



Straight A's

Public Education Policy And Progress



STATE OF AMERICAN BUSINESS: U.S. Chamber of Commerce Says U.S. Could Face a “Severe Worker Shortage” Unless It Produces Better-Educated Workers

While the U.S. economy is “strong and growing” and American companies and industries are profitable, capital is plentiful, and business investment is expanding, a new report from the U.S. Chamber of Commerce warns that inadequate education and training have tightened the supply of qualified workers and could jeopardize the country’s competitive edge in the global economy.

“The Chamber has traditionally stayed out of school reform at the state and local level—but with the continuing poor performance of many schools and the rise of global competitors with increasingly well educated workforces, we must get involved,” said **Thomas J. Donohue, president and CEO of the U.S. Chamber of Commerce**. “The bottom line is that this nation cannot rightfully expect to lead the 21st century’s information- and technology-driven global economy when we have upwards of 30 percent of our young people not even graduating from high school.”

In the report, *The State of American Business 2006*, the Chamber of Commerce cautions that the job market in the 21st century will require workers with more technical skills and a greater understanding of math and science—subjects in which American students “fail to show a suitable level of competence or even interest.” In fact, less than one third of American fourth and eighth graders are proficient in math. At the same time, China and India are graduating more than 8 times and 5 times as many engineers, respectively, as the United States. Without a larger pool of qualified workers, the United States is “staring in the face of a severe worker shortage as 77 million baby boomers retire in the next few years,” the report reads.

In an effort to successfully match companies with the geographic locations that can provide them with qualified workers, the Chamber of Commerce intends to rank students’ performance by state and county. In addition, it hopes this information can be used to drive investment and empowerment in poorly performing states and districts. Along with several other business organizations, the Chamber has also pledged to double the number of science, technology, engineering, and math graduates by 2015. Among its other education-related issues, the Chamber says it supports the No Child Left Behind’s goal of reducing the achievement gap.

Mr. Donohue’s speech and a copy of the full report are available at http://www.uschamber.com/press/speeches/2006/060104tjd_sabpress.htm.

Grant Competition to Reward School and Business Partnerships

The Council for Corporate & School Partnerships is now accepting applications for grants that reward school-business partnerships. Now in its third year, the National School and Business Partnerships Award supports and recognizes efforts between schools and businesses to improve the academic, social, or physical well-being of students. This year, six school-business partnerships will receive \$10,000 each and earn national recognition.

Each application is judged on how well the school-business partnership demonstrates success in four categories, including foundation (how the partnership was initially established); implementation (how the partners work together on an ongoing basis); sustainability (how the partners work to sustain the partnership over time); and, most importantly, evaluation (the impact the partnership has on the school and business communities). Applications that show measurable—and, ideally, quantifiable—results will be given the strongest consideration. Judges may also consider the uniqueness of the partnership and the value of third-party support of the partnership.

More information on how to apply is available at <http://www.corpschoolpartners.org>. Applications are due by January 30, 2006.



SEPARATE AND UNEQUAL: Report Finds Growing Segregation in American Schools

While the American school system is becoming increasingly multiracial, it is simultaneously becoming more separate and unequal, according to a new report from the Civil Rights Project at Harvard University. The report, *Racial Transformation and the Changing Nature of Segregation*, marks the project's fourth annual look at the status of Dr. Martin Luther King Jr.'s dream for equity and integration in American schools.

“What the country needs now,” said coauthor **Gary Orfield, a professor at the Harvard Graduate School of Education and director of the Civil Rights Project**, “is a new recognition that our success as a nation depends on equal opportunity for all students and for preparing all groups of Americans to live in an extremely multiracial society that will have no racial majority and is risking its future when it confines its growing populations to separate and unequal schools.”

In its examination of the changing patterns of segregation in the American school system over the past 4 decades, the report found that the most dramatic trends in resegregation have occurred in the South and the border states for black students and in the West for Latinos. The report found that from 1991 to 2003, the number of black students attending majority nonwhite schools rose sharply across all regions. Latinos, who constitute the largest minority, are increasingly segregated in regions where they are concentrated. Asians are the least segregated group of students and are most likely to attend multiracial schools. Research has shown that students who attend segregated schools are increasingly ill-prepared to succeed in school and beyond.

In addition to examining the causes and consequences of desegregation trends, the report offers policy recommendations for the No Child Left Behind Act of 2001, bilingual education, the training of teachers, high school dropout rates, the competitiveness of the American labor force, and other issues facing society today.

The complete report is available at http://www.civilrightsproject.harvard.edu/research/deseg/Racial_Transformation.pdf.



STATE OF THE STATE ADDRESSES: Now Enjoying Budget Surpluses, Governors Begin Giving Back to Education

In many of the states profiled below, large budget deficits in past years meant drastic cuts to social programs and education funding. Now, with many state economies rebounding, governors plan to repay the money that they borrowed from “rainy day” funds or education trust funds. In others, governors are using budget surpluses to replace money from education programs that were cut in lean years.

Alabama

In his state of the state address, on January 10, **Alabama Governor Bob Riley (R)** was quick to point out that he inherited a record \$675 million budget deficit when he took office in 2003. Today, however, the state’s finances have done a complete about-face. The record budget deficit is now a record surplus, and Alabama currently enjoys the lowest unemployment rate in its history. Hoping to continue this unparalleled growth, Riley called for continued investment in education, but also asked that some of the surplus be used to cut taxes.

In his speech, Riley called for a \$1 billion increase in education spending. In what he called the “largest investment ever made in our children’s future,” Riley said the increase, which would bring total education spending to \$5.7 billion, would “fully fund all the learning needs requested by our K through 12 system, our community colleges, and our 4-year institutions of higher learning.” Riley’s plan would fund a pay raise for Alabama teachers of up to 5 percent and would also invest in new textbooks, teacher training, and the Alabama Reading Initiative. It would also devote \$500 million to school construction and repairs.

Pointing to the \$570 million surplus in the Education Trust Fund, Riley also proposed a 5-year tax-cut plan that would cost the state \$233 million per year when fully implemented. In the Democratic response, **Alabama House Majority Leader Ken Guin** questioned the wisdom of a tax cut.

“Is there a surplus of education dollars when Georgia spends approximately \$30,000 more per average elementary classroom than Alabama?” he said. “Is there a surplus of education dollars when Alabama ranks 43rd in per-student spending of the 50 states? ... It would be irresponsible to spend all of the additional dollars above last year’s budget. First, much of these funds are one-time money ... Second, we know in Alabama that economies are up and down and the downs are felt most in education.”

In his address, Riley seemed to anticipate the criticism. “There are those who are eager to attack this plan,” he said. “They’ll say, ‘More money should be spent on education.’ You know what? We are spending more on education than ever before. One billion dollars more, with record amounts going into our classrooms.”

Alaska

On January 10, **Alaska Governor Frank Murkowski (R)** listed the state's 131,000 children in grades K–12 and 32,000 students at the University of Alaska alongside the state's oil reserves and numerous deposits of gold, silver, and copper as evidence of the “extraordinary wealth of our great land.” He noted that students currently in middle school will become the engineers, technicians, mechanics, and other skilled laborers who will fill the gas pipeline, railroad, and other resource jobs in the near future.

To help prepare these students for successful careers in Alaska, Murkowski announced a plan to expand eligibility for the Alaska Scholars program. Under the expansion, students who graduate in the top 15 percent of their class (as opposed to the top 10 percent, as under the current program) would receive free tuition to schools in the University of Alaska system.

“The program has had a real impact on the so-called ‘brain drain’ that we experience here, by making opportunities for the best and brightest to contribute to improving our state,” Murkowski said. “Over the last 5 years we’ve seen 98 percent of our scholars who graduated here stay here in Alaska.”

In his speech, Murkowski also hailed a reduced achievement gap between native and non-native students and praised a new mentoring program already underway for beginning teachers and principals to improve student achievement and reduce teacher turnover.

Colorado

Colorado Governor Bill Owens (R) used part of his state of the state address to draw attention to what he called the “Colorado Paradox,” a condition in which the state ranks second in the United States in college degrees per capita, but lags far behind in the percentage of high school students who pursue a college education. He also expressed frustration at the number of Colorado students who need to take remedial classes after they enroll in college, and highlighted several ways that Colorado was working to address these problems.

He spoke about the College in Colorado program, which provides scholarships to low-income students who “take responsibility for preparing for college while in high school.” Owens also acknowledged the efforts of the Colorado Education Alignment Council, which is scheduled to issue a report later this year on how the state can strengthen high school standards to ensure that every Colorado student graduates with a meaningful diploma. The council, which Owens created last fall, is composed of members of the general assembly and representatives from the business community and higher and K–12 education.

In an effort to better track student outcomes, Owens said he supported legislation that would continue to use the same unique identifier number that students used during their K–12 years as they enter college. He also called for legislation that would allow K–12 and higher education systems to share student data, and proposed that children whose parents are reassigned out of state in the middle of their schooling remained eligible for in-state tuition at Colorado colleges and universities.

Georgia

As part of his state of the state address, on January 11, **Georgia Governor Sonny Perdue (R)** announced a new initiative to combat Georgia's 40 percent dropout rate, which he called an "unacceptable waste of talent."

"In the competitive global economy, dropouts will pay a steep price for their incomplete education," Perdue said. "The jobs with a future are knowledge jobs. And you've got to have the knowledge before you get the job. Our employers also pay the price of high dropout rates when they can't find enough skilled workers," he said. "That is why my budget targets \$23.3 million to raise Georgia's graduation rates. This will put a completion counselor in every single high school in Georgia, with the sole purpose of working individually with students to encourage them to complete their education."

Perdue's budget also included several initiatives targeted at teachers and principals. For example, he announced that every teacher would receive a 4 to 7 percent raise and a "classroom gift card" worth \$100 that teachers can use to purchase school supplies. Perdue also proposed a \$3 million program to recruit and train "high-performance principals" to lead middle schools and high schools within the state that were in need of improvement.

"Overall, my budget devotes over 72 percent of our new revenues to education," Perdue said. "They say the best time to plant an oak tree is 100 years ago. But the second best time to plant an oak tree is today. My friends, with this budget we are planting a forest of oaks for Georgia's children and their future."

Idaho

In his state of the state address, on January 9, **Idaho Governor Dirk Kempthorne (R)** called for better alignment between minimum high school standards and the skills and requirements that students need to be successful in college or the workforce. He pointed to findings from the Idaho State Board of Education that recommended requiring 4 years of math and 3 years of science before students could receive their high school diplomas.

"High school curriculum must reflect what business is demanding: even more math and science," he said. "Two years of instruction in these core areas is not enough to prepare our young people for the workforce ... My budget includes the funds requested to implement high school reform. We live in a 21st-century economy. We need a 21st-century education."

Kempthorne also proposed \$27 million for higher teacher salaries, including raises for beginning teachers from \$27,500 to \$30,000. He also proposed \$5 million to create a statewide community college network that would use technology to allow students to attend classes from remote locations via the Internet.

Kentucky

Noting that Kentucky is “consistently in the bottom 10 states” in students who receive high school diplomas, college graduates, and per capita income, **Governor Ernie Fletcher (R)** used part of his state of the state address to promote “Get Competitive Kentucky,” a new initiative around improving high schools and attracting quality teachers.

Under this initiative, teachers would receive a raise that would bring their salaries in line with the average of the states that surround Kentucky. The governor also called for a new compensation plan that pays teachers more when they teach in high-need subjects or teach at a low-performing school.

For high schools, Fletcher called for increased rigor in the high school curriculum and tougher graduation requirements that would ensure that high school graduates are ready for college and work. He also called for a new technology that can track student performance in real time to help teachers and administrators identify students who are struggling and get them the help they need before it’s too late.

Mississippi

While **Governor Haley Barbour (R)** acknowledged the powerful effects that Hurricane Katrina had on Mississippi in his January 9 state of the state address, he said that education, “even in the wake of Katrina,” is the biggest priority for the state. He called on the legislature to reconsider and pass his UpGrade Education reform proposal, which includes several initiatives to improve high schools. The proposal was passed in the state senate and house last year, but died in conference.

“Education is the number one economic development issue and the number one quality of life issue in our state,” Barbour said. “It is rightly our top priority ... State spending on K–12 education is 7.2 percent, or \$143 million, higher than last year. Per student spending in our public schools is more than \$7,000 this year, a record amount.”

Noting that 40 percent of Mississippi students drop out of school, Barbour said his UpGrade Education proposal would focus on dropout prevention and redesigning high schools to make it possible for every student to get at least a semester of college credit during his or her senior year of high school. The proposal would also “prioritize” teacher recruitment and retention and institute a pay for performance program that would reward teachers for increases in student achievement.



HOUSTON SCHOOL BOARD APPROVES PAY FOR PERFORMANCE FOR DISTRICT TEACHERS

Earlier this month, the city of Houston, Texas, became the largest city to enact merit pay for its teachers when the school board approved a \$14.5 million plan that will pay teachers a bonus of up to \$3,000 for raising student achievement levels.

“It’s a real departure from business as usual, in that it takes [bonuses] to the individual teacher and classroom, and it’s also based on a ‘value added’ model that looks at how effective a teacher is in moving the [achievement] needle by the end of the year,” **Dianne Johnson, the president of the Houston school board**, told *Education Week*.

The new plan is expected to pay out more in bonuses than the previous reward system, which paid teachers higher salaries if they worked at a school that placed high in Texas’s school accountability ranking system. The new plan will continue to reward teachers based on school ranking, but it will also offer bonuses to teachers when their individual students show improvement on standardized tests. Under the old plan, about 2,100 of the district’s 13,000 teachers received \$1,000 each last year, for a total of over \$2 million. According to district estimates, more than 6,800 teachers would have earned rewards, totaling over \$6.6 million, had the new plan been in place last year.

The new plan consists of three different strands of incentive pay. The first strand will continue to reward teachers based on how much their school improves on the Texas Assessment of Knowledge and Skills (TAKS) in reading and math when compared to other schools around the state with similar demographics. All teachers and noninstructional staff members on the campus are eligible for this performance pay. However, only core teachers are eligible for bonuses on the second and third strands. The second strand will reward teachers who teach in the core subjects tested on the Stanford or Aprenda tests if their students make more progress from the previous year than students in similar classrooms around Houston. The third strand will only reward core teachers whose students improve from one year to the next in reading and math on the TAKS test.

As an additional bonus, teachers with perfect attendance will have their performance pay bonus increased by 10 percent, and teachers who have missed no more than 2 days will have their earned performance pay increased by 5 percent.

Previously, Denver, where voters gave approval to a \$25 million pay for performance plan in November, was the largest city to have a merit pay system for teachers in place. Denver has about 70,000 students, while Houston has more than 210,000.

The press release from the Houston Independent School District is available at <http://www.houstonisd.org/>.

Straight A’s: Public Education Policy and Progress is a biweekly newsletter that focuses on education news and events both in Washington, D.C., and around the country. The format makes information on federal education policy accessible to everyone from elected officials and policymakers to parents and community leaders. The Alliance for Excellent Education is a nonprofit organization working to make it possible for America’s secondary school students to achieve high standards.



ALLIANCE FOR
EXCELLENT EDUCATION

1201 Connecticut Ave., NW
Suite 901
Washington, DC 20036

Phone 202 828-0828
Fax 202 828-0821
Alliance@all4ed.org
www.all4ed.org

StraightA's

Public Education Policy And Progress
Volume 6 No. 2: January 23, 2006

Bob Wise
President
Jason Amos
Editor

P R S R T
First Class Mail
U.S Postage
PAID
Permit No. 534
Woodbridge, VA

Volume 6 No. 2: January 23, 2006

In this issue:

- State of American Business: U.S. Chamber of Commerce Says U.S. Could Face a “Severe Worker Shortage” Unless It Produces Better-Educated Workers
- Separate and Unequal: Report Finds Growing Segregation in American Schools
- State of the State Addresses: Now Enjoying Budget Surpluses, Governors Begin Giving Back to Education
- Houston School Board Approves Pay for Performance for District Teachers



ALLIANCE FOR
EXCELLENT EDUCATION

<http://www.all4ed.org>