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Public Education Policy And Progress



OBAMA SIGNS “LARGEST INVESTMENT IN EDUCATION IN THE NATION’S HISTORY”: Economic Recovery Legislation Includes Nearly \$100 Billion for U.S. Department of Education

Following House passage on January 28, Senate passage on February 10, and passage of a subsequent conference bill in both chambers, President Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA) into law on February 17. During a [signing ceremony in Denver](#), Obama called the package the “most sweeping economic recovery package in our history” and the “largest investment in education in the nation’s history.”

“We know America can’t out-compete the world tomorrow if our children are being out-educated today,” Obama said. “[This is] an investment that will create jobs building twenty-first century classrooms and libraries and labs for millions of children across America. It will provide funds to train a new generation of math and science teachers, while giving aid to states and school districts to stop teachers from being laid off and education programs from being cut.”

In an unusual turn of events, the House-Senate conference bill had a smaller price tag than the version either chamber had originally passed, coming in at a total cost of \$787 billion. (The original House bill was \$820 billion and the original Senate bill checked in at \$838 billion.) To achieve this compromise, significant cuts were made to the House number for the state fiscal stabilization fund (money provided to governors to cover some of their budget shortfalls).

In total, the package will provide the U.S. Department of Education with nearly \$100 billion over the next two years to save education jobs, send young people to college, modernize America’s classrooms, and advance education reforms. That number is down from the nearly \$145 billion that the original House bill would have provided for the department. Still, considering that the U.S. Department of Education received \$59.18 billion in discretionary funding in Fiscal Year 2008, the money included in the stimulus legislation amounts to nearly a doubling of the federal contribution for education.¹

The largest portion of the education funding is the \$53.6 billion state fiscal stabilization fund, of which \$48.6 billion has been set aside for education and can be used to prevent cutbacks and layoffs, or be used for other purposes such as school modernization. Of the remaining \$5 billion, \$4.35 billion will go toward incentive grants to reward states for meeting certain education performance measures such as better distribution of highly qualified teachers and improved

¹ The funding included in the stimulus bill for education will be in addition to the money that Congress appropriates for the U.S. Department of Education in the Fiscal Year 2009 omnibus spending bill (see the box on page 3).

academic and graduation outcomes for students; the remaining \$650 million will go toward an innovation fund to help create models of innovation to increase student achievement and prepare students for success after high school.

In a February 17 [statement](#) to the press, **Bob Wise, president of the Alliance for Excellent Education and former governor of West Virginia**, praised Congress for including the incentive and innovation funds and singled out several other provisions in the legislation that are targeted at secondary schools. Specifically, he highlighted language that requires 40 percent of the school improvement funds to be spent on middle and high schools, and a provision that ensures states implement new graduation rate regulations that require them to more accurately report the number of students who receive a high school diploma.² Wise also said that the \$250 million for Statewide Data Systems would help make it possible to follow student progress, determine the best ways to improve student achievement, and provide instruction targeted to students' needs.

Several other education programs also received a significant funding boost with the enactment of the ARRA. The biggest winners were Title I, which will receive \$13 billion, including \$3 billion for school improvement grants, and special education, which will receive \$12.2 billion. To put these numbers in perspective, annual fiscal year appropriations over the last two years averaged about \$14 billion for Title I, \$500 million in school improvement funds, and \$12 billion for special education. A sampling of other programs that received funding as part of the economic recovery legislation include the Teacher Incentive Fund (\$200 million) and Impact Aid (\$100 million). The legislation also provides \$17 billion to close the shortfall in the Pell Grant program and increase the maximum grant award by \$500 to \$5,350 in 2009.

“These funds will keep our teachers teaching and our students learning—the single best way to stimulate our economy in the short-term and in the long run,” said **U.S. Secretary of Education Arne Duncan**. “It’s absolutely a once-in-a-lifetime opportunity to lift American education to a new level—and make us more competitive in the global economy. In tough times like these, we have to tighten our belts—but not at the expense of our country’s children. Every child in America deserves the best education possible—and with this historic legislation, we will make good on that promise.”

Citing a [University of Washington study](#) showing nearly 600,000 education jobs at risk of state budget cuts, Duncan emphasized the urgency of distributing the funds to states on an aggressive timetable in order to avert layoffs. He said that his office will publish timelines and initial guidance before the end of February so that states and districts can plan accordingly. The department has set a goal of getting half of the money to the states within forty days and the second half within six months, conditioned upon receipt of a comprehensive reform plan.

The department has also said that it will post specific guidelines and a timetable for each funding stream included in the Act, including early childhood and state stabilization funds, special education and Title I funds, college affordability funds, and school modernization funds. It has already posted statutory language on its website along with state-by-state estimates to help school districts, public colleges, and universities plan budgets.

² The 40 percent provision was included in report language, making it a preference of the Congress, not a legislative requirement. Enforcement of this provision will be at the discretion of U.S. Secretary of Education Arne Duncan.

“This legislation will provide U.S. Secretary of Education Arne Duncan—who has a well-established commitment to reforming secondary schools—with the opportunity to advance significant reforms in education, including closing achievement gaps and improving academic standards,” Wise said.

More information on the ARRA, including funding totals and state-by-state estimates, is available at <http://www.ed.gov/policy/gen/leg/recovery/index.html>.

Congress Set to Consider FY 2009 Omnibus Spending Bill

In October 2008, Congress enacted a massive stopgap spending bill for Fiscal Year (FY) 2009 that postponed most spending decisions until 2009. The bill, which froze nearly all domestic spending at 2008 levels, but provided spending increases for the Department of Defense, the Department of Homeland Security, military construction, and veterans’ affairs, will keep the government running until March 6, 2009.

Earlier this month, **House Majority Leader Steny Hoyer (D-MD)** said he expects the House to take up an FY 2009 omnibus spending bill after Congress returns from the Presidents’ Day recess, but prior to the March 6 deadline. The omnibus bill will include the nine remaining spending bills that the House and Senate did not pass last year, including the Labor, Health and Human Services, and Education appropriations bill, which funds the U.S. Department of Education. The House had been scheduled to consider the bill earlier this month, but postponed a vote to allow lawmakers to focus on the economic recovery package. While Democrats will likely push for increases for certain programs in the omnibus bill, Republicans would rather see a year-long continuing resolution that would freeze funding at 2008 levels for all programs covered under the bill.



STIMULUS DONE, OBAMA SETS SIGHTS ON FISCAL YEAR 2010 BUDGET: President to Submit FY 2010 Budget on February 26

During his [weekly address on February 21](#), President Obama called the stimulus bill the “first step” on the road to economic recovery. Another necessary step, he explained, is “doing all we can to get exploding deficits under control.” Understanding that the federal budget deficit will probably average at least \$1 trillion a year for the next ten years, Obama will spend this week on budget-focused activities designed to prepare the nation for the spending cuts and program changes that will likely have to be made to close the federal budget deficit.

On February 23, Obama held a [White House summit on fiscal responsibility](#) that included Democratic and Republican lawmakers from the House and Senate, as well as experts on taxes, health care, Social Security, and the budget process. On February 24 at 9:00 p.m. (EST), the president will outline the severity of the nation’s economic crisis in a speech to a joint session of Congress, and on February 26, he will release a budget that, in his words, is “sober in its assessments, honest in its accounting, and lays out in detail my strategy for investing in what we need, cutting what we don’t, and restoring fiscal discipline.”

The budget that Obama releases this month will summarize spending priorities and broad funding levels for each of the federal agencies. It will also forecast how much the president expects the federal government to spend during each of the next ten years, how much revenue he expects the nation to collect in tax revenue, and how large the gap is between the two. Additional details on Obama’s budget will come this spring.



CLOSING THE EXPECTATIONS GAP: States Make Progress in Setting High Expectations for High School Graduates According to Report From Achieve

A majority of states have made progress toward setting expectations for high school graduates that are in line with the demands of college and careers, according to *Closing the Expectations Gap 2009*, Achieve's fourth annual report on the progress of high school reform efforts in all fifty states. The report examines how many states have raised standards and adjusted their graduation requirements, P-20 data systems, and assessments and accountability systems to meet the expectations of colleges and employers.

“States have shown impressive leadership in adopting college- and career-ready standards and graduation requirements,” said **Mike Cohen, the president of Achieve**. “They must now go from setting standards to measuring whether they are being met. States must not only raise graduation requirements for students but hold schools accountable for the same result. To prepare all students for postsecondary success, states and districts must also provide the curriculum, instructional tools, and supports students and teachers need.”

The report finds that twenty-three states have already adopted high school standards in English and mathematics that are aligned with college- and career-ready expectations, while an additional fourteen expect to have these standards in place by 2010. According to the report, most states were able to align their standards through formal collaborative partnerships between K-12 and postsecondary education systems, with business representatives significantly involved throughout the process.

As the report explains, taking rigorous high school English and math classes improves a student's access to and success in first-year, credit-bearing college courses, improves entry into and completion of postsecondary training programs, and is one of the strongest predictors of whether he or she will earn a college degree. It adds that high school students need to take four years of challenging mathematics and four years of grade-level English aligned with college- and career-ready standards to be prepared for success after high school. “Readiness for college and careers depends on more than the mastery of English and mathematics content, but these two content areas cover a set of critical knowledge and skills that all high school graduates should possess,” it reads.

Currently, twenty states and the District of Columbia require all students to complete a college- and career-ready curriculum, according to the report. Of that total, fourteen states require students to automatically enroll in the “default” college- and career-ready curriculum but allow students to opt out if their parents sign a waiver. The other six states and the District of Columbia have mandatory course requirements with no opt-out provisions. Another eight states plan to raise the rigor of their high school requirements to these levels in the future.

When it comes to developing college- and career-ready assessment systems and P-20 longitudinal data systems, only a handful of states currently have these policies in place, but many more plan to enact them in the near future, the report finds. Currently, ten states have developed assessment systems that are aligned to the demands of college and the workplace, but an additional twenty-three plan to do so. Such assessments, the report notes, can signal whether

high school students are ready for college-level work while they are still in high school. If students perform poorly, high schools still have time to provide additional help to students prior to graduation and reduce the number of students who require remedial courses in college.

Achieve notes that while only twelve states have operational P–20 longitudinal data systems, all but one of the remaining states (Vermont) plan to have such a system in place. “Just as it is important for states to align expectations, they also must strengthen and align their data systems to track and measure student-level progress between the K–12 and postsecondary education systems,” the report reads. “Having data is just the first step; the next challenge for state leaders is to commit to using data to strengthen the preparation of students for postsecondary success.”

Even though states have made progress in these areas, school accountability systems in most states are not currently anchored in the goal of graduating all students college- and career-ready. Instead, the report notes that the expectations for schools in most states are much lower and are based largely on student achievement results from standardized tests that typically measure eighth- and ninth-grade content. However, it does find that states are beginning to develop more ambitious goals and broaden the indicators that they use to report on school progress and hold schools accountable for improvement.

As demonstrated in the table below, the most prevalent college- and career-ready indicator in state accountability systems is a cohort graduation rate. According to the report, every state and the District of Columbia can—or soon will—track and report publicly a four-year cohort graduation rate. Every state and the District of Columbia has also set a performance goal for this indicator, and forty-one states factor—or plan to factor—this indicator into their accountability formulas. The other key indicators that Achieve studied do not fare as well.

State Accountability System Elements and Their Uses

Indicator	Publicly Report		Set Performance Goal		Offer Incentive to Improve		Factor into Accountability Formula	
	YES	PLAN TO	YES	PLAN TO	YES	PLAN TO	YES	PLAN TO
Cohort Graduation Rate	23	28	17	34	3	5	14	27
College- and Career-Ready Testing	6	8	1	2	3	0	3	4
College- and Career-Ready Diploma	11	17	8	7	4	1	4	10
College Remediation Rate	18	8	3	5	1	2	2	5
Earning College Credit While Still in High School	9	8	5	3	2	4	0	4

Source: *Closing the Expectations Gap 2009*

“Although states are paying attention to some key indicators, no state has yet put in place a comprehensive accountability system based on a broad array of college- and career-ready indicators,” the report reads. “These systems will need to mature if high schools are going to have the incentives and resources they need to better prepare students for the challenges that await them after graduation.”

The complete report is available at <http://achieve.org/closingtheexpectationsgap2009>.



STATE OF THE STATE ADDRESSES: Granholm and Strickland Focus on Producing Graduates Ready to Succeed After High School

For many states, the signing of the American Recovery and Reinvestment Act (ARRA) could not come soon enough. According to a [recent report from the National Conference of State Legislatures](#) (NCSL), more states are reporting budget problems for Fiscal Year (FY) 2009 and FY 2010 and the size of the gaps has increased since NCSL's November 2008 budget report. The latest report finds that forty-three states reported budget deficits for FY 2009, while thirty-four states are projecting budget deficits for FY 2010 that total \$84.3 billion.

Michigan: Granholm Hopes to Put Every Michigan Student on the Path to Additional Education After High School

In [her state of the state address on February 3](#), Michigan Governor Jennifer Granholm (D) announced a state-recovery “battle plan” that is focused on “three things that matter most,” namely good-paying jobs, education and training, and protecting families during the financial crisis. She explained that the money from the stimulus bill would help Michigan move ahead, but warned that she would not allow the money to be used on “bigger government.”

Instead, Granholm reviewed some of the recent education reforms that Michigan has undertaken to meet its goal of doubling the number of college graduates in the state and announced smaller proposals to help ensure that every student is prepared for college, can afford college, and knows how to apply.

“Today, we are doing more in Michigan to make training and education available to citizens than at any time in our history,” she said. “I am proud that we are creating these educational opportunities. But it is only Michigan families themselves who can seize such opportunities and build a better future and a better state.”

To ensure that students are prepared to succeed in college or technical training, Michigan requires all students to take a rigorous curriculum in high school and take a college entrance exam (the cost of the exam is free). Additionally, the state has a plan underway to replace high schools that do not work with smaller, more rigorous ones that do. Over the next year, the state expects to create twenty-five new rigorous high schools to not only keep kids in school but, as the governor said, “put them on the path to success in college and careers.”

And to help get all Michigan students on the path to education after high school, Granholm announced the Michigan College Access Network, which will be launched at the Governor's Education Summit in April. It will bring together foundations, business and labor organizations, the faith-based community, K-12 schools, and higher education institutions to ensure that every young person in Michigan—along with his or her parents—know how to plan for, apply for, and pay for a college education or technical training.

Granholm also announced that ten of Michigan's high-poverty communities will create “promise zones” that will guarantee a free college education to children in those communities to “spur greatness in our kids and economic development in those communities.” This new program is in

addition to the Michigan Promise Scholarship program, which allows for every Michigan high school graduate to be eligible for a \$4,000 scholarship to help pay for college.

Ohio: Strickland Proposes Extensive Education Reforms

In his [state of the state address on January 28](#), **Governor Ted Strickland (D)** said that he will use \$3.4 billion from the stimulus bill to help balance his budget, but added that he will continue making investments that are “critical” to Ohio’s economy and its future, even with an “austere” budget. “We must focus our energies and resources on the programs most vital to our future prosperity,” Strickland said. “First on that list is education.”

Indeed, Strickland spent the majority of his speech outlining an “evidence-based” plan to rebuild Ohio’s education system. Among the ideas he proposed were adding twenty instructional days over ten years to the school calendar to bring the state up to the international average of two hundred days, universal all-day kindergarten, a longer learning day for all students, and enhanced intervention services in schools with high dropout rates. He also announced a residency plan in which new teachers would earn their professional teaching license after a four-year residency. “Just as future doctors begin their careers under the watchful eye of an experienced colleague, we will give our new teachers the benefit of thoughtful guidance from an accomplished senior teacher,” he said.

On top of the residency program, Strickland would add a career ladder that allows teachers to work up to a “lead teacher,” who will have additional responsibilities and play an active role in overseeing new teachers. The plan would also include collaborative planning time, mentoring, coaching, and peer review, and would also give administrators the power to dismiss a teacher for good cause. To help recruit more individuals to the teaching profession, Strickland would create a path to licensure for professionals, and provide scholarships to teachers who agree to teach in hard-to-staff schools and subjects. He would also reward state universities that do the best job of preparing their students for success as teachers.

Strickland also proposed eliminating the Ohio Graduation Test and replacing it with the ACT, statewide end-of-course exams, a service learning project, and a senior project. “These four measures will give our graduating high school seniors the opportunity to demonstrate knowledge, creativity, and problem-solving skills, in short, to demonstrate precisely the skills that will help them succeed in life,” he said.

To help pay for these new initiatives, Strickland proposed overhauling Ohio’s school funding system by increasing the state’s share of the cost to 55 percent in the current two-year budget period and eventually growing it to 59 percent. “We will graduate Ohioans ready to succeed in the modern economy and in modern life,” he said. “Future generations will look back gratefully and say that when we came together on education, we claimed this new century for Ohio.”

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.