



StraightA's

Public Education Policy And Progress



A STIMULATING DEBATE: Seeking to Reduce the Overall Cost of the Economic Recovery Legislation, Senators Remove Portions of Education Funding

On February 10, by a vote of 61 to 37, the Senate approved its version of an \$838 billion economic recovery bill, dubbed the American Recovery and Reinvestment Act of 2009. Only three Republicans, **Senators Susan Collins (R-ME), Olympia Snowe (R-ME), and Arlen Specter (R-PA)** voted for the bill. The next step for the legislation is a House-Senate conference to iron out the differences between the Senate-passed bill and the version that the House of Representatives agreed to in January.

One of the largest differences between the two bills is the significantly greater funding for education in the House version. In total, the House-passed bill would provide more than \$140 billion for the U.S. Department of Education, compared to about \$80 billion in the Senate bill. Specifically, the Senate cut the \$20 billion for school renovation and modernization that was included in the House-passed bill. Also among the cuts were \$250 million for Statewide Data Systems, \$100 million for Impact Aid, and \$200 million for the Teacher Incentive Fund. The Senate bill would provide \$12.4 billion for Title I, compared to \$13 billion in the House version and \$13.8 billion for Pell Grants, compared to \$15.6 billion in the House.

The Senate also cut a significant portion of the state stabilization fund, which would provide fiscal relief to states to prevent cuts to education and other priorities. Under the Senate-passed version, states would receive \$39 billion, of which \$31 billion would go to local school districts and public universities and colleges under existing state and federal formulas and approximately \$7 billion would be for incentive grants as a reward for meeting certain education performance measures. The House bill would provide a total of \$79 billion for the state stabilization fund, which includes \$15 billion as incentive grants, \$39 billion through existing state and federal formulas, and \$25 billion to states for other high-priority needs which may include education.

Prior to the Senate vote, **House Speaker Nancy Pelosi (D-CA)** went on record as being against the cuts to education. "Education is fundamental to everything we are trying to do," she said. "These cuts are very dangerous. The House package was put together very carefully. I am very much opposed to the cuts proposed in the Senate."

In a speech in Elkhart, Indiana on February 9, President Obama detailed why it was important to keep education funding in the American Recovery and Reinvestment Act of 2009. "But what we should be looking for is how do we encourage high-wage, high-value work," Obama said. "And there the key is going to be how well we are training our work force. That's why in this recovery and reinvestment package, we put billions of dollars not only to make sure that school districts

who are getting hammered are able to keep their teachers, but also we have money in the package to make sure that we are retraining our teachers around math and science, so that they are able to provide our young people what they need to compete in this new global economy...”

The president acknowledged that the Senate cut many of the education dollars that he mentioned, but added that he “would like to see some of it restored.”

It is too early to tell whether the education dollars can be restored in a House-Senate conference. Already, Senator Specter has said that he would support the conference report only if it comes back “virtually intact, including, but not limited to, overall spending, the current ratio of tax cuts to spending, and the \$110 billion in cuts.” Without Specter’s support, Senate Democrats would need to hold the support of Senators Collins and Snowe to reach the sixty votes required for passage.

President Obama hopes to sign the final bill into law before Presidents’ Day, but **House Majority Whip Steny Hoyer (D-MD)** said prior to the Senate vote that the House-Senate conference could stretch well past the holiday and into next week.



AP REPORT TO THE NATION: More Students Receive Passing Scores, but Minority Students Remain Underrepresented in Advanced Placement Courses

Of the approximately three million high school students from the Class of 2008, more than 15 percent received at least one score of 3 or higher on an Advanced Placement (AP) exam. That percentage is up from 14.4 percent in 2007 and 12.2 percent in 2003, according to the College Board’s fifth-annual *AP Report to the Nation*. The report notes that a score of 3 (out of a 5-point scale) is predictive of college success and graduation and often earns students college credit, thereby saving valuable tuition money. Maryland was the top-performing state with 23.4 percent of its students scoring a 3 or higher on an AP exam. New York (23.3 percent) and Virginia (21.3 percent) were second and third, while Connecticut (21.0 percent) and Massachusetts rounded out the top five.

“The economic effect of this positive trend on families is significant,” said **Gaston Caperton, president of the College Board**. “Performing well on an AP exam is more than just the completion of a rigorous course; it is the bridge to college success, which includes graduating on time.”

According to the report, more and more minority students participate in AP, but these students remain underrepresented. For example, while Hispanic students comprised 15.4 percent of the public school graduating Class of 2008, they only represented 14.8 percent of the AP examinee population. Similarly, African American students made up 14.4 percent of the public school graduating Class of 2008, but only 7.8 percent of the AP examinee population. Asian American students, on the other hand, only made up 5.3 percent of the overall student population, but represent over 10 percent of the AP population.

The College Board also finds what it calls an “equity and excellence gap” among African American, Hispanic, and American Indian students. These gaps occur when traditionally underserved students score a 3 or above at rates lower than the percentage these students

represent in the graduating class. The good news is that eighteen states have closed the equity and excellence gap for Hispanic students and sixteen have done so for American Indian and Alaska Native students. Unfortunately, no states have closed the gap for African American students. A snapshot of how certain groups of students perform in selected states appears in the table below.

State	African American Students			Latino Students		
	Percent of Student Population	Percent of Students Scoring 3 or Higher	Equity and Excellence Gap Eliminated?	Percent of Student Population	Percent of Students Scoring 3 or Higher	Equity and Excellence Gap Eliminated?
Alabama	31.7	7.1	No	1.7	2.8	Yes
Maryland	33.9	9.0	No	6.1	6.9	Yes
New York	14.9	3.5	No	13.2	10.7	No
Oklahoma	10.2	3.6	No	6.6	6.5	No
Oregon	2.1	0.7	No	11.0	4.9	No

“Each year sees more students from diverse backgrounds accomplishing success in AP, but we can’t afford to let ourselves believe equity has been achieved until the demographics of successful AP participation and performance are identical to the demographics of the overall student population,” Caperton said.

The complete report, which includes information on how each state and the District of Columbia performed, is available at <http://tinyurl.com/cfr6yn>.



STATE OF THE STATE ADDRESSES: Governors Continue to Focus on Budget Deficits

With forty-six states facing budget shortfalls, governors and state legislators around the country are rolling up their sleeves and crunching numbers to cut spending and find additional sources of revenue. Because education spending accounts for such a large percentage of most state budgets, it provides a big target for governors who are looking to reduce spending. In fact, according to the [Center on Budget and Policy Priorities](#), at least twenty-five states are cutting, or proposing to cut, K–12 and early education while at least thirty states already have made cuts or are planning cuts to public colleges and universities. But in some cases, governors—emphasizing the clear link between education and the state’s economic future—are choosing to preserve or even boost education spending.

Arkansas: Beebe Proposes Funding Boost for Education, Freeze for Everything Else

In his state of the state address on January 13, **Arkansas Governor Mike Beebe (D)** said that economic development and education were “intertwined and inseparable,” adding, “One cannot fully succeed without the other.” To demonstrate his commitment to public education, which he called his “first...and highest priority,” Beebe proposed a \$234 increase in per-student funding over the next two years and an additional one-time increase of \$35 per student in his state of the state address on January 13. Other than the Division of Children and Family Services, public education was the only item in his budget to receive a real increase in funding.

Beebe commended the decision to provide quality pre-kindergarten education to all at-risk children, saying that it would “pay dividends for decades to come” and have a “positive ripple effect throughout our education system as a whole and the academic life of any single student. It creates a richer learning environment that better prepares our children to succeed throughout elementary and secondary grades, reducing the need for remediation, and allowing entire classes to learn at a faster pace.”

Turning his attention to higher education, the governor said that the state needs to do a better job of graduating its students from college. “Arkansas holds its own nationally when it comes to enrolling college students,” he said. “Where we fall to the bottom is in our inability to graduate those students, to get degrees in their hands, and put them on stronger footing to begin their careers.”

Beebe blamed poor preparation prior to entering college and a lack of funding as the two primary reasons that students do not earn their degrees. “We’re addressing preparation through increased overall funding, through pre-K . . . and stronger college prep programs, and now through pilot programs for afterschool and summer learning,” he said.

To help students pay for a college education, Beebe proposed expanding the state’s GO Opportunities Grant, a need-based financial aid program, to reach more students and provide greater financial assistance and simplifying paperwork that students must fill out in order to be eligible to receive scholarships and other financial aid. Beebe also suggested reworking the higher-education funding formula to “stress graduation rates, rather than the number of students who happen to be on campus.” He added that shifting some of the formula’s weight from the beginning of the school term to its successful conclusion would provide a financial incentive for colleges and universities to increase the number of students who earn a college degree. “I want every Arkansan who has earned it and wants to go, to have the chance to get a college degree. That’s what Arkansas is all about, that’s what America is all about,” he said.

Governor Beebe’s complete speech is available at <http://tinyurl.com/dj9p2w>.

California: Schwarzenegger’s Sole Focus is Closing the State’s \$42 Billion Budget Gap

Facing a budget shortfall of \$42 billion, **California Governor Arnold Schwarzenegger (R)** did not give a traditional state of the state address on January 15. Instead of a laundry list of accomplishments and proposals, he urged the legislature to continue its work on a budget deal.

“I will not give the traditional state of the state address today, because the reality is that our state is incapacitated until we resolve the budget crisis,” he said. “The truth is that California is in a state of emergency. Addressing this emergency is the first and greatest thing we must do for the people. The 42 billion dollar deficit is a rock upon our chest and we cannot breathe until we get it off. It doesn’t make any sense to talk about education, infrastructure, water, health care reform and all these things when we have this huge budget deficit. I will talk about my vision for all of these things...and more...as soon as we get the budget done.”

Schwarzenegger promised to send the legislature package of legislative goals and proposals, which he said were “sitting on [his] desk,” when a budget agreement is reached. “Let me tell you, I have big plans,” he said. “They include action on the economy, on water, environment,

education, health care reform, government efficiency and reform, job creation. But, our first order of business is to solve the budget crisis.”

During budget negotiations, Democrats have been pushing Republicans to accept tax increases to prevent cuts to education and social service programs, while Republicans have been resistant to raising taxes. Schwarzenegger has offered a mix of tax increases and spending cuts, but has yet to agree on a compromise with the legislature. The state said that it would run out of cash on February 1, but that date has come and gone without a deal.

Already, **California State Controller John Chiang** has stopped writing checks and is only making payments that are required by the state constitution, federal law, or court rulings. The federal government has stepped in to temporarily cover some of these payments, such as Supplemental Security Income checks for seniors and the disabled. Additionally, California’s public universities are moving thousands of applicants into community colleges to help balance budgets, but the move is likely to worsen problems for the state’s community colleges.

Governor Schwarzenegger’s complete speech is available at <http://gov.ca.gov/speech/11390/>.

Georgia: Perdue Proposes Merit Pay for Teachers and Principals

In his state of the state address on January 14, **Georgia Governor Sonny Perdue (R)** called for paying teachers more for what they do inside of the classroom. First, he proposed merit pay legislation that would reward teachers who “show evidence that their classroom instruction leads to increased student achievement,” adding that the current compensation model “fails to reward excellence.”

Perdue also proposed differentiated pay for math and science teachers. “It astonishes me that this state produced just three physics teachers last year,” he said. “We must introduce a market dynamic into the salary schedule to address these critical needs areas. Some may be surprised to hear these ambitious plans in these times, but, this more than any other period, is a time to continue improving education and the basic institutions of government.”

The governor also called for a high school principal incentive pay program for principals who increase student achievement. Specifically, he would reward principals who raise graduation rates and improve SAT and end-of-course test scores.

Governor Perdue’s complete speech is available at <http://tinyurl.com/ctf2dd>.

Indiana: Daniels Proposes Freeze in Education Spending

Indiana Governor Mitch Daniels (R) used his state of the state address on January 13 to lay out a few maximums for developing a budget for the next two years. “First, no tax increases,” he said. “A state striving for economic greatness should constantly be looking for ways to reduce its burden on workers and enterprise.” Daniels also called on the state to preserve and safeguard its reserve funds and reject any budget gimmicks.

Turning to education, which he said was one area of “special care,” Daniels praised Indiana taxpayers for their commitment to schools. “The commitment of Indiana taxpayers to our schools

is virtually unsurpassed,” he said. “We now spend \$11,000 per student, and as a share of Hoosier incomes, we dig deeper than the taxpayers of every state but four. As we meet tonight, states all over America are slashing education spending: by \$2 billion in New York, \$2.3 billion in Florida, \$2.5 billion in California so far. Virginia last week cut per pupil spending by seven percent. In this environment, protecting education funding at this year’s levels would be a significant victory and we should aim for it.”

To maintain education spending at last year’s level, Daniels said he would have to postpone two of his campaign proposals—state funding of full-day kindergarten and guaranteed college tuition. “A time of fiscal austerity regrettably will require each of us to forgo for now priorities about which we feel strongly,” Daniels said.

Indiana Democrats have said that freezing education funding would actually be a cut due to higher costs for items such as teacher pay raises and higher utility costs. Instead, they have suggested tapping the state’s budget surplus, which is projected to be \$1.3 billion at the July, to increase funding for education and projects that could create jobs.

Governor Daniels complete speech is available at http://www.in.gov/portal/news_events/34390.htm.

Minnesota: Pawlenty Cuts Elsewhere to Boost K-12 Funding

Like many other governors across the nation, **Minnesota Governor Tim Pawlenty (R)** faced difficult decisions on how to close his state’s budget deficit. But, in the face the approximately \$5 billion budget shortfall, Pawlenty proposed a 2 percent increase in funding for K–12 education and offered a series of education reforms that would affect education at every level.

“One of our highest priorities must also be to continue to dramatically reform and improve our K–12 education system,” Pawlenty said in his state of the state address on January 15. “The quality of life for most Minnesotans depends on their ability to have a good job. Those jobs now and in the future will require our citizens to have a great education and a marketable skill.”

Pointing to past reforms such as higher academic standards and graduation requirements, pay-for-performance for teachers, better training for science and math teachers, and greater access to college credit classes for high school students, Pawlenty said that Minnesota’s students are at or near the top of the country in many education measures, including ACT scores and science and math achievement. However, he cautioned that more work needs to be done. “Our K–12 system is not ready for the future. The success of that system is mission critical to the future success of our state.”

In addition, because teachers play such a crucial role in student success—second only to parents according to Pawlenty—a large part of the governor’s proposed reforms focused on teachers. To help ensure that the best and the brightest become teachers, Pawlenty proposed minimum entrance requirements for teacher preparation programs. “We have minimum requirements for pharmacists, dentists, engineers, and just about every other profession,” he said. “We should have minimum entrance standards for people who do our most important job: educating our children.”

To guarantee that the best teachers are rewarded for their efforts, Pawlenty called for an expansion of the state's Q Comp program, which provides school districts with additional funding if they pay teachers for improvements in student learning. He also proposed increasing school district funding by up to 2 percent per student for students meeting standards or showing reasonable progress, and called on Minnesota's 490 school districts and charter schools to come together for bulk purchasing to lower costs.

But, because of the looming budget deficit, not every part of education avoided a funding cut. Under Pawlenty's budget proposal, higher education spending would be cut by approximately 8.2 percent. At the same time, Pawlenty called for a firm cap on tuition increases and challenged Minnesota's colleges and universities to deliver 25 percent of their courses online by 2015. In addition to the cut to higher education spending, Pawlenty called for cuts in aid to cities and counties and health and welfare programs to help close the budget shortfall. He also proposed a two-year freeze on the salaries of all state employees and a similar cap on raises for all government agencies that receive state funding.

Governor Pawlenty's complete speech is available at <http://tinyurl.com/8o8eb7>.

Mississippi: Constitutional Mandates Force Education Cuts

In his state of the state address on January 13, **Mississippi Governor Haley Barbour (R)** explained that the continued decline in Mississippi's economy, combined with a provision in the state constitution, would force him to make cuts to the Mississippi Adequate Education Program (MAEP), which finances K-12 education. In the last round of budget cuts, made in November, Barbour made \$42 million in cuts, but held MAEP harmless from these cuts.

"The law says I can cut any department or agency by five percent of its appropriation; however, I cannot cut any department or agency by more than five percent until every department and agency has been cut five percent," Barbour said. "The effect of this law is that I can no longer exempt the Mississippi Adequate Education Program from cuts, as I did in the November round."

But Barbour also informed the state legislature that they did not face the same restrictions in crafting the Fiscal Year 2010 budget as he did in balancing the current budget. "You don't need me to tell you education has to be the highest priority," he said, adding, "Education is the number one economic development and quality of life issue in our state and every state."

Barbour urged the legislature to focus on a program to redesign high schools and reduce the state's dropout rate. "The 'redesign' program, if it succeeds in keeping kids from dropping out of high school, will save tens of thousands of young Mississippians and lead them to be productive citizens," he said.

Governor Barbour's complete speech is available at <http://tinyurl.com/cg8caq>.

Straight A's: Public Education Policy and Progress is a biweekly newsletter that focuses on education news and events both in Washington, DC 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 six million at-risk middle and high school students to achieve high standards and graduate prepared for college and success in life.