a subject through an end-of-course exam or a performance-based assessment. Ohio's current policy allows individual schools to define proficiency. However, the State has released a list of case studies of Ohio schools that exemplify the spirit of the new policy.

Oregon Update

March 2010

Oregon has received permission from the U.S. Department of Education to move its tenth-grade testing in reading, writing, math, and science to the eleventh grade. Last year's testing showed 45 percent of sophomores failed the writing test, 46 percent failed math, and 42 percent failed science. The State will allow schools to continue testing in tenth grade; students who pass will not have to retest in eleventh grade. Schools will be rated based on how many of their students pass by the end of their junior year. Beginning with this year's tenth-graders, Oregon high school students will have to pass the State reading test in order to graduate. And starting with this year's eight-graders, student will have to pass State tests in reading, writing, and math to get a high school diploma.

According to The Oregonian, more than 20 Oregon high schools are participating in a learning approach known as "proficiency-based education" under which students redo projects or tests until they are considered proficient. Critics of the approach -- which is espoused by the Oregon Department of Education and a coalition of high tech employers in the State -- say it has not been proved effective and some teachers are unhappy with the extra work involved with reteaching and retesting. The State believes that "proficiency-based education" will be at the heart of its school reform efforts and will help it win funding under the second round of the Federal Race to the Top competition.

Pennsylvania Update

March 2010

According to the Philadelphia Inquirer, the Pennsylvania legislature is considering a bill -- called the Education Empowerment Act -- that would substantially change the way districts fix struggling schools. The measure would expand upon an existing law that provides extra funding for the lowest-achieving districts and State takeover of the lowest-achieving schools. The new law would give local school boards more power to change schools. Districts that fail to meet State standards for two consecutive years could hire an outside education-management organization to operate specific schools or the district as a whole. They could also institute performance pay systems for teachers or offer bonuses to teach in hard-to-staff schools and subjects. A school that fails to meet State standards for five years in a row could be closed, turned into a charter school, or run by an education-management organization. Statewide, there are currently 90 of these “five-year” schools outside of Philadelphia. The proposed measure would not apply to Philadelphia because the district is already subject to a 2001 State-takeover law.

Rhode Island Update

March 2010

Education reformers in Rhode Island, including the State Education Commissioner, hope to change a State law that places caps on the number of charter schools (20) and charter school students (about 6,000) that are allowed in the State. Currently, according to The Providence Journal, Rhode Island has 13 charter schools serving 3,200 students with 3,600 students on waiting lists. Despite a projected \$427 million shortfall for the 2010-11 school year, the new budget includes \$1 million for two new charter schools this Fall. If the budget is approved by the legislature, the two new schools would be:

- Trinity Academy, a performing arts high school in Providence that would receive \$390,000 in State money to open with 34 students, eventually expanding to an enrollment of 204; and
- Greene School, an environmentally-themed high school in Exeter-West Greenwich which would need \$567,000 to open with 84 students, expanding to 210 students.

The New York Times reports that the 800-student Central Falls High School, one of Rhode Island's six lowest-performing schools, has been ordered to fire all 100 faculty and staff members. Required by the State to choose one of four reform plans (modeled on Federal requirements under School Improvement Grants), the district elected to close its only public high school and establish a new governance structure that requires the high school's new teachers to participate in professional development that meets Federal standards.

Tennessee Update

March 2010

According to The Tennessean, more than half of Tennessee's 1,700 public schools will fail to meet State standardized testing goals this Spring as a result of the new Statewide curriculum introduced this school year. The tougher assessments will mean schools that scored well under the old system may get a failing grade on the State accountability system. Also, more students may be held back in grade and some schools -- particularly in urban areas -- could face State takeover.

According to the "State EdWatch" blog on Education Week, Tennessee is optimistic that it will be funded under Round One of the Federal Race to the Top (RTTT) program (it is one of the finalists). The State believes its biggest advantage is its existing RTTT application in longstanding Tennessee Value-Added Assessment System (TVAAS). At the end of 2009, only 14 percent of the State's teachers had access to the TVAAS. Tennessee's RTTT application says that, as of January, all teachers in the State have access, although training in the use of TVAAS will not occur until the 2010-11 school year.

The Tennessean reports that more than 74 percent of the elementary schools in the Metro Nashville school district were in "good standing" on Tennessee's education report card; only about 48 percent of the middle schools met that standard. This year the district began middle school after-school programs in East Nashville as part of an effort to expand the program to all middle schools within six years. Eventually, there will be six after-school zones at an annual cost of approximately \$350,000 per zone for a total cost of \$2 million per year when the program reaches full expansion.

Texas Update

March 2010

Education Week reports that the recent elections have weakened the influential Christian conservative component of the Texas State School Board. The election was the first since 2008 when the State Board first tackled the evolution curriculum. The Board has decided that schools would no longer be required to teach the “strengths and weaknesses” of the theory of evolution; they would still be encouraged to consider “all sides” of scientific theories.

According to Urban Educator, the Houston school district is implementing a policy that ties teacher performance evaluations to student test scores. Starting next school year, the district will incorporate a “value-added” measure to the evaluation of teachers using the same data on student growth the district currently uses to reward high-performing teachers. This year, the district awarded \$40 million in bonuses to teachers based on the value-added formula.

Virginia Update

March 2010

According to Education Week, Virginia's new Governor, Robert McDonnell, has proposed cutting \$731 million out of the State's \$11.4 billion budget for public schools over the next two years as part of his plan to address a \$2.2 billion shortfall in the State's biennial budget. The State argues that K-12 education has seen few cuts in previous years and that the reductions will not have major impact on classroom operations. The State teachers union claims that as many as 28,000 school jobs will be lost. The Virginia legislature must reconcile the Governor's proposal with other budget plans currently being considered by lawmakers.

The Washington Post reports that Governor McDonnell has proposed a dramatic plan to increase the number of charter schools in the State. The Governor's plan included the establishment of virtual schools and laboratory schools that would work in partnership with Virginia colleges and universities. The proposal would make it easier for charter schools to open; traditionally, the State has not been welcoming to charter schools because local districts, which fear losing State funds, must approve them. The State teachers union has expressed general, but unenthusiastic, support for charter schools in the State.

The Examiner reports that the Virginia House of Delegates has approved a bill, supported by Governor Robert McDonnell, which would expand the State's role in the charter school approval process. Local school boards would still retain final authority to approve charter schools, but the State would advise prospective charter school providers on their applications. A companion bill is being considered in the State Senate which is also looking at another measure that would establish a framework by which the State could regulate virtual schools and designate preferred virtual school providers. The bills are part of Virginia's efforts to win funding under the Federal Race to the Top program (Virginia was not selected in the first round of RTTT cuts but can reapply in June).

As reported in The Washington Post, 17 schools in Virginia have been identified as "persistently

lowest achieving.” Noteworthy is that one of these is T.C. Williams High School in Alexandria which has a state-of-the-art “green” facility and has one of the highest rates of Advanced Placement participation in the country. In 2009, the school’s graduation rate was 78 percent (versus 83 percent Statewide) and 84 percent and 77 percent of its students passed the State assessments in reading and math respectively (versus 89 percent and 86 percent Statewide). As the only high school in the Alexandria school district, T.C. Williams is “bimodal” with most of its students doing well but with a large student group that has been traditionally underserved.

Discussions with high-level SEA officials suggest that the T.C. Williams situation is one of the most blatant unintended effects of the process by which USED officials are “strongly encouraging” SEA officials to use certain criteria in selecting which schools would be identified as eligible for Tier 1 or Tier 2 funding under School Improvement Grants (see related [Washington Update](#) item). Based on a reading of [The Washington Post](#) article, one can also infer that the school’s selection will be held up as an example of a Federal intrusion on state prerogatives. This could result in political and other roadblocks in the implementation of School Improvement Grant initiatives in a number of states. The T.C. Williams Titans were the focus of a much-heralded Hollywood movie starring Denzel Washington and held up as a model several years ago.

Washington Update

March 2010

As reported in The Seattle Times, Washington State hopes to win funding in the second round of the Federal Race to the Top (RTTT) competition, the application for which is due in June. The Washington State legislature has passed a number of K-12 reform measures intended to improve the State's chances of success in the RTTT competition. One bill allows the State to intervene in failing schools, changes the way principals and teachers are evaluated, extends tenure rights from two to three years, and allows non-profit organizations to issue teacher certifications. A second bill overhauls the State's public education financing system and phases in small classes in K-3 by 2015-16. Yet a third bill establishes a voluntary early learning program for three- and four-year olds in September 2011, phasing it in over several years.

West Virginia Update

March 2010

The Charleston Gazette reports that West Virginia is the first state to receive money under the Federal School Improvement Grants program. The \$22 million grant will target the State's lowest-performing five percent of schools and other schools that have failed to make adequate yearly progress for at least two consecutive years. West Virginia also hopes to receive another \$80 million from Round 2 of the Race to the Top (RTTT) competition. The State School Board is expected to consider a number of changes in State law to enhance its chances of winning RTTT money, including: charter schools (currently not allowed); rewards for successful teachers and teachers who further their education; annual evaluations of teachers; and removing principals in low-performing schools.

Also according to The Charleston Gazette, the West Virginia legislature is considering a bill that would allow creation of charter schools in the State over the objections of teacher unions. Under the bill, charter schools would not be governed by the same personnel rules as traditional public schools and would have greater flexibility including the ability to offer merit pay. Union representatives say the measure is redundant with the "innovation zone" legislation passed last year.

Wisconsin Update

March 2010

According to the Milwaukee Journal Sentinel, Wisconsin's plan to replace its State assessment -- the Wisconsin Knowledge and Concepts Examinations -- has been put on hold. The State has decided to wait until the nationwide Common Core State Standards Initiative completes its work on grade-by-grade expectations in reading and math this Spring. It then expects to adopt the new standards and use them to develop the new Statewide assessment. Wisconsin also plans to compete for part of \$350 million in Federal funds to be made available to state consortia for test development.

The Capital Times reports that Wisconsin school districts will receive a total of \$5.2 million in Federal grants to improve education technology. The money will come from the E2T2 program of the No Child Left Behind Act (\$1.75 million) and from stimulus funding (\$3.45 million). The money will support 54 educational technology projects in 304 school districts and other educational agencies. The biggest recipients will be the Milwaukee and Madison Metropolitan school districts -- \$500,000 and \$130,000, respectively.

A recent State audit has found that Wisconsin's popular virtual schools are operating at near capacity. Under open enrollment policies, the State's 15 virtual schools show 91 percent of their students come from outside the school's district. As reported in Education Week, a 2008 law placed a cap of 5,250 on the number of open enrollment students in virtual schools. This year, more than 5,000 students applied for open enrollment in Wisconsin's virtual schools, but only 3,635 ended up enrolling full time. The State audit also showed that, as of the 2007-08 school year, all 161 teachers in virtual schools were appropriately licensed for the grades and subjects they were teaching.

The Milwaukee school district is using \$4 million in Federal stimulus money to implement a two-year parental involvement program at 40 low-performing schools. As reported in Urban Educator, another program will bridge the parental involvement gap that arises between students'

middle and high school years.