



The New Federal Education Policies: California's Challenge

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As this report went to press, California legislators were meeting in a special session to consider measures that would improve the state's chances of winning a grant from a new federal program called "Race to the Top."

That competitive program is one of several rooted in the February 2009 federal economic stimulus package aimed partly at saving jobs and partly at encouraging education reform. The stimulus has provided much-needed funding for California's schools and could provide more through Race to the Top and other smaller discretionary grant programs. The additional funding that California could secure is small relative to the state's overall education budget. But policymakers in Sacramento feel great pressure to align state policy with the new federal initiatives, given California's fiscal crisis and the likelihood that these initiatives are a precursor to a reauthorization of the Elementary and Secondary Education Act (known as No Child Left Behind).

Federal education officials are calling for reform in four broad areas—teacher and principal effectiveness, data systems, standards, and turning around struggling schools. The new federal programs reach broadly and deeply, and California's stakeholders see promising aspects and some that cause concern. Washington's aggressive initiatives could re-open old debates in this state over such issues as how teachers should be evaluated and what the specific learning expectations for California's students should be. State policymakers are currently examining the details of the federal vision, taking stock of California's recent efforts in the four reform areas, and assessing what would need to be done to align state policies with the new federal objectives both in the short and long term.

California is benefiting from a temporary increase in federal funding



The education component of the American Recovery and Reinvestment Act (ARRA), also known as the federal stimulus, has been described by President Barack Obama as “the largest investment in education in our nation’s history.” It provides more than \$100 billion for prekindergarten through 12th grade schools nationwide, and nearly \$8 billion for California. This one-time infusion of additional federal money for 2008–09 and 2009–10 is more funding than California would receive from ongoing federal education programs in a single normal year, but it is substantially less than the cuts in state education funding since 2007–08.

The stimulus is tied to a federal reform agenda

The stimulus package’s education components are intended to do much more than save school programs and positions. They create incentives for states to begin or continue specific reform efforts in four interrelated areas that the Obama administration believes are key to helping schools provide a world-class education to their students. States have access to much of the stimulus package’s education funding only if they commit to pursuing reform in these four areas:

1. Increasing teacher and principal effectiveness and equitable distribution of effective staff;
2. Establishing data systems and using data for improvement;
3. Adopting rigorous college- and career-ready standards and high-quality assessments; and
4. Turning around the lowest-performing schools.

On paper, California has made those commitments. And as of Aug. 28, 2009, the state’s local education agencies had already received more than \$3 billion—some of it through existing programs and some in return for agreeing to the four assurances. More funding arrived in September through those same channels. Some of it was conditioned on both the state and school districts meeting specific reporting and planning requirements. Those were described in a preliminary draft released by federal officials in July. By early 2010, districts should have received the remainder of the nearly \$8 billion.

However, California may be able to secure funding beyond that. The additional funds would come through competitive grant programs run by the federal Department of Education, the largest of which is Race to the Top (RTTT). This program will provide a total of \$4 billion to a handful of states that have created conditions for bold, comprehensive action in the four reform areas. A smaller program, known as Invest in Education or “i3” will provide a total of about \$650 million to school districts and public-private partnerships experimenting with promising ideas or trying to expand proven programs. In June 2009, federal Secretary of Education Arne Duncan cast some doubt on California’s ability to win some of those competitive grant monies. He said that the state had “lost its way” as a leader in public education, and he issued a challenge: “Your state once had the best education system in the country. From cradle to career, you took care of your children. You made sure they were ready to enter your universities or be productive participants in the workforce. I ask you, is California going to lead the race to the top or are you going to lead the retreat?”

As this report was being prepared, officials in Sacramento were trying to improve the state’s chances to win Race to the Top funds. The governor had called a special legislative session and sponsored a bill (SBX5 1) coauthored by Democrats and Republicans to align some state policies with the new federal initiatives. However, California has work to do before it will have laid the

groundwork for the reforms that federal officials are calling for.

The stimulus package has many components

Understanding how all the education components of the stimulus fit together and how much money they represent helps clarify the role that competitive grants play in the overall package. Each component has multiple facets, including:

- eligibility requirements;
- timeline;
- amount of funding;
- the program umbrella it is under; and
- whether states receive the funds according to an established formula or must compete for them.

The stimulus package’s education components can be thought of as three groups of programs—large, formula-driven pots of money distributed quickly to save jobs; supplements to smaller existing programs also driven by formulas; and a group of competitive grant programs. (Five of those programs are listed in the table on page 4.)

The largest components of the stimulus package for schools total \$5.6 billion

The three largest components of the K–12 education stimulus package total about \$5.6 billion for California. Two of the three are substantial add-ons to existing federal programs—an additional \$1.125 billion for Title I, Part A (grants to help local agencies educate disadvantaged students), and an additional \$1.227 billion for Individuals

with Disabilities Education Act, Part B (Special Education). Combined, this represents roughly a 75% one-time expansion of California’s share of these federal funds. Districts began receiving funds in May.

The third program—the PreK–12 portion of the State Fiscal Stabilization Fund (SFSF)—is new. The SFSF program is designed to help states shore up education funding that was cut in response to revenue

shortfalls, and the funds can be used to serve a variety of educational purposes. California will receive a total of \$3.243 billion in PreK–12 Stabilization funding. The state was supposed to receive two-thirds of the funds in

Formula-driven education components of the federal stimulus package are not competitive

The Three Largest Components				
Component and Purpose	California’s Share	Accessing the Funds	Timeline to California	Timeline to Districts
PreK–12 Portion of the State Fiscal Stabilization Fund (Reduce need for layoffs, promote reforms)	\$3.243 billion (new program)	Application by the governor, committing to pursuing reforms and collecting data	90% (Phase I) already disbursed 10% (Phase II) in fall 2009 upon approved report on specific indicators under the four assurances	Phase I: Issued by fall 2009 Phase II: In fall 2009
Title I, Part A (Disadvantaged students)	\$1.125 billion (above existing allocation)	Current funding formula	50% went to the California Department of Education (CDE) in spring 2009 50% in September 2009	50% disbursed to local education agencies (LEAs) in spring 2009; remainder distributed by June 30, 2010
IDEA, Part B (Special Education)	\$1.227 billion (above existing allocation)	Current funding formula	50% went to CDE in spring 2009 50% in September 2009	Periodically from June 2009 through January 2010
Supplements to Existing Smaller Programs				
Existing Program	New Funding Component—California’s Share	Accessing the Funds	Projected Timeline	
Child Development Block Grant	\$220.3 million	Current funding formula	Part of 2008–09 allocations	
Education for Homeless Youth	\$13.8 million	Current funding formula	Disbursed beginning in July 2009	
Child Nutrition Equipment Grants	\$12.9 million	To states by formula; to districts by competitive grants	Disbursed beginning in July 2009	
Education Technology	\$71.6 million	To states through formula. CDE will distribute half to LEAs with approved Ed Tech plans based on their proportion of Title I, Part A, funding. The other half will be disbursed in a competitive process.	Applications for LEAs were available at the end of September 2009. At that time, CDE planned to distribute the funds to LEAs “by the end of the year.”	
Title I School Improvement Grants (above existing allocation)	\$351.8 million	Application process for funds, which are distributed by states by formula. State subgrants must be between \$50,000 and \$500,000. USDE is proposing that significant funding be spent on high schools.	State applications available in late summer. LEA applications will follow, with funding distributed in fall 2009.	

SOURCES: CALIFORNIA DEPARTMENT OF EDUCATION (CDE), U.S. DEPARTMENT OF EDUCATION (USDE), SEPTEMBER 2009

California and local districts will have to compete for a share of education stimulus funds

Program	Stimulus Funds Available Nationally	Accessing the Funds	Projected Timeline
Race to the Top	\$4.35 billion, including \$350 million for assessments	Competitive grants awarded in two rounds—for states only	The first round will open in late 2009, with awards made in early 2010. The second round will open in late spring 2010, with awards made by September 2010.
Invest in Innovation Fund	Up to \$650 million	Competitive application process—for LEAs and public-private partnerships	According to an Aug. 20, 2009 speech by U.S. Secretary of Education Arne Duncan, applications are expected to be available in fall 2009 and awards are expected in spring 2010.
Teacher Quality Enhancement Grants (recruitment and retention)	\$100 million	Competitive grant process for states, grants administered by higher education institutions in state	Applications were due July 23, 2009. Public universities take the lead on these applications.
Teacher Incentive Fund (alternative pay structures)	\$200 million	Competitive grants to school districts, states, and partnerships	When this report went to press, USDE planned to release program guidance in fall 2009.
State Longitudinal Data Systems	\$250 million	Competitive grant process for states	Grant application is due on Nov. 19, 2009.

SOURCES: U.S. DEPARTMENT OF EDUCATION (USDE), CALIFORNIA DEPARTMENT OF EDUCATION (CDE), EDUCATIONCOUNSEL, SEPTEMBER 2009

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the spring, but, pleading hardship, received 90% instead. The remainder is due in fall 2009. The U.S. Department of Education (USDE) structured the disbursement this way to help fill states' budget gaps quickly while buying time to develop detailed requirements tied to the funding.

State access to the first installment required only a brief application from the governor and an assurance to pursue reform in four areas. Gov. Arnold Schwarzenegger submitted the state's application in April, which prompted federal officials to release two-thirds of California's portion (later increased to 90%). School districts could then apply to the state for funds by submitting online a commitment to the four assurances. The money arrived at school districts in mid-June.

In late July, USDE released preliminary guidance on the reporting requirements attached to the Stabilization funds. For each of the four reform areas, federal officials have established quantitative and descriptive information they want from the state and, in many cases, all local education agencies (LEAs).

To be eligible for the second phase of Stabilization funding, states must submit a plan describing their current ability to

collect information on those indicators and make it publicly available. If they are not currently able to do so, they must describe their timeline and process for creating the capacity to report on the indicators. This work is to be completed as soon as possible, but no later than Sept. 30, 2011. This is part of the Obama administration's push for greater transparency on the part of state and local education agencies.

After a 30-day "comment period," in which people could suggest revisions to the preliminary guidance, USDE began reviewing and responding to comments. The final regulations are expected by early November 2009.

Stimulus funding supplements other, smaller programs

California has also begun to receive a total of \$670.4 million that the federal stimulus added to a number of existing programs, such as Child Care and Development, Education for Homeless Youth (McKinney-Vento), Child Nutrition Equipment, Education Technology, and Title I School Improvement.

The table on page 3 outlines the key aspects of the formula-driven (noncompetitive) education components of the federal

stimulus package—the three largest, as well as the add-ons to five existing programs that do not relate directly to the four reforms.

The stimulus package provides funding for a number of other programs related to education but not directly to K–12 school operations. For example, California is receiving nearly \$3 billion for facilities construction and renovation, mainly in the form of subsidized bonds. In addition, Special Education funding for infants and preschool-age children and their families, as well as general preschool money, is available.

The stimulus also provides competitive grants

The education portion of the stimulus also includes a number of competitive grants. (See the table above.) These include:

- the Race to the Top program, which goes only to state governments and requires them to develop a coordinated approach to addressing the issues in the four assurances;
- the "Invest in Innovation" or "i3" program, which provides funding for districts and public-private partnerships to explore promising ideas and expand small but successful programs; and

- more targeted grant programs for data systems and for teacher recruitment, retention, and quality.

The application for the Race to the Top competitive grant program is demanding

The \$4.35 billion available nationally in the Race to the Top program is by far the largest amount of money over which USDE has ever had discretion. Duncan announced in June 2009 that he was setting aside up to \$350 million to help states improve their assessments so that they move beyond multiple-choice questions and focus more on critical thinking skills. (Detailed information on the funding conditions and timeline of the testing program were not available when this report went to press.) This leaves about \$4 billion for other RTTT grants. The department plans to make large grants to a few states rather than spreading the funds thinly across a large number of states.

RTTT grants will be awarded in two rounds. The current schedule calls for first-round applications to be submitted to USDE by late December 2009. Awards will be announced in February or March 2010. Second-round applications will be due in late spring 2010, and awards will be made in late summer. States that win grants in round one will not be eligible for additional money in the second round, but those that are not successful at first will be allowed to apply in round two. States that secure a RTTT grant must distribute at least half of the award to local education agencies based upon their share of Title I, Part A (“Basic Grant”) funding. The state can spend the other half on state-level activities and further disbursements to local agencies.

The Race to the Top application—as proposed in July 2009—must address eligibility requirements, an “absolute priority,” selection criteria, and competitive priorities. Applicants are also encouraged to consider “invitational priorities.”

Eligibility requirements

To be eligible to apply for a Race to the Top grant, states must first meet two conditions:

1. The state’s application for funding under Phases One and Two of the Stabilization

Districts must document their use of Stabilization funding

In exchange for Stabilization funding, districts are expected to not only pursue reform in the four areas, but also report quarterly on their use of the funds. For example, districts must document the number of jobs created or retained, the status of projects funded by stimulus monies, vendors paid by said funds, and the districts’ five most highly paid individuals, among other items.

1. The program must have been approved. This will be determined during fall 2009.
2. The state must have no legal restrictions on using student achievement data to evaluate teachers and principals. This has been a controversial issue for California and is discussed in more detail on pages 12–13.

Absolute priority

After a state is deemed eligible to apply, it must meet the *absolute priority* of addressing each of the four reform areas comprehensively, thus demonstrating a systemic approach to reform. Again, the reform areas are teacher and principal effectiveness, data systems, standards, and turning around struggling schools. Applications must also address all 19 *specific selection criteria*. The selection criteria are divided between *reform conditions* needed to make USDE’s envisioned reforms possible and *reform plans* for achieving the specific reforms that the department has in mind under each of the four areas.

Selection criteria

USDE has also articulated five *overall selection criteria*, three of which are reform conditions and two of which are reform plans. The conditions include:

- the extent to which a state has made progress in the four reform areas, increased graduation rates, and improved test scores on the National Assessment for Educational Progress or NAEP, a federal testing program;
- whether several stakeholder groups—teachers unions, the business community, civil rights organizations, grant makers, and local education agencies—have committed to reform; and

- how favorably a state’s K–12 and higher education funding in 2008–09 compared with that of 2007–08.

Regarding reform plans, the department is looking for states with:

- ambitious yet achievable goals to raise overall student achievement and close gaps among student subgroups; and
- an ability to effectively and efficiently oversee a potential grant, sustain reforms beyond the grant period, and collaborate with local education agencies and possibly other states.

Competitive priorities

If a state has met the two eligibility requirements and made a convincing case on the 19 indicators and the five overall selection criteria, its application will then be judged by competitive priorities.

A state will receive competitive preference if it plans to work with industry, universities, and other community partners to offer more rigorous courses in the STEM fields—science, technology, engineering, and mathematics.

Invitational priorities

USDE characterizes invitational priorities as reforms that it is encouraging, but it says these reforms will not play a role in determining which state is chosen for a grant. As the RTTT process moves forward, it is possible the department will provide more clarity on this point.

Invitational priorities include:

- Incorporating into states’ longitudinal data systems information on Special Education, English acquisition, finance, and other areas;
- Working with other states in running data systems;

- Creating seamless connections among multiple education segments—early childhood, K–12, postsecondary institutions, and workforce organizations—so the systems are aligned and people can more easily navigate transitions as they progress in their academic and professional careers. (This goes well beyond simply linking the data of the education segments.)
- Having local education agencies provide school sites with autonomy in selecting staff, configuring the school day and year, crafting budgets, awarding credits to students based on performance instead of seat time, and partnering with outside agencies to provide comprehensive services to high-need students.

The stimulus package also includes some more narrowly tailored competitive grants

In addition to the large Race to the Top program, which emphasizes a comprehensive approach to a broad array of reform efforts, the stimulus package has smaller competitive grant programs with narrower purposes.

The new **Invest in Innovation** program will provide up to \$650 million in grants to

local education agencies, school consortia, and partnerships between nonprofit organizations (including colleges and universities) and districts or schools. In August, Duncan provided a rough schedule for the release of proposed guidance, a comment period, and then an application process, with grants awarded in “early 2010.” He said he has in mind three categories of grants to support organizations and ideas that advance the four reform areas:

- Pure Innovation grants of up to \$5 million for promising ideas that should be tried;
- Strategic Investment grants of up to \$30 million for programs that need to build a research base or organizational capacity at a larger scale; and
- Grow What Works grants of up to \$50 million to expand proven programs.

The existing **Teacher Quality Enhancement Grant** program received an additional \$100 million from the stimulus package. Under the program, states can apply for grants to improve their teacher recruitment, preparation, and certification practices. In addition, partnerships of colleges/universities and high-need LEAs can apply for grants to bolster the preparation and professional development of teachers.

Reflecting a growing interest in alternative systems of compensating teachers, the stimulus boosts the **Teacher Incentive Fund** by \$200 million. To date, this program has rewarded districts, states, and partnerships between such governmental entities and nonprofit organizations for establishing systems that offer more pay for teachers and principals in high-need schools and factor performance evaluations into teachers’ compensation. As this report went to press, USDE was considering proposing changes to the program that had not yet been made public.

Finally, the stimulus package added \$250 million to the existing federal program to support statewide **longitudinal data systems**. Under this program, states receive grants of \$2 million to \$20 million to design and implement data systems that link preschool, K–12, postsecondary, and workforce data. To be eligible for a grant, a state must commit to establishing a data system that includes the 12 elements described by the 2007 America Creating Opportunities to Meaningfully Promote Excellence in Technology, Education, and Science (COMPETES) Act. (See the box on page 12.)

California’s reform efforts are partially aligned with the four reform areas, but challenges remain



Federal officials have explained their reasoning in regard to each of the four reform areas. In turn, USDE is requiring states and districts—as a condition of receiving Stabilization funding—to report their status with respect to metrics within each area.

Beyond that, through Race to the Top and other competitive grants, the department will reward states that have laid the groundwork for, and created plans to implement, comprehensive reforms in those areas. Although much of California’s work during the past several years is in line with the general federal direction, the specifics present several significant challenges to the status quo in this state.

To further clarify the federal approach to allocating stimulus funds, EdSource created

the table on pages 10–11. This visual aid lays out the requirements that states must meet to receive funds from each of the stimulus pots and shows how these requirements relate to the four reform areas.

Reform area: Systems for supporting effective teachers and principals

A central concern of the new federal administration is that—too often—school district policies, practices, and conditions

discourage talented people from entering the education profession or staying in it. In a July 2009 *EdWeek* commentary, Race to the Top Director Joanne Weiss discussed USDE’s desire to strengthen “the entire talent chain—recruitment, preparation and credentialing, placement, induction, professional development, evaluation, advancement, and retention.” Although much of the attention regarding this reform area in the press and among policymakers in

Sacramento has been on teachers, federal officials include principals as well.

The first focus for this reform is making sure low-performing schools have more effective educators

Student achievement can be greatly influenced by the effectiveness of the classroom teacher. Making sure that students in low-scoring schools and from socioeconomically disadvantaged backgrounds have access to effective teachers is a critical part of the federal agenda. This focus is motivated by the substantial data that have been produced, in California and across the country, that show that teachers in struggling schools are more likely to be inexperienced or less than fully qualified. Yet these educators are teaching students who come to school with the greatest challenges. States that receive Stabilization funds must report the extent to which highly qualified teachers fill slots in hard-to-staff schools and subject areas.

Recent federal policies—including the 2002 No Child Left Behind Act (NCLB)—have focused on teachers’ formal training and certification as the measure of whether teachers are highly qualified.

In response, California has been working to ensure that disadvantaged children are not disproportionately taught by educators who are inexperienced, underqualified, or teaching out-of-field (such as a teacher with only a math credential also teaching science). Districts that cannot demonstrate an equitable distribution of highly qualified and experienced teachers must create a plan to remedy the situation. The state also encourages districts to pay close attention to how teachers and principals are recruited, assigned, and retained at school sites. California provides a toolkit of materials and resources to help districts use data to improve their equitable distribution of teachers. Most of this work must be done at the local level, and—by state law—the processes for teacher assignment are within the scope of collective bargaining.

In addition to NCLB, two state policies focus attention on the qualifications and experience of teachers in low-performing schools. One was prompted by the settlement of the *Williams v. California* lawsuit in 2004.

Metrics for State Fiscal Stabilization Fund dollars: Effective teachers and principals

States receiving State Fiscal Stabilization Fund dollars are required to provide data on, and narrative descriptions of, policies and practices related to equitable distribution of qualified teachers among schools and the effectiveness of teachers and principals. Specifically, the reporting requirements include:

- Number and percentage of core academic courses taught by “highly qualified teachers” (as defined by No Child Left Behind) in the highest-poverty and lowest-poverty schools (with poverty defined by each state). This information is required for the state as a whole and for each local education agency (LEA).
- Descriptions of each LEA’s system of evaluating teachers’ and principals’ performance and whether those systems include student achievement outcomes. (This requirement can be satisfied with a website linking to LEAs’ descriptions of their evaluation systems.)
- For each LEA with teachers and principals who receive performance ratings through an evaluation system, the number and percentage of personnel rated at each performance level—and whether the information on teachers is publicly available and easy to understand. (Information on principals’ evaluations is not required to be made public because the information would be personally identifiable.)

It requires county superintendents to monitor and report on teacher assignments and teacher vacancies in schools in the bottom 30% of performance rankings and inform the state if a district has not corrected “misassignments” within 30 days. Similarly, the Quality Education Investment Act (QEIA) targets selected schools in the bottom 20% of performance rankings. Each of the 488 schools that participate in QEIA must ensure that its teachers are highly qualified based on the NCLB criteria. They must also certify that the average teacher experience level at the school is at least as great as the other district schools of its type (elementary, middle, or high).

Another state effort, the Beginning Teacher Support and Assessment program, provides training and support for teachers in their first two years on the job that helps them qualify for a “clear” credential. Additionally, in 2008, the state implemented a policy that all teacher-preparation programs must include a teaching performance assessment component that candidates for teaching credentials must pass.

Although still not complete, California’s efforts to strengthen the quality of teaching, especially in schools serving disadvantaged students, should demonstrate to federal officials that progress is being made. However, USDE is pushing beyond its current focus

on teachers’ and principals’ training and certification to an emphasis on demonstrated effectiveness. The proposed guidance for RTTT states that “...it is difficult to predict teacher quality based on the qualifications that teachers bring to the job.” It goes on to say that “one of the most effective ways to accurately assess teacher quality is to measure the growth in achievement of a teacher’s students.” The document provides research citations to support those assertions. An “effective” teacher or principal is defined by RTTT as one whose students demonstrate one grade level of growth in an academic year, and “highly effective” educators are those whose students show more growth than that.

Districts have new accountability for teacher and principal evaluations

As part of its application for stimulus funds, California has committed to reporting on areas of teacher and principal evaluation, which have been the province of local school districts up to this point. The American Recovery and Reinvestment Act (ARRA) focuses on evaluation results expressed as performance levels and the extent to which student performance is considered in those evaluations. (See the box above about the metrics for Stabilization funds regarding effective teachers and principals.)

In California, the process for teacher evaluations, including any determination of performance levels, varies from district to district. Many districts evaluate teachers based on the California Standards for the Teaching Profession, and some use ratings such as “unsatisfactory,” “needs improvement,” and “meets or exceeds.” Adopted by the California Commission on Teacher Credentialing and the State Board of Education in January 1997, the standards represented an

in regard to compensation practices and the conditions under which they can dismiss a teacher. For example, after teachers have permanent status, the allowable reasons to dismiss them and their right to fight a dismissal are specifically described in state law under the heading of “due process” rights. State law also requires that districts establish a salary schedule that includes measures of longevity and the number of continuing education courses completed.

Since 1999, California has required districts to evaluate certificated employees based partly on student progress on California Standards Tests.

effort to establish “a common language and a new vision of the scope and complexity of teaching that would enable teachers to define and develop their practice.” One of the six broad standards relates to assessing student learning. It calls on teachers to collect information about student performance from a variety of sources and use ongoing assessments to inform instruction. Many districts and schools have systematized the use of interim assessment data to adjust their teaching, often through district-developed benchmark assessments aligned with state content standards. They also use the California Standards Tests (CSTs) to some degree, but the design of those tests and the timing for the release of results limit their usefulness.

The extent to which districts incorporate student performance on standards-based tests into the teacher-evaluation process is unclear but likely not universal. This is true despite the fact that California law since 1999 has explicitly stated that districts shall evaluate the performance of certificated employees based partly on their students’ progress on the state-adopted academic content standards as measured by the state’s criterion-referenced assessments, the CSTs.

As is true with teacher placement, in California the teacher evaluation process falls under the scope of collective bargaining. However, school districts have less discretion

California is not alone in having state laws that shape local practices and, in some cases, constrain local discretion over teacher evaluation, compensation, and dismissal. Acknowledging these limitations, federal leaders have said that they expect states “to begin to address it in a thoughtful way, and in a way that measurably advances the ball.”

The federal metrics also call for data related to principal evaluation systems. Although principals in a few large districts have collective bargaining agreements, these administrators are more typically evaluated as part of management. And though their employment with a district is protected, their positions as school leaders are more often at the discretion of the superintendent (with some constraints).

Race to the Top calls on states to experiment with reforming personnel practices

Within the “effective teachers and principals” reform area, the federal government has set “providing alternative pathways for aspiring teachers and leaders” as the only RTTT reform condition. USDE will judge state applications based on the extent to which the state has laws, statutes, and regulations in place that give teachers and principals alternative routes to certification. The department is particularly interested in alternatives that are not based at institutions of higher education.

In the case of both teaching and administrative service credentials, California offers candidates a variety of alternatives. Reforms put into place nearly a decade ago established internships as an option for teacher certification, including programs run by local school districts. In addition, state law provides professionals changing careers, as well as teachers from private schools and from out of state, with an easier route to employment in a California public school. For both teachers and administrators, the state also allows candidates to satisfy at least some credentialing requirements by passing an assessment versus participating in classes or formal programs. Use of these assessments has increased to help teachers meet NCLB’s highly qualified teacher requirements.

RTTT criteria related to the development of state reform plans are both more ambitious and more controversial. The federal guidelines specify reforms toward the following goals:

- Differentiating teacher and principal effectiveness based on student performance and using that information as a significant factor in decisions regarding evaluation, professional development planning, compensation, promotion, tenure, and dismissal.
- Ensuring the equitable distribution of effective teachers and principals, with a special emphasis on high-poverty schools and hard-to-staff subjects.
- Reporting the effectiveness of teacher and principal preparation programs, in part by linking these programs to educators and their students’ achievement data.
- Providing effective support to teachers and principals, including the rapid delivery of student achievement data, time for common planning, and analysis of the support they are receiving.

To begin to develop the plans envisioned here, California would first have to address some fundamental challenges. For example, the guidance is clear in calling for the use of data that measure student growth. The official launch of the California Longitudinal Pupil Achievement Data System (CALPADS)

in August 2009 marks a crucial, but early, step in the state's development of a data system. CALPADS will be able to produce consecutive annual snapshots of a student's performance on standards-aligned tests, which will provide some idea of a student's growth. However, the measure may only indicate whether a student is showing above average, average, or below average growth.

The overarching challenge for California, and for many states, will be to explore how state policies can better interact with local discretion in ways that support the ambitious goal of making sure that every student has access to good teachers and every school benefits from having strong leadership.

Reform area: Improving collection and use of data

The stimulus program reflects the department's strong belief that teachers, administrators, researchers, and parents would benefit greatly from better access to prompt and accurate data about student and teacher performance over time. Duncan has asserted that the technology exists to organize and deliver such information, and that states will have, through the stimulus package, access to the funds needed to develop such data systems. He has said that the only remaining step to implementing these systems is mustering the courage to "expose our weaknesses with a truly transparent data system."

Three components of the stimulus promote the use of longitudinal student and teacher data. The \$250 million boost to the Statewide Longitudinal Data System grant program (described on page 6) will allow the department to grant more money to states that are developing such systems. California has previously received two grants from this program. The first, a \$3.2 million award to support the development of CALPADS, came in May 2006. And beginning in July 2009, the state received an additional \$6 million grant to support the California Longitudinal Teacher Integrated Data Education System (CALTIDES) project. California may pursue even more funding from this augmented program.

In addition, states can use Stabilization funding for building longitudinal data

Metrics for State Fiscal Stabilization Fund dollars: Improving collection and use of data

A state's Stabilization funding is conditioned on the provision of the following information to USDE:

- Which of the 12 elements required of state longitudinal data systems for a grant under the America COMPETES Act are included in the state's data system (see the table on page 12); and
- Whether the state provides English and math teachers with their students' test scores—including estimates of individual teacher impact on student achievement—in a manner that is timely and informs instruction.

systems. They are also required to report on the status of their systems and whether the state regularly provides teachers with data that can inform their instruction. The specific reporting requirements are described in the box above.

The third component of the stimulus that promotes longitudinal data systems is Race to the Top. The RTTT grant criteria related to data systems overlap substantially with the reporting requirements of the Stabilization program. Regarding reform conditions, federal officials will assess the extent to which a state has a system that includes all elements of the America COMPETES Act (described in the table on page 12). And with respect to reform plans, the department will judge a state by the extent to which it plans to:

- Ensure that the information in its longitudinal data system will be accessible to—and used to inform and engage—a number of stakeholder groups, such as parents, students, administrators, community members, union members, researchers, and policymakers.
- Use data to support decision-makers in the continuous improvement of instruction, operations, management, and resource allocation.
- Comply with federal laws to protect student privacy.
- Provide better data to teachers, principals, and administrators to help improve their effectiveness.
- Make data available to researchers so they can evaluate instructional materials and strategies as well as approaches

to teaching different types of students, such as English learners, students with disabilities, and those well below or above grade level.

USDE sees room for improvement in California's approach to data systems

After a slow start, California is making solid progress toward having data systems that track individual students and teachers over time. CALPADS is being rolled out beginning in the 2009–10 school year. When it is fully operational, it will provide a wealth of information on students over time, which will allow for much sounder evaluations of state and local policies, adopted instructional materials, and the impact of various course-taking patterns, among other things. As the system was developed, the protection of student privacy was an integral concern. CALPADS includes several of the 12 elements that the America COMPETES Act calls for, such as a unique identifier for each student and information on students' enrollment history, demographics, and program participation. In addition, CALPADS is designed to track students as they enroll, transfer, drop out, or graduate; and the system will contain scores from tests required under NCLB and others, such as the California English Language Development Test.

However, the currently envisioned process of auditing CALPADS data may not be as robust as federal officials would like. In addition, the system as it is currently planned will not hold data on students' readiness for

Effective Teachers & Principals

Longitudinal Data Systems

State Fiscal Stabilization Fund (SFSF) (one-time monies awarded by formula)

<p>Phase I—Quick disbursement of two-thirds (90% for California) of SFSF funds for a broad array of education purposes, but mainly to save jobs and programs.</p> <ul style="list-style-type: none"> ■ States were required to make assurances that they would make progress in the four reform areas. ■ The federal government also provided large one-time augmentations to Title I, Part A (for disadvantaged students) and IDEA (for Special Education). 	<ul style="list-style-type: none"> ■ Number and percent of core academic courses taught by “highly qualified teachers” in highest- and lowest-poverty schools. ■ Descriptions of each LEA’s system of evaluating teachers’ and principals’ performance and whether those systems include student achievement outcomes. ■ Number and percent of personnel rated at each performance level—and whether the information on teachers is publicly available. 	<ul style="list-style-type: none"> ■ Which of the 12 elements required of state data systems under the America COMPETES Act are included in the state’s system (see page 12). ■ Whether the state provides English and math teachers with their students’ test scores—including estimates of individual teacher impact on student achievement—in a timely manner.
<p>Phase II—Remainder of SFSF funds tied to reporting data on indicators in the four reform areas (described on the right).</p>		

Race to the Top (competitive one-time grants)

<p><i>Eligibility Criteria</i> for this \$4 billion program that calls for a comprehensive approach to the four reform areas.</p>	<ul style="list-style-type: none"> ■ No legal barrier to linking student achievement data to teacher evaluation. ■ The state must have been approved for the
<p><i>Reform Conditions that states need to have in process to make reforms possible</i></p>	
<ul style="list-style-type: none"> ■ Reform conditions tied to specific areas 	<ul style="list-style-type: none"> ■ Provide alternative pathways for aspiring teachers and principals. ■ Fully implement a statewide longitudinal data system.
<ul style="list-style-type: none"> ■ Overall reform conditions 	<ul style="list-style-type: none"> ■ Demonstrate significant progress in four reform areas and use federal funds to do so. ■ Make education funding a priority
<p><i>Reform Plans to achieve the specific reforms that USDE is calling for</i></p>	
<ul style="list-style-type: none"> ■ Reform plans tied to specific reform areas 	<ul style="list-style-type: none"> ■ Differentiate teacher and principal effectiveness based on performance, taking into account student growth as a significant factor. ■ Ensure equitable distribution of effective teachers and principals. ■ Report the effectiveness of teacher and principal preparation programs. ■ Provide effective support to teachers and principals. ■ Access and use state data. ■ Use data to improve instruction.
<ul style="list-style-type: none"> ■ Overall reform plans 	<ul style="list-style-type: none"> ■ Raise achievement and close gaps. ■ Build strong statewide capacity to implement, scale, and sustain proposed plans.
<p><i>Competitive Criteria</i>—Extra points awarded to applications that meet this criterion.</p>	<ul style="list-style-type: none"> ■ Plan to work with industry, universities, and other community partners to offer more rigorous courses in the “STEM” fields—
<p><i>Invitational Criteria</i>—Reforms that USDE is encouraging, but states will not receive preference for addressing them.</p>	<ul style="list-style-type: none"> ■ Expand system to include data from other relevant areas such as Special Education, English learner, or preschool programs; ■ Increase school-level autonomy in staff selection, school calendar, budgets, how credits are awarded, and services to high-

Invest in Innovation (“i3”) (competitive one-time grants)

<p>A new program cutting across the four reform areas.</p>	<p>\$650 million nationwide to support the exploration of promising ideas and expansion of proven ideas. Grant recipients are districts</p>
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Single-Purpose Grants (competitive one-time grants)

<p>Money added to existing federal programs to provide grants for specific purposes.</p>	<ul style="list-style-type: none"> ■ Teacher Incentive Fund—Rewards entities offering more pay for teachers and principals in high-need schools and factoring classroom evaluations into teachers’ compensation. ■ Teacher Quality Enhancement Grant—Funding for 1) states to improve their teacher recruitment, preparation, and certification practices; and 2) partnerships of colleges/universities and high-need LEAs to strengthen teacher training. 	<ul style="list-style-type: none"> ■ Longitudinal data system grants—linking preschool, K-12, postsecondary, and workforce data.
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SOURCE: U.S. DEPARTMENT OF EDUCATION (USDE), AUGUST 2009

stimulus programs are built around four reform areas

Standards & Assessments

- Confirm assessment system meets NCLB's requirements. Describe state's efforts to improve its tests.
- Confirm the following:
 - Whether the state has high-quality tests for students with disabilities. Indicate the standards they are based on.
 - Whether the state has native language tests for English learners.
 - Data on students with disabilities and English learners tested. Indicate whether the state has analyzed accommodations within the past two years.
- Confirm the state's NCLB Report Card contains NAEP scores.
- Provide data for the state, each LEA, and each high school, broken down by student subgroup:
 - "Four-year adjusted cohort graduation rate."
 - High school graduates who attend college.
 - Completers of one year of credit toward degree within two years of high school graduation.

Turning Around Lowest 5% of Schools

- For the state and each LEA, the number and percentage of schools in years 3–5 of Program Improvement that:
 - have made more-than-average growth.
 - have been turned around, consolidated, or closed in the past year. (With data on high schools and lowest-achieving 5% of schools broken out.)
- Number of charter schools allowed in the state and number currently operating.
- For the state and each LEA, the number and identity of charter schools that were closed or not renewed and whether the reason was financial, enrollment, academic, or related to other issues.

first and second phases of PreK–12 Stabilization funding.

- Develop and adopt common standards.
- Develop and implement common, high-quality assessments.

- Have the legal authority to intervene in the lowest-performing schools and LEAs.
- Increase the supply of high-quality charter schools.

dedicate at least the same share of total revenues toward education in 2008–09 as 2007–08.

- Enlist statewide support and commitment—secure buy-in from major stakeholder groups.

- Support transition to enhanced standards and high-quality assessments.

- Turn around struggling schools (make major leadership, staff, or governance changes).

science, technology, engineering, and mathematics.

finance; health programs; and postsecondary institutions. need students.

- Create a seamless route for students as they move from preschool through college and into the workforce.

and public-private partnerships.

- \$350 million nationwide to help states develop more robust tests.

The federal stimulus is pushing states to develop longitudinal data systems that include 12 elements

Among many other things, the America Creating Opportunities to Meaningfully Promote Excellence in Technology, Education, and Science (COMPETES) Act of 2007 provides funding for states to develop P-16 (preschool through baccalaureate degree) education data systems. The act requires that such systems contain 12 elements. California has recently satisfied some of those requirements, but work remains to be done.

Elements	Requirement satisfied?
1. An unique identifier for every student that does not permit a student to be individually identified (except as permitted by federal and state law).	Yes
2. The school enrollment history, demographic characteristics, and program participation record of every student.	Yes
3. Information on when a student enrolls, transfers, drops out, or graduates from a school.	Yes
4. Students' scores on tests required by the Elementary and Secondary Education Act.	Yes
5. Information on students who are not tested, by grade and subject.	Yes
6. Students' scores on tests measuring whether they are ready for college.	No
7. A way to identify teachers and to match teachers to their students.	Yes
8. Information from students' transcripts, specifically courses taken and grades earned.	Yes
9. Data on students' success in college, including whether they enrolled in remedial courses.	No
10. Data on whether K-12 students are prepared to succeed in college.	No
11. A system of auditing data for quality, validity, and reliability.	Partially
12. The ability to share data from preschool through postsecondary education data systems.	No

SOURCE: CALIFORNIA DEPARTMENT OF EDUCATION (CDE)

EdSource 10/09

college or their success in college. Nor will the currently planned system allow the sharing of data from preschool through postsecondary education. State policymakers meeting in the special session related to RTTT were discussing greater interagency cooperation.

[Controversy surrounds California law and the state's eligibility for Race to the Top funding](#)

As this report went to press, USDE regarded California as not meeting one of the two basic eligibility criteria for a Race to the Top grant. To be considered, a state must have no legal restrictions on using student achievement data to evaluate teachers and principals. In June 2009, Duncan said that California has "this phenomenal student data system. They have a great teacher data system. And there is a firewall between them...this thing is a huge, huge barrier that is hurting kids. We have to literally tear down this firewall." Duncan's statement is based on an interpretation of California statute that is not universally shared.

The legal language at issue was put into the state's Education Code by Senate Bill (SB) 1614 in 2006. The bill authorizes the development of CALTIDES and establishes a single comprehensive state education data information system that includes data regarding the teacher workforce. According to SB 1614, this single system includes both a student data system (CALPADS) and a teacher data system (CALTIDES).

However, SB 1614 sets specific parameters around how this longitudinally linked data may be used. The bill prohibits the use of CALTIDES data either solely or in conjunction with CALPADS data for "purposes of pay, promotion, sanction, or personnel evaluation of an individual teacher or groups of teachers, or of any other employment decisions related to individual teachers."

Superintendent of Public Instruction Jack O'Connell has said that any perceived conflict between the language of SB 1614 and the RTTT eligibility criterion reflects a

misunderstanding of state law. O'Connell, in a July 24, 2009 press release, declared: "California law does not prevent any school district from using the state's student assessment results for purposes of evaluation or compensation. It only prohibits the use of this data to evaluate individual teachers at the state level. This is simply a matter of local control that appropriately ensures school districts handle their own personnel decisions."

The author of SB 1614, state Senator Joe Simitian, has made similar comments. Simitian has called this controversy a "tempest in a teapot," especially given that some districts are already known to use student performance data in the evaluation of teachers. As this report went to press, another Simitian bill, SB 19, was on the governor's desk. It would eliminate the controversial language from the Education Code and require that CALTIDES data not be used in violation of any federal or state laws intended to protect individuals' privacy. In addition, another bill being discussed

in the special session addresses Duncan's concern about the "firewall."

Assurance: Rigorous college- and career-ready standards and high-quality assessments

Officials running USDE believe strongly in academic content standards—an "official" set of skills and knowledge that students should acquire. However, the department sees a problem with the fact that every state has its own set of learning goals. Duncan, in a June 14, 2009 speech at the Governors Education Symposium, asserted that "[s]tandards shouldn't change once you cross the Mississippi River or the Rocky Mountains. Kids competing for the same jobs should meet the same standards." Another problem with having 50 sets of learning objectives, according to the secretary, is that collaboration among states is limited because they are working toward different goals.

Duncan also believes that some states' standards are too broad—that they do not tightly focus on the most important skills and knowledge. Furthermore, he asserts that some states do not have sufficiently challenging standards and that some K–12 students meeting the learning objectives in those states are led to believe that they are doing fine, only to be placed in remedial classes in college. Duncan points to American students' low to middling results on international tests as evidence that states are not setting their learning goals high enough to develop an internationally competitive workforce. He sees this as a national challenge and is promoting a collective response.

For Stabilization funding, states are being asked to: confirm that their current tests meet NCLB's requirements, describe efforts made to meet the needs of students with disabilities and English learners with respect to testing, and provide high school graduation and college-going rates. The details of the reporting requirements are described in the box above.

The department is using some of ARRA's competitive grants to do more, including encouraging states to work together as consortia and adopt common standards that are internationally benchmarked and build toward

Metrics for State Fiscal Stabilization Fund dollars: Standards and assessments

A state's Stabilization funding is conditioned on the provision of the following information to USDE:

Status of testing system generally

Confirm that the state's assessment system meets NCLB's requirements and describe the state's efforts to improve its tests using federal funds.

Testing for special populations

Confirm the following:

- Whether the state has high-quality alternate assessments for students with disabilities and indicate whether they are based on grade-level, modified, or alternate academic achievement standards.
- Whether the state provides USDE-approved native language versions of state tests for English learners.
- The number and percentage of students with disabilities and English learners who are tested in English and math and indicate whether the state has, within the past two years, analyzed the appropriateness and effectiveness of the testing accommodations for those students.

Public reporting of National Assessment of Educational Progress (NAEP) results

Confirm that the state's annual NCLB Report Card contains the most recent available reading and mathematics NAEP results.

High school graduation and college-going rates

Provide the number and percentage of:

- Students who graduate from high school using a "four-year adjusted cohort graduation rate" (see page 14).
- High school graduates who go on to a community college or four-year college/university.
- College enrollees who complete at least one year's worth of college credit (applicable to a degree) within two years of graduating from high school.

The information must be reported separately for the state, each local education agency, and each high school, with a breakdown by student subgroup.

college- and career-readiness by the time of high school graduation. In addition, USDE is setting aside up to \$350 million for states to create tests that are aligned with the new standards and that move beyond the multiple-choice format to assess complex skills.

California's status with respect to Stabilization indicators is for the most part strong

Strictly speaking, California should not have much trouble meeting the Stabilization program's funding conditions in that the federal government is simply requesting descriptive data and narratives.

As assessment and accountability systems go in the United States, California's system is relatively robust. This state exceeds

NCLB requirements to annually administer tests of English and math standards to students in grades 3–8 plus one high school grade. And California has for years used federal money for test development and administration, research and evaluation of testing programs, dissemination of testing information, and development of the statewide longitudinal data system. In addition, state policy includes accommodations and modifications for special-needs students—though some advocates for English learners would like to see California offer non-English language tests beyond Spanish. Some of California's education stakeholders would like to see this state have a much more advanced assessment system than what it currently has—one that

tests “higher-order thinking” skills and includes more “constructed response” items, such as short, written responses or math problems that require students to indicate their answer and how they arrived at it.

But California’s performance is mixed regarding other Stabilization indicators related to standards and assessment. The state is aligned with USDE’s desired policies in that the California Department of Education (CDE) reports NAEP scores on its website. In addition, since 2006–07, California has used longitudinal data to report its high school graduation rate and is working to improve its accuracy. Thus, the state should be able to report a reasonably reliable “four-year adjusted cohort graduation rate” in the near future. This is the number of students who graduate in four years with a regular high school diploma divided by the number of students who entered high school four years earlier (adjusting for transfers in and out, deceased students, etc.).

In contrast, the state is not currently building a system that would allow it to report the college-going and college-credit completion data that USDE hopes to see. California does not have a statewide data system that follows high school graduates to state colleges and universities. The state can report 1) how many students graduated from high school at the end of one school year; and 2) how many students entered college at the start of the following year. But it cannot indicate what portion of the first group is represented in the second group. The lack of a data system linking the state’s K–12 and higher education systems would also prevent the reporting of the number of college enrollees who complete at least one year’s worth of college credit within two years of graduating from high school.

California’s position with respect to the Race to the Top criteria is not yet clear

For the RTTT criteria related to standards and assessment, the department’s reform conditions call for states to work in consortia to develop and adopt common, internationally benchmarked standards aimed at producing high school graduates who are ready for college or skilled work. To be eligible for a round

one RTTT grant (with applications due by the end of 2009), a state must be involved in a consortium working to develop and adopt common standards by June 2010. However, states that apply for round two (with applications due in spring 2010) must have adopted such common multistate standards. In addition, states applying for a RTTT grant are expected to work with other states to adopt assessments aligned with those common standards.

U.S. Secretary of Education Arne Duncan sees raising standards as a national challenge and is promoting a collective response.

The reform plan criterion calls for states to plan to transition from their current standards and assessment systems to the ones developed by their consortium. Suggested activities include:

- Aligning high school exit criteria and college entrance requirements with the new assessments;
- Developing, disseminating, and implementing curricular frameworks and materials, formative and interim assessments, and professional development materials; and
- Engaging other strategies that translate the standards and information from assessments into classroom practice.

A prominent effort to establish a core set of standards across multiple states is already under way. The National Governors Association and Council of Chief State Schools Officers have been heading up a project to establish a “common core” of standards in English and math and have recruited participants. To date, 47 states, the District of Columbia, and two territories have signed up. One condition of participation is a commitment that the common standards represent 85% of a state’s standards. The project’s staff hoped to have college and career readiness standards—knowledge and skills that students should have when they graduate from high school—completed in September 2009. In addition, staff members plan to

complete grade-by-grade standards in December 2009.

California has agreed to participate in the Common Core Standards Initiative, but with conditions. On May 28, 2009, California’s governor, president of the State Board of Education, and superintendent of public instruction submitted a letter to the project’s organizers that outlined their concerns. The state officials embraced the international

benchmarking component of the initiative but could not commit to adopting the common standards until determining that they meet or exceed California’s existing standards. Those standards have been rated very highly by the Fordham Institute, the American Federation of Teachers, and others. Furthermore, the letter said, California could not commit to having the common standards represent at least 85% of California’s standards in English language arts and math.

Whether California will meet the reform conditions and plans called for in the Race to the Top competitive grant process will depend greatly on the standards that the initiative produces, which have not yet been finalized. And any decision that California makes with regard to standards will affect the state’s assessments as well because of the pressure that would come from within and outside California to align state assessments with common standards.

Reform area: Turning around the lowest-performing schools

In a June 2009 speech before the National Alliance for Public Charter Schools, Duncan asserted that states should intervene more vigorously in persistently struggling schools. He said that states and districts “have a legal obligation to hold administrators and teachers accountable, demand change and, where necessary, compel it.” However, few districts in America have risen to the challenge,

Duncan said. “Too many administrators are unwilling to close failing schools and create better options for these children.”

Some researchers agree that getting chronically underperforming schools on a path to success requires more aggressive action than has been taken in the past. Mass Insight, an independent nonprofit organization that studies and advises government agencies and businesses, states in *The Turn-around Challenge* that previous efforts have largely failed because they made only minimal changes to schools. Successful turn-around efforts should include systemic strategies for reinventing struggling public schools, according to Mass Insight.

For ARRA programs, “turning around” a school is defined as putting in place new leadership and a majority of new staff, new governance, and improved instructional programs, as well as giving the school autonomy in hiring, budgeting, and setting up the school day and year. Other major changes can be acceptable as well.

The Obama administration wants the charter community to help produce some of these turnarounds, including in the charter community itself. Some charter schools have not achieved the desired progress in their test scores. Duncan has called on charter supporters to help these charter schools improve or shut them down.

The metrics that USDE is requiring states to report on as part of the PreK–12 Stabilization program reflect these beliefs. To satisfy the funding conditions of Phase I of the Stabilization and remain eligible for Phase II funding, states must assess the effectiveness of their Program Improvement interventions under NCLB, report the number of low-performing schools with which they have taken aggressive steps, and indicate whether they are fostering a robust charter segment, which includes closing ineffective charters. The box above describes the specific indicators.

USDE wants significant resources directed at turning around struggling schools

Duncan has called on states, districts, nonprofits, for-profits, universities, unions, and charter organizations to get involved in turning around schools in the bottom 5%

Metrics for State Fiscal Stabilization Fund dollars: Turning around the lowest-performing schools

A state’s Stabilization funding is conditioned on the provision of the following information to USDE:

Progress of struggling schools

For the state and each local education agency (LEA), the number and percentage of schools in years 3–5 of Program Improvement that:

- Have made progress on state tests in English and math. (Progress is defined as more-than-average growth.)
- Have been turned around, consolidated, or closed in the past year. Data on high schools and the lowest-achieving 5% of schools are to be broken out in the report.

Charter schools

- The number of charter schools allowed in the state and the number currently operating.
- For the state and each LEA, the number and identity of charter schools that were closed or not reauthorized and whether the reason for closure/nonrenewal was financial, enrollment, academic, or related to other issues.

of academic performance rankings—some 5,000 schools across the country and about 460 schools in California. He notes that the stimulus provides \$3.5 billion dollars in Title I School Improvement grants and that the Obama administration is proposing an additional \$1.5 billion in the 2009–10 budget for this purpose.

Although admitting that not all the department’s ideas are fully formed and tested, Duncan has offered four models for school turnarounds:

1. Children stay and the staff leave (some may be rehired). Planning grants would be provided so new leadership can develop and adapt curriculum and instructional strategies to better meet the needs of the students.
2. Turn the school over to a charter or for-profit management organization, replacing staff and leadership.
3. Keep the staff, but change the culture. Specific suggestions include establishing a rigorous performance evaluation system along with more support, training, and mentoring for staff; changing the curriculum and instructional program; increasing learning time during afternoons, weekends, and in the summer; providing more time for teachers to

collaborate, plan, and strategize; and giving school leaders more flexibility on budgeting, staffing, and the school calendar.

4. Close underperforming schools and enroll the students elsewhere. (His speech did not address what should be done with the school’s physical assets, though he did say that these schools were often crumbling.)

Charter schools have a role to play in USDE’s vision of school turnarounds

Converting schools to charter status is a big component of the Obama administration’s plan to improve poorly performing schools. As part of that plan, however, the administration is asking states, as well as leaders of the charter movement, to hold charter schools strictly accountable for results. Duncan has acknowledged the work of the California Charter Schools Association for adopting accountability measures for its members.

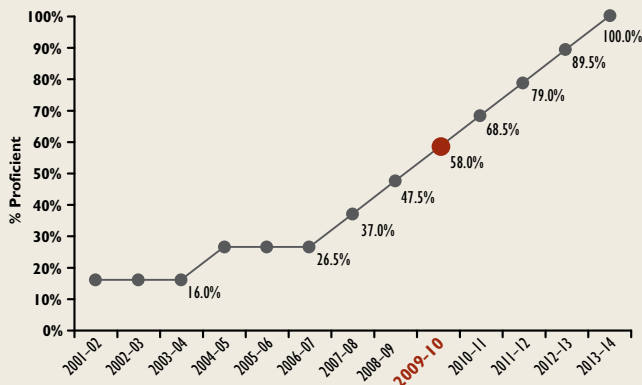
Although California has a relatively vigorous charter school segment, chartering has not been widely used to turn around struggling schools in this state. In only a handful of cases has a district converted a traditional school that has not made the desired improvement into a charter school.

California has implemented several intervention programs since 1999

During the past decade, California has tried several approaches to school and district intervention. Two initial attempts had very limited success, and a third has not been evaluated. The first was called the Immediate Intervention/Underperforming Schools Program (II/USP). It began in 1999 and allowed selected schools from the bottom half of the performance rankings to receive \$50,000 for an improvement plan and \$200 per pupil to implement the plan during the following two to three years. The other was called the High Priority Schools Grant Program (HPSGP). It began in 2001 and offered the bottom 10% of schools planning grants and \$400 per pupil to implement the plan and show that certain basic inputs of education (e.g., textbooks) were in place during the following three to five years. In 2006, California created the third program—the Quality Education Investment Act (QEIA). The 488 schools selected for QEIA receive \$500 to \$1,000 per pupil depending on the grade levels served, but they must also meet benchmarks for performance and a variety of resource measures.

In addition to California's programs described above, the state has also implemented the federal Program Improvement (PI) program for schools that receive Title I assistance and repeatedly fail to make "adequate yearly progress" (AYP). Under the program, consequences become more severe with each year that a school does not make AYP. They begin with actions such as notifying parents of the school's status, allowing students to transfer to a school not in PI, and providing tutoring and teacher professional development. By Year 4, the district and school must develop a plan to restructure the school that will be implemented in Year 5. A school can move out of PI only by making AYP in two consecutive years. Facing annually escalating performance targets (see the figure below for an example), schools that enter PI tend to stay in it.

California's annual measurable objectives for elementary school mathematics under NCLB



This chart shows the percentage of elementary students expected to score proficient or advanced each year on the California Standards Test in math. The objectives for English language arts follow a similar trajectory. Middle and high schools have similar requirements.

Districts and some county offices of education are also subject to PI. As is true for schools, these local education agencies face more severe sanctions each year they do not make adequate yearly progress. During the first year of Program Improvement, local education agencies (LEAs) are expected to revise their existing plan for Title I dollars and get support from a county office of education or some other external entity. If an LEA fails to make adequate yearly progress again, it must implement its revised Title I plan, with technical assistance from the California Department of Education (CDE). Another year of not making adequate progress will send an LEA into the "corrective action" phase. (At the time this report was written, 95 LEAs were in corrective action.) The State Board of Education then imposes sanctions, which can include replacing staff, restructuring, or abolishing the district.

However, the most severe sanctions, such as district abolition, have not been implemented. In many cases, LEAs in corrective action have been assigned District Assistance Intervention Teams (DAITs) to provide technical assistance and support. These teams of county office of education or other education professionals work with the district to examine current practices, evaluate the effectiveness of those practices, conduct needs assessments, and take actions to address those needs. Although many in the state's education policymaking community prefer using DAITs rather than the more severe sanctions, there is fairly wide agreement that the program is not funded well enough—and some say it is not aggressive enough—to truly reform these struggling LEAs.

California's intervention programs have had limited success

With hundreds of schools throughout this vast and diverse state making insufficient progress on state and federal accountability measures during the past several years, coupled with a state Department of Education that is modestly funded, California's intervention efforts have largely depended upon local personnel. Although the interventions have taken a variety of forms, in most cases they would probably not meet Mass Insight's definition of a vigorous effort.

During the past decade, California has created and then abandoned two intervention programs that evaluators said had little impact on student achievement. (See the box to the left.) In 2006, as part of a settlement of a lawsuit over state education funding, California began a voluntary intervention program with a somewhat different approach. For seven years, QEIA will direct \$2.7 billion toward selected schools in the bottom 20% of performance rankings. Participating schools receive more funding for this program than the previous two programs offered, but schools face specific requirements regarding teacher qualifications, student/teacher ratios, and other factors.

Concurrent with these state programs, California has complied with federal rules by implementing Program Improvement (PI) for schools that receive Title I assistance and repeatedly fail to make "adequate yearly progress" (AYP). In 2008–09, 23% of all California schools were in Program Improvement, and more than two-thirds of those were facing corrective action (Year 3) or restructuring (years 4–5).

Districts and some county offices of education are also subject to PI. As the 2009–10 school year starts, about 130 LEAs will be joining the 245 already in Program Improvement. The new total represents more than a third of the LEAs in the state. As is true for schools, LEAs face stiffer sanctions each year they continue failing to make adequate yearly progress. However, the state has never imposed its most severe sanctions, such as abolishing a district.

California policy is somewhat aligned with Race to the Top criteria for school turnarounds

When evaluating applications for Race to the Top grants, USDE will look for a policy environment that allows for state involvement in chronically underperforming schools and LEAs and that fosters the creation of charter schools. In addition, the department wants to see state plans that include aggressive interventions at the lowest-performing schools. California could make a case that its reform conditions are aligned with USDE's preferences, but the state would likely have to work hard to convince federal officials that its reform plans will include vigorous interventions.

The Race to the Top application asks states whether they have authority to intervene directly in struggling schools and districts. Because the II/USP and HPSGP interventions have ended (see the box on page 16), the state is not poised to get directly

involved in low-performing schools. But it has clearly demonstrated an inclination to at least allow for state intervention. In addition, the state currently has a process for getting directly involved in districts.

Federal officials are also looking for state policies that are favorable to charter schools in that they do not inhibit the growth of the charter sector, provide charters with equitable operations funding, and help them access facilities. California would seem to meet these reform conditions. The number of charters issued is substantially below the state's annually escalating cap—and policymakers may remove the cap altogether in the special legislative session. The charter funding system generally reflects the average amount of revenues that noncharters receive (perhaps with disparities in some categorical program funding). In addition, California has multiple ways that charters can access facilities and facility funds.

But where the state may have trouble is in convincing the federal government that it is serious about taking aggressive actions to turn around struggling schools. Although California has in the recent past established policies that allow state officials to take a heavy-handed approach, it has generally also created policy options that avoid strong state involvement. One could argue that it is not appropriate for a large, diverse state with a relatively small Department of Education to try to direct turnarounds from the Capitol, but it is not clear whether that line of argument would score points in the competition for a Race to the Top grant. Legislation being discussed in California's special session that would facilitate transfers out of low-performing schools and create greater accountability for the bottom 5% of schools may, however, signal the type of change that USDE is looking for.

Much-needed federal funding has short- and long-term implications for California public education



Coming as it did on the heels of the state's unprecedented budget crisis, the federal stimulus first received attention in California as a source of extra, much-needed funding for schools. In the months since, it has become increasingly clear that the reforms it embodies could have a bigger and more lasting impact than the nearly \$8 billion it is providing to public K–12 education.

Yet, right now, no one can say with certainty how this will affect the public education system in our state. The Obama administration's reform agenda is still evolving. For example, the U.S. Department of Education (USDE) will likely revise its guidelines for the federal Race to the Top (RTTT) competitive funds and is still working on preliminary guidance for some programs. As this report went to press, California's legislators—as part of the task of developing the state's application for RTTT funds—were debating an initial response in a special session called by the governor.

This is perhaps an opportune moment to step back and consider this federal direction

and its potential impacts. What have been its immediate effects? How well does it align with California's ongoing reform efforts? To what extent do the items in the federal stimulus package foreshadow the administration's approach to reauthorizing the Elementary and Secondary Education Act (ESEA), currently known as No Child Left Behind (NCLB)? What might be the benefits and the costs—or unintended consequences—of these new federal programs?

The stimulus has saved jobs and energized discussions on reform

In the short term, the stimulus funding has provided states with much-needed fiscal relief. Stabilization funding and the

augmentations to Title I (for disadvantaged students) and IDEA (for Special Education) have represented billions of dollars that have cushioned—but not eliminated—the impact of state funding cuts on California's schools. “There are teachers teaching today who wouldn't be without this effort,” says Rick Miller, deputy superintendent of policy development and external affairs for the California Department of Education (CDE).

In addition to providing financial assistance, the stimulus has helped create a sense of urgency in California around education reform. Media attention and impending application deadlines have prompted lively discussions in Sacramento about the stimulus, particularly the Race to the Top grants.

The federal reforms align with some, but not all, of California's ongoing efforts

The buzz around the stimulus might not exist if stakeholder groups did not agree that its major goals are sensible and appropriate. While under the constraints of difficult budgets, California policymakers and educators have made strides since the 1990s in the same reform areas that the stimulus focuses on—effective teachers and principals, data systems, standards, and turning around struggling schools. But some of the details of the state's approach have differed from the new federal strategies, and these differences are causing some concerns.

Some state policymakers, such as EdVoice President and State Board of Education Member Rae Belisle, want to make sure that California not only makes changes on paper, but also responds to the federal initiatives

The stimulus has helped create a sense of urgency in California around education reforms.

with thoughtful and vigorous policies. Belisle worries that “we’re going to move quickly and take the easiest way rather than the best way.”

In addition, some groups, such as the California Teachers Association (CTA) and California Federation of Teachers, have cautioned policymakers against rushing to align state policies with the new federal direction, describing some of its strategies as untested, unproven, or disruptive of long-standing California investments and efforts. Although other observers view the federal initiatives more positively, clearly the details of the federal approach only partly align with California's ongoing efforts.

The federal emphasis on using student performance data in teacher and principal evaluations will push California

For example, under the “effective teachers and principals” reform area, some of the policies federal officials are calling for have been in place for years in California. Others, however, are generating politically difficult

conversations and would require challenging legal and technical solutions. Examples of points of alignment include California's work on creating alternative pathways to teacher and administrator positions and efforts to equalize the distribution of “highly qualified” teachers.

But some observers, such as Patricia Rucker, CTA legislative advocate, see the federal reforms as lacking important elements. She says California has created nuanced policies regarding teacher professional development, policies on credentialing, subject-matter training, and delivery of instruction that she does not see in the current federal package.

Rucker and other union officials have serious concerns about Washington's emphasis on using student test scores to inform teacher and principal evaluation, promotion, and retention. Language in the RTTT draft

guidance calling for student growth on state assessments to be used as “a significant factor” has some concerned that such data will become *the* significant factor. They do not want to see educators judged by “a single number,” arguing that research shows that student achievement is influenced by several factors that cannot be reflected in the results of a student's performance on a single test.

During an August 2009 legislative hearing in Sacramento, both Ted Mitchell, president of the State Board of Education, and Michael Hanson, superintendent of Fresno Unified School District, tried to assuage such concerns. Mitchell said that a single measure should not be used as the basis for performance evaluations. Hanson agreed. Student assessment measures, he said, need to continue to “fuel necessary growth and development” for students. But, he emphasized, student data “is not, and should not, be viewed as a weapon.”

“I think that's what you hear from teachers and other folks frequently,” he added.

“They're fearful that a number or a test score will be weaponized.”

Of course, general principles expressed in Sacramento do not always translate into local policy implementation, and the federal emphasis may prompt many California districts to have challenging conversations regarding the role of student assessment in educators' performance evaluations.

And both labor and management seem to agree that those issues should largely be worked out at the local school district level. During the August hearing, union representatives, district officials, and state policymakers, such as Mitchell and Senator Joe Simitian, supported that concept. As Long Beach Superintendent Christopher Steinhauer put it, evaluating teachers is “my responsibility, working with my local union.”

State and federal visions regarding longitudinal data systems generally align, but cost is an issue

California's education leaders for many years have wanted to create a longitudinal data system similar to the one envisioned in Race to the Top. In the late 1990s, state policymakers authorized the creation of California School Information Services (CSIS) to facilitate student-level data reporting by local education agencies to CDE, other local agencies, postsecondary institutions, and some other state agencies. Later, California began development of longitudinal data systems focusing on student achievement and teacher characteristics. And very recently, Gov. Schwarzenegger has sponsored special session legislation aimed at, among other things, fostering the type of interagency data-sharing that the new federal programs call for and allowing student achievement data to be used in the evaluation of certificated employees.

But for the past decade, California has lacked the funding necessary to pay for developing these systems, especially the cost of building local capacity to provide timely, accurate data. Federal funding has helped, and additional federal monies secured through RTTT grants would support the state's efforts even more. However, the

ongoing state budget mismatch between revenues and expenses constrains investment in developing robust data systems—despite widespread agreement on their importance as a tool to help strengthen the state’s education system.

California’s education leaders are concerned about the effect of the federal initiatives on state standards

California has shown a commitment to rigorous academic content standards for a number of years. This state has had standards in English language arts, math, history-social science, and science for more than a decade, and those standards are widely recognized for being clear, specific, and demanding. When NCLB required states to define “proficient” for setting student achievement objectives, California maintained the high bar it had established prior to that law’s enactment. Thus, many inside and outside the state see California as ahead of the other states in this area. They view California’s standards as a foundation on which to anchor reforms—not as an area in need of reform. USDE’s call for states to work together to develop a common core of internationally benchmarked standards can be seen as potentially re-opening discussions of California’s standards, which is causing concern here. CDE’s Miller, though seeing merit in common standards, says the movement could create pressure to “lessen the rigor of our expectations in California, which is something we could not accept.”

The federal approach to turning around schools asks the state to target schools more narrowly and play a more active role

In its attempts to turn around struggling schools, California has taken several approaches, which have differed in their level of flexibility, district involvement, funding, and the range of schools targeted. For example, the state allows struggling schools to be converted to charter schools, though districts have rarely exercised this option. The more common approach has been to leave the governance structure and staff in place and provide extra human and financial help to diagnose and address schools’ root

problems. Much of the work has been handled locally, with the state monitoring schools’ annual test scores. Formal evaluations of two California intervention programs showed that they had limited success.

Some California stakeholders are concerned that national policies could bring a one-size-fits-all or overly prescriptive approach to solving problems and that the federal turnaround strategy is not sufficiently flexible. Miller believes that the Obama administration may be overcompensating for the vagueness of NCLB’s “other restructuring” option that districts with schools in Year 5 of Program Improvement could take.

Superintendent Steinhauser agreed. During the August legislative hearing, he said that when it came to turning around low-performing schools, “there is no magic formula; they’re all different.”

Through the RTTT program, the federal government is calling on states to take an aggressive approach to turning around schools that are at the bottom 5% in performance rankings. However, California intervention programs have served schools in the bottom 10%–50% of the rankings. Federal officials will have to reconcile this narrowing of focus with current regulations regarding Program Improvement.

The stimulus package’s education components provide a preview of the ESEA reauthorization discussion

The federal Stabilization funding and the augmentations to Title I and IDEA held the promise of substantial funding for California’s schools. Thus, the state’s leaders quickly committed to the four assurances required to secure that funding, particularly because those assurances mostly reinforced existing federal programs and required the reporting of data, as opposed to substantial programmatic changes.

However, the Race to the Top program offers much less funding and would be a small percentage of the state’s annual education budget. Some experts, such as Belisle, assume that California would receive at most \$500 million over two years. Yet, at the same time, RTTT calls for significant policy

To Learn More

The federal programs described here, and California’s response, are evolving.

For updates, see:

www.edsource.org/iss_fedlaws.html

For more information, also see:

- The California Department of Education: www.cde.ca.gov/ar/
- The U.S. Department of Education: www.ed.gov/policy/gen/leg/recovery/index.html
- EducationCounsel: www.educationcounsel.com
- Common Core Standards: www.corestandards.org

To see the bills referenced in this report, go to: www.leginfo.ca.gov/bilinfo.html

changes and investments in return for that funding.

That said, many state officials predict that the stimulus package’s four reform areas will be major themes in the overdue reauthorization of ESEA, which drives states’ education policies in several areas and governs the distribution of substantial funding. Reg Leichty of EducationCounsel, a Washington, D.C., firm providing legal and policy advice on education issues, agrees. He says that USDE “already has team members assigned to translating its ARRA [American Recovery and Reinvestment Act] policies into a coherent ESEA strategy.” Leichty also expects the congressional education authorizing committees to draw on ARRA in shaping the reauthorization bill.

“For example, both the department and key legislative staff will look to Race to the Top and Invest in Innovation applications for insights about the types of innovation the new law should promote or allow,” Leichty says.

Thus, the importance of Race to the Top may come less from the amount of money that California could win and more from the policy signals that USDE is sending with the program. These future implications of the RTTT program are important to keep in

mind because California might not get a grant. One of the factors that USDE will use to assess grant applications is whether a state can sustain reforms after the program funding runs out. Thus, one of the factors propelling California to apply for a grant—its severe revenue decline—could also be a reason for not winning one.

Views differ on the long-term effects of the federal reform effort

Whether California wins a RTTT grant or not, the full effects of federal policy will likely not be felt for some time. “We are not really going to see the impacts of these reforms in the short term; it’s going to take a longer arc of time,” says Rucker of CTA. Some observers offer guarded predictions of what those long-term effects might be.

Leichty notes that so far the federal programs have mostly been used to backfill states’ funding cuts, but the Obama administration’s rhetoric has focused on promoting reform. Leichty is concerned that this approach could raise public expectations that may not be met quickly, which could dampen Congress’s appetite for more education investments going forward.

EdVoice’s Belisle is taking a wait-and-see approach. She says that if the federal initiatives “go long enough and you can make a couple of big changes, then it could be a really good thing in the long run; but at this point, it’s hard to tell whether it will.”


Miller of CDE is more optimistic, saying the stimulus is “really looking at the whole system, so I think it could have incredible meaning for long-term change.”

How this federal reform effort will be viewed in the future will depend greatly on the details of its implementation. One unresolved question is whether the final version of the new initiatives will redefine the role of the federal government in education policy-making. Secretary Duncan has said that NCLB “got backwards the idea of what needs to be tight in this country and what needs to be loose.” He says NCLB is not specific enough about its goals because it lets states create their own standards and bars for

proficiency on those standards. Yet, he says, NCLB is overly prescriptive in telling states how to reach the goal of having all students achieve proficiency. Duncan says he wants to “flip” that approach. He wants the federal government’s “limited” role to be specific about the college-ready, career-ready, internationally benchmarked standards that students must reach, but give states flexibility in how they help students do that. When the details of ARRA’s education programs are finalized, observers can decide whether the policies match the rhetoric.

The reform areas included in the stimulus package also bring up questions about the amount of authority states should have with respect to local districts. For example, the Stabilization and RTTT programs currently encourage a more forceful role for the state in turning around persistently struggling schools. Some will undoubtedly regard this as an intrusion on “local control,” while others will welcome it as necessary external support for schools that have not succeeded under local leadership.

Whether or not the array of new federal programs “get it right,” they are certainly getting California’s stakeholders talking. Although the funding opportunities are important, many argue that it is just as crucial that California take the lead in this effort. As Duncan put it to state leaders: “[I]s California going to lead the race to the top or are you going to lead the retreat?”

From these renewed dialogues may come agreement on the best way to move forward toward the shared goal of improved student achievement. As Superintendent of Public Instruction Jack O’Connell has said: “We must be bold and force conversations that make us all uncomfortable. But we must do so in a fashion that puts the needs of our students first.” 

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