

A monthly update from ICW on the education programs and initiatives funded under the American Recovery and Reinvestment Act (ARRA)

# The Education Stimulus Report

July 2010

## State Chamber Educates on Standards & Reform



“In the year 2010, Georgia’s education leaders face a unique challenge and opportunity of continuing the policy work that has been done recently to improve our academic standards and assessments while seeking new, bold strategies that will further enhance the teaching and learning in our public schools.” That’s how the Georgia Partnership for Excellence in Education (GPEE) describes the push for the Common Core standards, just one of the many initiatives that it has had a hand in promoting.

With Georgia’s Governor, Sonny Perdue, serving as the co-chair of the Common Core effort (together with Delaware’s Governor, Jack Markell) and a long-standing relationship with then-Superintendent of Schools

Kathy Cox, getting involved was easy for GPEE.

“From both the business perspective and military families, this is the right thing to do. Families who move across the country deserve some satisfaction that the curriculum will be similar state to state,” said Dr. Steve Dolinger, GPEE president. “With our mobile population, particularly some military families and business families that move to Georgia, we felt there should be some assurance that there would be similar curriculum as people move about. There was a lot of frustration with the fact that in moving from one state to another,

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## Congress Debates Education Funding

For those interested in what Congress is up to with respect to funding education—there are two major legislative actions worth noting this month.

The first is a major debate in Washington over whether the Federal government should provide additional relief to schools faced with teacher layoffs. Proponents, most notably David Obey (D-WI)—the retiring Chairman of the House Appropriations Committee—argue that without more funds, many of the educators whose jobs were saved by the American

Recovery and Reinvestment Act (ARRA), will be laid off this coming school year.

In response, the House added \$10 billion of education funding to the war supplemental (seen as a must-pass bill to fund the wars in Iraq and Afghanistan) just before Congress took off for the 4th of July recess.

Under the House initiative, the funds would flow through the State Fiscal Stabilization Fund (SFSF) which was originally created under ARRA. However, unlike the prior version, states would not

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*“Georgia” from page 1)*

curriculum would be more or less challenging for the children.”

One of the concerns that emerged during work on the standards was that the state already had strong standards – so why change? But the Common Core actually builds on the new Georgia performance standards, which were used as part of the model for the Common Core. In order to communicate this point, “We’re now talking about infusing the common core” into Georgia’s ongoing work, Dolinger said. That’s helping to alleviate some of the concern.

*“With our mobile population, particularly some military families and business families that move to Georgia, we felt there should be some assurance that there would be similar standards as people move from state to state.*

Dr. Steve Dolinger, GPEE president

Now that Georgia has adopted the Common Core Standards, GPEE continues to see communication as key. Among the most important ideas to communicate, according to Dolinger, is that the standards, while specifying what should be taught, do not specify how it should be taught: “Our teachers can still be as creative as they want to be” – a point that, as a former superintendent, Dolinger understands is key to accepting this educational change.

“We’ve cautioned Georgia that communication of what the standards are and are not has a price tag – we need to have funding for that as well as staff

development for teachers.”

Georgia will see the first effects of the Common Core as it redesigns its secondary assessments, moving from grade-level to end-of-course tests, which will be keyed to the new standards.

The Georgia Partnership

GPEE was created in 1992 by the Georgia Chamber of Commerce and, although a separate organization, functions as its education arm. The GPEE Board deliberately includes a blend of business, education and legislative leaders – from the State School Superintendent to the Georgia Teacher of the Year, allowing it to “have high-level, strategic conversations” about important issues like teacher quality and education funding. But one of the important contributions GPEE has made to the process – and continues to make – is in educating policy makers, journalists, and the community at large about important education issues.

Its publications have been used as models across the country, but GPEE goes beyond just publishing useful reports. Every January, it puts out the Top 10 Issues to Watch, a publication that is popular with legislators. Following a recommendation by Turner Broadcasting, GPEE also hosts an annual forum for journalists to discuss the Top 10. The forum, held every January just before the legislative session, draws print, radio and TV reporters for half a day to learn about the issues – having surveyed the reporters to see what issues they’d like to discuss – and results in ongoing relationships between GPEE and reporters, who come to GPEE for support.

Another report, the Economics of Education, resulted from the Georgia Chamber’s request to help with messaging across the state: specifically, that education builds the workforce and economic development. Now in its third edition, GPEE not only presents the report’s data

across the state (and the country) – it uses the report as a way to prompt local conversations. In communities that respond to the data with a real desire to improve education, GPEE supports those efforts by helping with strategic planning. The community brings together the stakeholders, and GPEE helps establish metrics. Dolinger says “We’ve had some pretty good successes, working in a number of counties that want to get serious.”

Yet a third report, the Education Policy Primer, is produced for Georgians running for office at any level, to help candidates get their education platform together. Having just concluded seven sessions across the state, GPEE will now wait for the primaries to finish and then conduct two more sessions for the non-partisan candidates who will run in the general election.

By befriending these communities – journalists, local communities, and office-seekers, GPEE gets invited to do presentations when it matters, whether getting invited to come to the legislature before session or when lawmakers are wrestling with an issue.

Georgia’s Race to the Top

GPEE hopes that its communication efforts and its work on the Common Core will help Georgia secure funding in the second round of Race to the Top. Having finished in third place during the first round (when only the first two applications were funded), the state is very hopeful about this round.

That funding “will help us continue the work on standards and assessments,” Dolinger said, but the state also has a number of other objectives. “Our data system has been an Achilles heel for Georgia and we don’t have cohort analysis in place yet.”

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be required to sign off on the education reform assurances, nor would funds be directed to higher education—instead, 100% of funds would be used by states to off-set cuts in elementary and secondary education.

The \$10 billion is less than half of the \$23 billion originally sought by Obey and others. However, they lacked the votes for additional funding due to stiff opposition from Republicans as well as moderate Democrats concerned with the additional spending.

In addition to a smaller pot of funding, Obey also had to find other programs to cut in order to pay for the jobs stimulus. While a vast majority of the funding cuts didn't receive much attention, an \$800 million reduction in several of President Obama's key education reform initiatives resulted in a significant pushback. Specifically, the cuts included \$500 million from the current state competition for Race to the Top; \$200 million from the Teacher Incentive Fund; and \$100 million from the Charter Schools program.

Opposition came from all sides including Republicans such as Rep. Kline (R-MN), the Ranking Member of the House Education and Labor Committee. Kline criticized the move in a press release stating, *“Democrats have shown their true priorities, jumping at the chance to discard education reform to salvage an unpopular bailout for the education establishment.”*

Democrats who otherwise support the additional funds were equally

concerned with the proposed cuts, leading 12 Senators to join in a letter opposing any similar efforts in the Senate.

The proposed cuts also faced criticism from the broader education reform community and business groups including the U.S. Chamber of Commerce. Perhaps most notably, the plan led the White House to threaten a veto of the entire supplemental if these cuts were included.

While the outcry provided a strong voice in support of continued reform, the debate may be moot. As of this writing, the House appears poised to accept the Senate's stripped down version of the supplemental given the lack of votes—although other legislative vehicles for the additional spending are still being discussed. With the upcoming election looming and Members headed back home for a long August recess, it remains to be seen if the threat of “mass” teacher

layoffs will trump the growing fear of “runaway” federal spending.

#### FY2011 Appropriations

For most observers, Chairman Obey's cuts in the President's education proposals were seen as a shot across the bow for the President's education reform efforts. However, in what was viewed by many as a surprise move, the Chairman included funding for several of the President's key initiatives as part of the FY2011 Labor, Health, and Education Appropriations proposal which passed out of subcommittee in mid-July (see chart below). Particularly surprising was the inclusion of \$800 million for the Race to the Top initiative.

The Senate will begin marking up their version of the education appropriations bill in mid-July. Neither Chamber is expected to vote on the spending bill prior to the August recess, or for that matter, prior to the elections.

Program	FY2010 Final	FY2011 President's Request	FY 2011 House Subcommittee
Title I	\$14.4 billion	\$14.4 billion	\$14.8 billion
Race to the Top	\$4billion (ARRA)	\$1.35 billion	\$800 million
Investing in Innovation (I3)	\$650 million (ARRA)	\$500 million	\$400 million
Promise Neighborhoods	\$10 million (planning grants)	\$210 million (implementation grants)	\$60 million
Special Education	\$12.5 billion	\$12.8 billion	\$12.9 billion

## Measuring ARRA: Asking the Right Questions

Once American Recovery and Reinvestment Act (ARRA) funds are distributed to states and other grantees, they become very difficult to track. Mandatory quarterly reporting is limited to dollars spent and jobs saved or created, leaving out many of the details observers would like to know.

But according to a new ED report, there soon should be a variety of information on how these programs are operating and what is being accomplished using ARRA dollars. Even more important, this summer presents an opportunity to weigh in on how the success of ARRA programs will be measured. (The full report is available at <http://www2.ed.gov/policy/gen/leg/recovery/recovery-plans-2010.pdf>).

ARRA supports 21 programs within ED, some new and some expanded with ARRA funds. Although the new programs (State Fiscal Stabilization Fund, Race to the Top, and Investing in Innovation) have understandably

attracted most of the attention, ARRA has prompted the Department to expand its monitoring of the programs that have received additional funding, providing observers with a rare opportunity to shape how these programs are judged.

### ARRA Monitoring and Oversight

The Department of Education has established agency-wide teams to oversee implementation and reporting. These teams are now establishing monitoring plans and metrics. For example, the Department is developing performance measures for the \$4 billion Race to the Top and the \$3.545 billion Title I School Improvement Grants. Both of these large programs are intended to dramatically alter education, and deserve well-thought-out agency and external oversight.

The Department also is currently developing the form for the report that states will be required to submit for the State Fiscal Stabilization Fund.

Presumably to lessen the chances of fraud and waste, the Department has adopted a risk-management monitoring strategy, where ARRA programs are examined “to identify concentrations of risk that will inform the targeting of ED’s technical assistance and oversight.” Risk factors include program size, program complexity, and prior audit findings.

However, these are compliance-based factors, not likely to push forward achievement or innovation. In keeping with this compliance focus, program-specific metrics tend toward reporting participation data. It may be up to the community to demand strong performance data.

For example, consider the State Longitudinal Data Systems funding. First, the Department is proposing to look at the number of states with a data system that includes all elements of the America COMPETES Act. However, it could look at how those data systems are being used, for example, to provide achievement information to classroom teachers. This summer presents two opportunities: to press the Department to expand its expectations from compliance to performance; and to provide input on the actual metric – *how many* states should have a qualifying system to count as a success.

The chart on the next page summarizes the Department’s proposed monitoring and evaluation efforts. Note that while some programs have established reporting web sites for the public, others have not.

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### Additional Federal Oversight

The General Accountability Office (GAO) and the Department of Education’s Office of Inspector General (IG) have also been involved in monitoring ARRA funds.

ARRA mandates the GAO review state and local stimulus funding received from across all federal agencies. This has included a focus on Department of Education programs and resulted in several reports, most recently a review of two districts in North Carolina. Earlier this year they provided Congress with recommendations on oversight of ARRA funds including ways in which the Department of Education should step up its reporting requirements. These and other reports on ARRA can be found on the GAO’s website at [www.gao.gov](http://www.gao.gov).

ED’s Inspector General also has oversight of ARRA funds and was provided \$14 million to specifically carry out this function. Their efforts so far have resulted in over a dozen separate reports focused on concerns ranging from proper state procedures for monitoring schools to more general reports on issues related to state education spending. These reports can be found on the IG’s website at: [www2.ed.gov/about/offices/list/oig/recoveryact.html](http://www2.ed.gov/about/offices/list/oig/recoveryact.html)

## Monitoring and Evaluation Plans of Selected ARRA Programs

PROGRAM	MONITORING FOR...	OUTCOME MEASURE
State longitudinal data systems	Adherence to timeline, procedures. Allowable use of funds.	Number of states with a data system including all elements of the America COMPETES Act.  <a href="http://nces.ed.gov/programs/slds">http://nces.ed.gov/programs/slds</a>
Teacher Incentive Fund	Progress meeting goals/objective of applications, fund carryover	Changes over time in the percent of teachers and principals in high-need schools with a record of effectiveness.  Changes in teacher and principal compensation systems measured by the percent of a district's personnel budget used for performance-related payments.  <a href="http://www.ed.gov/programs/teacherincentive/index.html">www.ed.gov/programs/teacherincentive/index.html</a>
Educational Technology State Grants	Compliance with legislative requirements	Percentage difference in Internet access between classrooms in high- and low-poverty schools  Percentage of districts that have fully and effectively integrated technology  Percentage of teachers who meet state technology standards  Percentage of students who meet state technology standards by the end of 8 <sup>th</sup> grade
School Improvement Grants	Monitoring and evaluating systems in development	Monitoring and evaluating systems in development  <a href="http://www.ed.gov/programs/sif/performance.html">www.ed.gov/programs/sif/performance.html</a>
State Fiscal Stabilization Fund	Monitoring and evaluating systems in development	Number of jobs saved/created  Number of states that publicly report teacher ratings or levels for each district  Number of states that publicly report principal ratings for each district  Number of states that provide teachers with student growth data
Race to the Top	Monitoring and evaluating systems in development	Monitoring and evaluating systems in development

ED has already made good progress when it comes to transparency around the Investing In Innovation (I3) program—at least with respect to posting information on applications. [See "[Education Stimulus Report: Volume 1, Issue 6](#)"] However, once the winners are announced next month, the focus will shift to how these funds are being spent and what can be learned from the programs being funded. The chart below provides an overview of the outcomes that grantees will be required to track.

However, in and of themselves, the proposed measures seem unlikely to inspire innovation, or future funding. Lacking are some of the straightforward questions which really have the ability to demonstrate effectiveness and innovation, such as:

- How many programs improved student achievement by at least one grade level?
- How many programs increased the achievement of English-language learners and students with disabilities – and by how much?
- How many programs accelerated student learning so that students were on grade level?
- How many programs increased graduation rates?
- How many programs resulted in a lower dropout rate?
- How many programs resulted in sustainable use of data in classroom settings?
- How many programs appear replicable in other settings?
- How much time is sufficient to improve outcomes?

With an investment this large, the business community must insist on additional meaningful measures that will guide education in the future, well beyond this specific program.

Investing in Innovation	Development Grants (up to \$5M)	Validation Grants (up to \$30M)	Scale-Up Grants (up to \$50M)
<i>Short Term Measures</i>	Percentage of grantees whose projects are being implemented with fidelity  Percentage of programs with ongoing evaluations that provide evidence of promise for improving student outcomes  Cost per student served	Percentage of grantees that reach annual target number of students  Percentage of programs with evaluations that will provide evidence of student improvement  Percentage of programs with evaluations that provide high-quality implementation data  Cost per student served	Percentage of grantees that reach annual target number of students  Percentage of programs with evaluations that will provide evidence of student improvement  Percentage of programs with evaluations that provide high-quality implementation data  Cost per student served
<i>Long Term Measures</i>	Percentage of programs with a completed evaluation with evidence of promise for improving student outcomes  Percentage of programs with a completed evaluation with information to facilitate further development, replication, or testing in other settings  Cost per student for proven promising strategies	Percentage of grantees that reach target number of students  Percentage of programs that complete evaluation providing evidence of student improvement  Percentage of programs that complete evaluation that provides information for replication  Cost per student for proven effective strategies	Percentage of grantees that reach target number of students  Percentage of programs that complete evaluation providing evidence of student improvement  Percentage of programs that complete evaluation that provides information for replication  Cost per student for proven effective strategies

# At-a-Glance: American Recovery and Reinvestment Act of 2009

PROGRAM	FUNDING FOR	QUICK FACTS
Race to the Top (RTTT) \$4B	ED is using this high-profile grant competition as an incentive to get states to remove barriers to reform. Grantees will have to implement reforms in teacher quality, high academic standards, using data to drive reform, and turning around low-performing schools.	The Obama Administration has requested \$1.3 billion in their FY 2011 budget for additional Race to the Top awards. Round II applications were due June 1, and 36 states applied. Finalist will be announced by August and winners will be announced in September.
ARRA-Title I School Improvement Fund \$3.545B, including FY2009 allocation	Reforming the lowest-performing Title I schools and middle/high schools.	Districts that receive this funding will have to implement one of four dramatic reforms in the lowest-performing schools, and will have to report on the outcomes.  State applications were due in mid-February, and 42 grants have been awarded so far. District competitions have begun in some states. Targeted are the lowest-achieving schools, which must use one of four prescriptive models to raise student achievement.
Investing in Innovation (i3) \$650M	Scaling up successful education reform practices and programs.  This fund is intended to support innovations that have succeeded in improving school performance, ranging from small grants (up to \$5 million) for promising practices, to large grants (up to \$50 million) for programs with strong evidence of effectiveness.	Qualified applicants will be announced at the end of July. Those qualified applicants who are able to secure the required match, or who are granted a waiver from this requirement, will receive awards in September.
Race to the Top - Assessment \$350M	Assessments aligned with new national academic standards.	The Department received 4 applications (3 of which are eligible). Peer reviewers are evaluating applications and winners will be announced in the fall.
ARRA- Teacher Incentive Fund \$300M, including FY2009 allocation	Incentive pay for high-performing teachers and principals in high-need schools.	Applications were due June 28. The Department expects to make awards in September.

The U.S. Chamber of Commerce, the world's largest business federation, is working to drive public policies that increase opportunity and prosperity through advocacy, intelligence, and our worldwide network. Through the Chamber's Institute for a Competitive Workforce (ICW), the Chamber promotes high educational standards and effective workforce training systems to attract, educate, and empower works for successful careers