



Business *LEADs* Institute

February 2010 Executive Summary



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Key Themes from Business LEADs

Overview

The educational system in the United States is broken. To create a workforce that enables U.S. businesses to compete globally, dramatic educational reform is essential. Now is the time. The Obama Administration is saying and doing the right things.

The exact changes in policy that are needed will vary in each state and district based on the specific situation. There is no one-size-fits-all formula. But necessary in every situation is that the business community plays a key role in advocating for and driving change. Business must ask hard questions, hold educators accountable, and participate in reforming the system.

A wealth of tools, resources, and support is available from ICW and other organizations to support Chambers and other business organizations in driving educational reform. A sense of urgency is required, but this will be a marathon; not a sprint.

Context

ICW's Business LEADs February 2010 Institute brought together Chamber executives and business leaders to learn about the key issues related to education reform and to develop ideas on local advocacy. Over the course of three days, participants were exposed to a wealth of information from many of the leading thinkers on education reform.

A brief summary is provided for each session which summarizes the key themes from the entire Institute and lists many of the resources referred to by speakers during the Institute.

Key Institute Themes

The educational system in the United States is broken and is not creating tomorrow's competitive workforce.

Despite spending the most money per student on education, the U.S. has fallen behind other countries in educational rankings, especially in math and science. Many children can't read at grade level, dropout rates are alarmingly high, and there are huge gaps and disparities in student achievement. The situation was termed a disaster, and is only worsening. Spending more is not the solution, as states that spend more haven't delivered better student achievement.

Previous public educational policies have shown mixed results, at best.

No Child Left Behind (NCLB) has made progress in establishing a notion of accountability in education. It has led to more data on education than has ever existed, and some progress has been made in reducing disparities. But lack of national standards has meant that each state sets its own standards, and in most states the bar has been set low. Also, NCLB does not focus on improving teacher quality. Consequently, No

Child Left Behind does not appear to have improved student achievement.

In the last year there have been several promising developments on the policy front.

Recent developments have many leading education thinkers optimistic that now is the time for comprehensive education reform. Positive developments include:

The "Four Assurances." The federal stimulus package included about \$100 billion for education. Most of these funds are to help states fill in revenue gaps. However, for a state to receive funding, the governor must assure that the state is committed to advancing essential education reforms in the following areas: standards and assessments; data systems; teacher quality; and low-performing schools.

Collaboration among governors. Currently, 48 governors are collaborating to create and adopt a consistent set of educational standards.

Race to the Top. Competition for this pool of \$4.35 billion is already catalyzing significant changes—even before the initial awards have been announced. For example, states have changed laws that prevented linking student achievement data with an individual teacher, and states have changed laws limiting charter schools.

There is increasing evidence about what improves student achievement and what doesn't.

The speakers and panelists presented compelling arguments and evidence around what is working in education.

Effective teachers are the key. Teachers are what matter most in driving student achievement. Policies must be focused on having effective teachers in every classroom. This includes having systems to collect data on student achievement and progress, with the ability to link progress to a particular teacher. Systems for evaluating teachers need to be improved, compensation systems need to be modified to reward highly effective teachers, and changes need to be made to teachers' contracts to remove poorly performing teachers.

While the evidence is clear that teachers matter, certification doesn't matter and tenure doesn't produce better student achievement.

Data is essential. In business and other sectors, having data is critical to making informed decisions. Data has been lacking in education, but this is changing. Longitudinal data is needed to measure student achievement and the performance of teachers, schools, districts, and programs. Data can be used to hold educators more accountable and to serve as a flashlight in shining attention on what works. States are making significant progress in implementing data systems. Now the focus must shift to how to use data most effectively.



Local flexibility is required. Administrators need the flexibility to hire, evaluate, and reward good people, and educators need the flexibility to modify their practices.

Charter schools offer many lessons. Charter schools are not perfect and are not uniformly successful. But they are laboratories of innovation. They provide an opportunity to start over without the legacy systems or culture of a failing school. Charter schools provide opportunities for creating new data-driven, accountable models for managing schools, forming staffs, and educating students. There is much that can be learned from charter schools.

Reform is not just about K-12. True education reform that prepares a competitive workforce of the future extends beyond just K-12. It must encompass effective pre-K programs, afterschool programs, and career and technical education.

Effective advocacy on education requires good communications.

Advocacy is all about communications. Lobbyists, policy experts, and communicators shared advice on how to advocate most effectively. They emphasized creating a clear and compelling message. Too often organizations focus on technology and various communication vehicles (like social media such as Facebook) without getting the message right.

In addition to the message, it is important to clearly define the target. It is important to understand the target and how best to influence it. Then it is necessary to consider the appropriate delivery methods. There is no one-size-fits-all approach. The right message, target, and delivery vehicles depend on an organization's specific situation and objectives.

While it is not right for every organization at this time, Chambers are encouraged to at least become familiar with social media. This is not a passing fad; it is a long-term change in how people gather information and communicate. (Several Chambers are using social media with positive results.)

The business community must play a critical role in driving education reform.

Business has not been bold enough in pushing to drive education reform. Business has historically been polite, financially supportive, and hands-off in terms of education policy. But business is the customer of the education system—business hires the system's graduates and business plays a key role in financing education through taxes. Therefore, the business community must be more vocal and assertive in driving systemic reform. Business leaders must ask hard questions, hold educators accountable, and partner with educators to derive solutions.

The business community has much to offer such as advising educators how to better manage school districts, create data systems, and use data in the best possible way.

Resources

Throughout the Business LEADs Institute, many organizations were mentioned that offer information, research, and tools. Among them (in alphabetical order):

- Afterschool Alliance (www.afterschoolalliance.org/)
- American Enterprise Institute (www.aei.org)
- Business Coalition for Student Achievement (www.biz4achievement.org)
- Center for Comprehensive School Reform and Improvement (www.centerforcsri.org)
- Coalition for Student Achievement (www.coalitionforstudentachievement.org)
- Council of Chief State School Officers (www.ccsso.org)
- Data Quality Campaign (www.dataqualitycampaign.org)
- Democrats for Educational Reform (www.dfer.org)
- ESEA and NCLB information. (www2.ed.gov/policy/elsec/guid/states/index.html)
- Four Assurances. (www2.ed.gov/policy/gen/leg/recovery/factsheet/stabilizati-on-fund.html)
- Bill and Melinda Gates Foundation (www.gatesfoundation.org)
- Gauging the Gaps. (www.edtrust.org/dc/publication/gauging-the-gaps-a-deeper-look-at-student-achievement)
- Institute for a Competitive Workforce (www.uschamber.com/icw)
- Mathematica study on Graduation Rates in Charter Schools: (www.mathematica-mpr.com/education/)
- National Alliance for Public Charter schools: (www.publiccharters.org)
- National Assessment of Educational Progress (NAEP) (www.nces.ed.gov/nationsreportcard/)
- National Association of State Directors of Career Technical Education Consortium (www.careertech.org)
- National Council on Teacher Quality (www.nctq.org)
- National Governors Association (www.nga.org)
- A New Day for Learning (www.newdayforlearning.org/)
- Perkins funds usage. (www.careertech.org/state_plan)
- Race to the Top. (www2.ed.gov/programs/racetothetop/index.html)
- Stanford study on charter schools (www.credo.stanford.edu/)
- The New Teacher Project (www.tntp.org)
- The U.S. Chamber of Commerce (www.uschamber.com)
- The Widget Effect (www.widgeteffect.org)
- 21st Century Community Learning Centers (www2.ed.gov/programs/21stcclc/index.html)



Primer on NCLB (No Child Left Behind) Reauthorization

- Panelists: **Charles Barone**, Democrats for Education Reform
Kati Haycock, Education Trust
D'Arcy Philips, Van Scoyoc Associates
Andrew Rotherham, Education Sector

Overview

No Child Left Behind (NCLB) forced states to create standards, increase the use of data—especially disaggregated data looking at different groups of students—and emphasize accountability. This data has shown enormous performance gaps.

In planning for NCLB's reauthorization, the focus of the U.S. Chamber will be on reducing these gaps, strengthening standards, improving teacher quality, and pushing for greater accountability.

While the timing of reauthorization is uncertain, the American Reinvestment and Recovery Act ("the stimulus package") is forcing states to pursue reforms in order to receive funding. These reforms are focused on standards, data, teacher quality, and low-performing schools. Additional funding in the Race to the Top program is driving rapid and unprecedented changes in states' policies.

It is essential that local Chambers and business leaders be engaged and involved in education reform. Business leaders must understand the big-picture issues and the details of the legislation, and must serve as a counterweight to those who oppose reform.

Context

During two lengthy discussions the panelists provided background on NCLB, described NCLB's positives and negatives, and discussed how the stimulus is affecting education policy.

Key Takeaways

Discussing NCLB's reauthorization requires understanding its history.

Since the passage of the Elementary and Secondary Education Act (ESEA) in 1965, Congress has on several occasions voted to reauthorize ESEA. Ms. Haycock said each iteration of ESEA has generally been a sincere attempt by Congress to improve on the previous iteration. In the late 1990s Congress saw:

Big gaps. A positive shift has taken place away from "pull out" programs where poor/disadvantaged kids are pulled out and given extra help, to a school-wide approach where children stay in their classrooms, which are held to higher standards. Signs of improvement have been seen as a result of this shift, but the gains have been small and the gaps that separate poor children and children of color from others remain huge.

Big problems. Congress saw two major problems contributing to these gaps:

- 1. Low standards.** In ESEA's 1994 reauthorization, states were asked to set standards and define acceptable

student progress. The standards in many states didn't ask much from the schools.

- 2. Lack of attention to teacher quality.** A great deal of research has emerged indicating that teachers are the single most important factor in raising student achievement. But there are big differences in teachers' ability and in how talented teachers are distributed.

In ESEA's 2001 reauthorization—known as "No Child Left Behind" (NCLB)—the focus was largely on addressing these problems.

It is important to understand the key provisions and details of NCLB including:

State determination of standards. NCLB has left to the states the responsibility to define standards and the responsibility to define "highly qualified teacher."

Framework for determining progress. While states have continued to define their performance standards, NCLB has created a framework for adequate yearly progress (AYP).

Disaggregation of data. To drive greater accountability, NCLB has required schools to disaggregate their data to show the performance of different groups of children. (Prior to 2002, only six states disaggregated data for poor students and only eleven disaggregated data by race and ethnicity.)

Goal of "All Kids Proficient" by 2014. NCLB requires 100% proficiency by 2014. This goal is impossible and safe harbors make the real goal lower. This is one of many examples illustrating the need to understand NCLB's details.

The accountability provisions have been extremely controversial. As a result of the disaggregation of data, Ms. Haycock said a secret has been revealed. "It isn't just the low-performing, high-poverty, gritty urban schools that are dragging us down as a country; there are large numbers of American schools that aren't very good for the kids they serve, and they are especially not good for the low-income and minority kids whose performances have been masked by the school-wide averages reported."

Moving forward with NCLB reauthorization requires objectively assessing NCLB and drawing conclusions.

Some of Ms. Haycock's conclusions regarding NCLB include:

Lack of rigor in state standards. States set standards and deem kids "proficient," yet many children lack the skills and knowledge they need to enter college or work.

Failure to differentiate poor performing schools. Any school not making progress has been considered as "failing." There is little differentiation among these schools.



Not assessing schools based on student progress. Account-ability focused on students' current status and achievement but didn't emphasize improvement and progress.

"Progress that students are making year-on-year is a higher standard but feels like a fairer one."
Kati Haycock

Lack of attention to define "highly qualified teachers." NCLB raised this issue but failed to deal with it. It is a serious problem which has been largely ignored.

In Ms. Haycock's view, schools are only as good as the results for children who don't have adequate support at home. She feels NCLB should be modified to emphasize more rigorous standards, focus on student growth, and measure teacher effectiveness.

Reauthorization of ESEA is unlikely in 2010, yet business must stay engaged.

The panelists believe ESEA reauthorization is unlikely to happen this year, but may happen, next year. Ms. Haycock believes what may occur is a "transitional reauthorization." This means that the next reauthorization may have common standards but not common assessments, making it transitional. Mr. Barone believes there may be several smaller bills instead of one massive reauthorization bill.

Mr. Rotherham cautioned participants not to "check out." He said that even if reauthorization isn't passed this year, this is still a time when important decisions will be made. Many parts of the Administration's policy have not been hammered out.

"You can't approach this saying, 'It is probably not going to happen until 2011, so I'll check back in then.' It is important that you engage."
Andrew Rotherham

The federal stimulus package is a game changer. It is a catalyst that is getting states to changes policies.

The American Reinvestment and Recovery Act (ARRA)—the stimulus package—is having an impact on educational policy.

"It [ARRA] is a game changer. It is changing the mindset. You could not have done in reauthorization [of NCLB] what has happened in ARRA."
D'Arcy Philps

This \$787 billion stimulus package included about \$100 billion for education. About half of these funds go to the State Stabilization Fund to help states fill holes in their education budgets. An additional \$40-45 billion more is for formula programs like Title I and the Individuals with Disabilities Education Act.

To get these funds, governors must assure that their state is committed to advancing essential education reforms in the following areas—referred to as the "four assurances":

Standards and assessments. States have to commit to work toward college-and career-ready standards. Under NCLB, states have to have standards, but there is no encouragement

for tough standards. The intent of this assurance is to push states to have more rigorous standards and assessments. States don't have to adopt common standards, but most states are considering doing so.

Mr. Barone emphasized that higher standards are necessary but not sufficient. There is a correlation between high standards and student achievement, but standards alone don't improve achievement. California and Florida have similar standards, yet Florida's students are performing better than California's. The difference is that Florida has intervened to improve the performance of its worst schools.

Data. States must commit to develop robust data systems to measure student and teacher performance. Some states are far along while others are not. State must agree to 12 core points in their data plans. Also, they must say where they are today and show where they will be in five years.

"There is not enough data-based decision making in education, so the federal government is pushing the states to develop the data framework that is needed."
Workshop participant

Teacher quality. In NCLB teacher quality is based on credentials. The four assurances require states to look at teacher effectiveness, using student achievement data. This gets into contentious areas of hiring, firing, evaluating, and compensating teachers. Doing this as part of NCLB would have been much more difficult politically than including it in ARRA.

"We are getting away from highly qualified teachers into a new realm of highly effective teachers."
D'Arcy Philps

Low-performing schools. NCLB casts a wide net over failing schools and prescribed specific actions. This Administration is focused on the worst schools in the country—the "dropout factors" where 60% of students drop out. For states the focus is on the worst 5% of schools. The four assurances require commitment to drastic actions to turn these schools around.

While Mr. Philps is optimistic that the ARRA and the four assurances will drive state-level reforms in education, Mr. Barone isn't so sure. He sees 95% of the education funds in the stimulus package as filling in budget gaps and doesn't think these funds will drive meaningful reform.

Race to the Top

In addition to the four assurances, the other key part of ARRA is the "Race to the Top." This is a pool of \$4.5 billion that states compete for. There are strong criteria to receive these funds, including a 500-point system for grading applications. In their application, states must review the progress they have made in improving student achievement and narrowing gaps. The application process includes pushing states to get buy-in from the districts and unions.



Forty states and the District of Columbia have submitted applications; only a handful of states are expected to receive funds in the first round of funding. Winners will be announced in April. It will be interesting to see which states get selected and what is weighted most heavily in the application process. The President's budget includes another \$1.35 billion for a second round of Race to the Top funding. States not receiving funding in the first round can apply for it in the second.

Already, the Race has compelled states to make huge changes in laws and policies that were previously unthinkable.

"They [the Obama Administration] have begun to change the entire landscape of ESEA even though there hasn't been a reauthorization."
D'Arcy Philips

Mr. Barone agrees that Race to the Top is a catalyst that is driving state-level changes. Laws on the books in several states prevented linking student achievement data with individual teachers, but President Obama and Secretary Duncan said states can't receive Race to the Top funds unless they change these laws. Already, California, Wisconsin, and Indiana have done so.

The U.S. Chamber is part of a broad coalition pushing for education reform.

The U.S. Chamber helped create the Business Coalition for Student Achievement. This is a broad coalition that has put out principles for education reform. The focus is on accountability, closing achievement gaps, and improving teacher effectiveness.

For local Chambers and business people, it is essential to understand the big picture of education reform and legislation and the details. It is important to serve as a counterweight to the other parties involved in the debate and to be able to communicate the need for reform. In some ways this is a civil rights issue because of the inequities that exist.

Participants' Questions & Perspectives

NAEP scores are a useful measure. NAEP is National Assessment of Educational Progress. It is a national test that gauges student performance by state providing a state-by-state ranking of educational achievement. It is a good indicator of comparing states. Occasionally, there is criticism that the NAEP is a poor indicator; such comments often come from the states that aren't performing well.

Student Aid Financial Responsibility Act (SAFRA). This is a student aid program moving through the legislative process. It includes funding for student loan programs, a college completion program, community colleges, and pre-K.

Tennessee's experience. For years Tennessee collected value-added data, which looks at where kids are at the beginning and the end of the school year. But the state did nothing with this

data. Tennessee recently passed legislation to use this data for 50% of the teacher evaluation. The legislation required commitment by the governor and all key stakeholders, including the unions and business. The legislation was passed quickly in order to position the state for Race to the Top funding.

Early childhood education. A participant indicated that a large achievement gap exists when children enter kindergarten. Ms. Haycock agreed that more investment for low-income children is needed in the early years. A challenge in this area has been the early childhood community's resistance to measurement.

Schools of education. Panelists and participants see a need for reform in schools of education. These schools aren't adequately preparing teachers and reform is necessary.

Alternative certification programs. Since schools of education aren't adequately preparing teachers, there should be alternatives to allow qualified people into the field.

Teacher externships. A way for businesses to improve teacher knowledge is to have teachers in for "externships." This helps the teacher better understand what students need to know.

From education to jobs. One participant stressed that when talking to business people and legislators, the key is to talk not about educational policy, but about the jobs and business development that result from education.

Conveying the value of education. A participant talked about the importance of communicating to the general public the value of education to improve one's quality of life.

Additional Resources

ESEA and NCLB information.

www2.ed.gov/policy/elsec/guid/states/index.html

NAEP. This is the National Assessment of Educational Progress.

www.nces.ed.gov/nationsreportcard/

ARRA (stimulus package) information.

www.recovery.gov/pages/TextView.aspx?data=agencyFundingByProgram&agency_code=91

Four Assurances.

www2.ed.gov/policy/gen/leg/recovery/factsheet/stabilization-fund.html

Race to the Top.

www2.ed.gov/programs/racetothetop/index.html

Business Coalition for Student Achievement.

www.biz4achievement.org/

Gauging the Gaps. This report uses data from the NAEP exam and asks a series of questions about the progress that states have made in narrowing gaps.

www.edtrust.org/dc/publication/gauging-the-gaps-a-deeper-look-at-student-achievement



Beyond Traditional Education (Charters, Afterschool, Pre-K, CTE)

- Panelists: **Kimberly Green**, National Association of State Directors of Career Technical Education
Lydia Logan, Institute for a Competitive Workforce
Nelson Smith, National Alliance for Public Charter Schools
Marci Young, Pew Charitable Trusts

Overview

Education reform focuses mainly on improving K-12 education—which is necessary—but also strengthening the country’s educational system and creating a competitive workforce requires thinking more broadly. In addition to reformed K-12 education, children must be prepared and have a strong foundation through effective pre-K programs. Charter schools must be expanded. Effective afterschool programs must be increased. Career and Technical Education (CTE) programs must expand to serve more people.

These alternative programs are having a positive impact on student achievement and are preparing students for the careers of the future. Active business community involvement, support, and advocacy are important to the success of these programs.

Context

Panelists discussed alternative education programs and the positive impact they are having on student achievement. The discussion focused on the importance of building quality programs and how the business community can support these efforts.

Key Takeaways – CTE (Green)

College and career readiness is at the core of today’s Career and Technical Education (CTE) programs.

A new vision is being developed for CTE. CTE has evolved into a blend of traditional vocational education and college and career readiness. Historically, vocational education was centered on singular job preparation in a career such as nursing or welding. Current CTE programs, especially at the high school level, expose students to an industry and then focus on identifying job possibilities in that industry.

Parents are the main barrier to students pursuing CTE, because they perceive that CTE only prepares students for careers in the trades. Parents need to be educated about the opportunities in many technical fields, and that most require some post-secondary education.

“An important message to communicate is that most of these [CTE] careers require some post-secondary education; not just a high school degree anymore.”
Kimberly Green

The National Association of State Directors of Career Technical Education is working with the Department of Education on curriculum standards for 16 career clusters. The association is

also in early discussions about developing national poly-technical core standards. Currently every state develops its own CTE and academic standards.

“We need to start blurring the lines between technical education and academic education so that we have a convergence of systems, because all kids need to know what they are good at.”
Kimberly Green

Legislative efforts need to focus on connecting secondary and post-secondary CTE programs.

The Carl Perkins Act provides \$1.3 billion in federal money for CTE, with 60% of that going to secondary CTE. The balance goes to post-secondary CTE, which supports community technical colleges. There is recognition that these systems need to be connected to provide seamless programs. Connecting secondary and post-secondary CTE programs is central to get funding through the reauthorization of ESEA and the Perkins Act.

Business leaders must partner with the CTE community to ensure programs prepare students for the workforce.

CTE programs will be more effective in providing a skilled workforce if business leaders work with the CTE community in a meaningful way. This includes reviewing and helping to develop up-to-date curriculum standards and supporting programs that provide students with real-world work experience. The business community must focus on:

- Changing the image and perception of certain careers.
- Engaging in the conversation about curriculum standards.
- Continuing to push for innovation and assist in keeping curricula current with changing workplace needs.

Key Takeaways – Charter Schools (Smith)

Charter schools have the flexibility to innovate but are held more accountable.

Charter schools do not represent a single type of school; they are a way to create schools that serve particular needs. Charters can be defined as a contract for performance, a license to operate, and an accountability format. Although free to innovate, charter schools are held to a high level of accountability, as school districts can revoke the charter if targets are not met.

“We want to see a combination of a lot of freedom to create the schools and a lot of accountability . . . so that we have a good, high-quality crop of charter schools.”
Nelson Smith



Data-driven accountability systems for education are critical to student success, but only if the information makes its way to the classroom. A significant benefit of charter schools is the flexibility to quickly act when data indicates an adjustment is necessary. In Washington D.C., for example, a charter school was able to quickly track data to a particular classroom and teacher.

The most successful charter schools provide a model.

There is a band of high-performing charter schools that are doing phenomenal things by changing opportunities for kids for whom expectations had been low. Studies have found that children who attend charter schools show a significant advantage with regard to finishing high school on time and going to college.

There have also been a number of charter schools that have had their charter revoked or not renewed due to poor performance. Closing poorly performing schools is actually a positive development, but unfortunately it causes messaging problems. Headlines that treat school closure as a failure need to be rebutted with the fact that when a school closes, there is an opportunity for a better school to take its place.

The most misunderstood aspect about charter schools is that most are average performers. Critics point to this fact and conclude that charters are no better than traditional schools. This argument does not take into account that many charter schools start with kids who are significantly behind their peers. It also fails to consider that charters are often significantly underfunded and lack comparable facilities and resources.

The business community needs to focus on performance from our schools.

Business leaders can support charter schools through:

Accountability. Hold school administrators accountable for performance at all schools.

Board service. Serve on the board of a charter school. Diverse boards bring a diversity of skills.

Policy. Get involved in policy. The factors that impact charter schools are determined in state capitals. Get funding equity and facilities support for charter schools. Also, state laws need to be changed to eliminate caps on charters.

Through Race to the Top, charter schools have received great support from the Obama Administration. The criteria in Race to the Top include recommendations from the Alliance for Charter Schools, such as getting charter caps lifted, ensuring fiscal equity, and having a facilities provision and strong authorizing capability.

Key Takeaways – Pre-K (Young)

Pre-K programs are necessary for building a strong foundation for learning.

Achievement issues in K-12 are often because children are not prepared and lack a solid foundation. Vocabulary and language skills are indicators of how a child will do in school. There are children coming into pre-K who have heard 30 million fewer

words and are far behind in literacy development. Studies show that among 50 first graders with reading problems, 44 will still have problems in fourth grade.

“Kids who start behind usually end behind.”
Marci Young

Because huge growth in brain development occurs from ages zero to five, it is a critical window of opportunity for learning. Children need to be in effective pre-K programs and educators need to capitalize on the growth in cognitive and language development that occurs between ages three and five.

The social and economic benefits of pre-K programs are well documented.

Pre-K programs provide academic and social benefits to children, families, and society. Studies show that the economic returns from high quality pre-K programs for disadvantaged children can range anywhere from 3.6% to 17.1%.

Students who participate in pre-K programs have higher student achievement and are less likely to be in special education programs. They are more likely to graduate from high school on time, earn more money, stay employed, and save money. In addition, they are less likely to be jailed or get pregnant as a teenager.

“We know that when we start early we get some really tremendous gains with children and that those gains last over time and actually contribute back to the economy.”
Marci Young

Pre-K is not just beneficial to children from low socioeconomic environments. Studies also show huge advancement and benefit among middle-class children who participated in pre-K programs.

States are recognizing pre-K’s educational importance.

Governors and state legislators understand the value of pre-K. There is growing recognition that supporting pre-K makes economic sense because the returns are so significant. State support for pre-K nationally has grown from \$3.8 billion in 2006 to over \$5 billion today. Even in last year’s recession, state investment in pre-K still grew 1%.

Also, over the past several years much has been learned about what makes a high-quality pre-K program. The National Institute for Early Education Research has ten benchmarks for high-quality pre-K, including teachers who have a bachelor’s degree and specialized training in early education, as well as low child-to-staff ratios. The number of states meeting these benchmarks is growing markedly.

Key Takeaways – Afterschool (Logan)

U.S. students are at a competitive disadvantage.

If someone from another country handed us our current education system, we would say it was wrong. The school year, the length of the school day, and the way in which education is

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delivered would be criticized and thrown out. But we can't start from scratch; we can only revise what we have.

In comparing the U.S. school year with that of Japan, U.S. students are in school 180 days compared to 240 for Japanese students. Over the course of a child's education, that equates to two additional years. In England, children go to school for three months and then have a month of vacation. This continues momentum and reduces lost knowledge. (In the U.S., kids can lose a semester's worth of knowledge over the summer.)

Afterschool programs can be a great tool for gains in student achievement.

A study on elementary and middle school afterschool programs showed that regular participation in high-quality afterschool programs resulted in:

- Gains in math test scores.
- Gains in social skills.
- Reduction in misconduct.
- Reduction in drug and alcohol use.

Reasons why afterschool programs have value include:

Parents miss an average of eight work days a year due to lack of afterschool care. When afterschool care is not available, families face significant challenges.

Nearly 33% of high school students fail to graduate in four years; it is 50% in urban areas. **After school programs help keep kids on track.**

In addition to afterschool, to help kids who are behind catch up, educators need to use different models. Nights, weekends, and summers all offer opportunities for closing the achievement gap.

Although there are many great corporate afterschool and mentoring programs, they generally aren't aligned with what is going on in school.

New Day for Learning offers a template for afterschool programs.

This provides a new approach to learning that is focused on project-based learning. Reading, math, and science are bolstered by applied skills such as critical thinking, problem solving, and teamwork. A New Day for Learning:

Uses research about how students learn best. Not every student is an auditory processor yet we continue to teach students in a standard delivery way. With project-based learning, retention is higher.

Fosters collaboration across all sectors. Goals and a curriculum plan are developed for each student so they know what they are working towards.

Integrates various learning approaches and environments. This can be done in school, out of school, through technology, and through apprenticeships.

Provides educators new opportunities for leadership and professional development. We need to find ways to think

collaboratively about teacher effectiveness and professional development.

Participants' Questions and Perspectives

Q: Do state directors control how Perkins dollars are spent?

A: Yes. States have a great deal of flexibility in deciding how to use Perkins funds. Arkansas is a great example. They targeted their Perkins money towards weak-performing areas. Information about how states are applying Perkins money can be found at: http://www.careertech.org/state_plan.

Q: Is there a mechanism for career guidance for CTE?

A: The counseling community is a big barrier to exposing kids to CTE. The number of students per counselor is a challenge.

A participant from South Carolina said the state has seen promising outcomes after increasing the number of counselors and beginning the conversation about career interests as early as middle school. This has helped align student interests with their high school experience. The process has been strongly supported by parents.

Q: Can CTE courses be credited towards a college degree?

A: They can be credited in a few states but there are usually significant barriers to overcome. California has over 6,000 CTE classes that qualify for university entrance requirements.

Q: What is the authorization outlook for Perkins?

A: Perkins is not up for reauthorization until 2012 but it is already being discussed because of the connections to ESEA and WIA. There is a strong desire to abandon the name "Perkins" and start fresh, because Perkins has become everything to everyone. In discussing reauthorization there is interest in putting up fences to narrow the focus of the federal money so we know it has impact.

Q: How does funding work for CTE on the federal and local level?

A: Federal funds for CTE are the \$1.3 billion through Perkins (aside from Race to the Top). On the federal level, funding is primarily driven by a formula based on the population. On the state level, funding varies from state to state. But, the bulk of CTE money comes from the local level.

Q: An objection to charter schools is that they are seen as competing for limited funds. How do states deal with this?

A: The general principle is money should follow the child. When a child moves from a district school to a charter school, the idea is the money should follow the child.

Q: Is there more or less parental involvement in charter schools relative to other schools?

A: Often there is more parental involvement. Part of this is the nature of charter schools and the decision making involved in sending a child to a charter. Charter schools also reach out to parents more and involve them in the life of the school.



Q: What is best practice for limiting the number of groups that authorize charters?

A: The most important thing is that there are strong authorizers and funding in place.

Q: There does not seem to be anyone at the local level that shuts down low-performing charter schools.

A: There is often a lack of political will to pull the plug on poor-performing charters.

Q: What is your solution to the 30-million word disparity shown by some young children?

A: The best solution is to invest in high-quality pre-K. Pew also has a home visiting campaign which is an outreach to the most vulnerable children and families.

Q: Where does the funding for pre-K come from?

A: It is state money. Pre-K gets no federal funding except for Title 1, which states can use for pre-K. But a lot of states don't realize they can use Title 1 funds for pre-K.

Q: What role will pre-K play in ESEA reauthorization? Is there a role for the federal government in pre-K?

A: There is not currently federal funding for pre-K but ESEA reauthorization is a huge opportunity. There was recently a stakeholders meeting with the Administration where funding for pre-K was recommended.

Q: Where does the Student Aid Fiscal Responsibility Act fit in with our conversation about pre-K?

A: Eight billion dollars for the Early Learning Challenge Fund is in the bill, but it is unclear how much will be funded. This money is allocated not to build new programs but to help coordinate existing systems.

Q: Why is the early childhood community resistant to accountability measures?

A: Historically this has been a problem but it is changing because many people in the pre-K community understand that programs need to be held accountable.

Q: Where does Head Start fit in?

A: There is a lot of opportunity for state pre-K programs to collaborate with Head Start. Those counties that collaborate with Head Start can serve more children and provide more comprehensive services.

Additional Resources

National Association of State Directors of Career Technical Education Consortium: (www.careertech.org/)

The Skills Imperative: How Career and Technical Education Can Solve the U.S. Talent Shortage - ICW publication

Stanford University study on charter school: (www.credo.stanford.edu/)

National Alliance for Public Charter Schools: (www.publiccharters.org/)

Study on graduation rates in charter schools by Mathematica: (www.mathematica-mpr.com/education/)

A New Day for Learning: (www.newdayforlearning.org/)

Afterschool Alliance: (www.afterschoolalliance.org/)

21st Century Community Learning Centers: (www2.ed.gov/programs/21stcclc/index.html)



Understanding the Teacher Union Contract

- Panelists: **Kaya Henderson**, DC Public Schools
Kate Walsh, National Council on Teacher Quality
Dan Weisberg, The New Teacher Project

Overview

Effective teachers are the key to closing the achievement gap. Current policies, however, do not consider student achievement when evaluating teacher performance and setting compensation. Evaluation systems are needed for measuring teacher effectiveness that incorporate student achievement. Further, districts must act on the results of teacher evaluations by rewarding highly effective teachers and terminating poor teachers.

In the course of pursuing its reform efforts, the Washington D.C. public school district has developed a state-of-the-art teacher evaluation system.

Business leaders must be involved with reform efforts that seek to change teacher evaluations and hold school officials accountable.

Context

Panelists discussed the importance of and roadblocks to getting quality teachers in the classroom. They described how teacher contracts are negotiated and how contracts need to be changed. And, they offered suggestions for what business leaders can do to help improve teacher quality.

Key Takeaways

Effective teachers are the key to student achievement, yet there are too few of them.

The data is clear: great teachers are the key to ensuring academic success. Research has shown that students who are assigned "highly effective" teachers show dramatically higher gains in achievement than students with ineffective teachers. However, there are too few great teachers. Consider that:

Only 15% of teachers are "highly effective" (capable of producing a 1.5 year gain in achievement in 1 year). For minorities and the poor, the chances of being assigned a highly effective teacher are even lower.

The odds of being assigned a great teacher five years in a row are 1 in 17,000.

"The largest single factor in student academic success or failure, by far and away, more than the curriculum, class size, and whether you have a nice, shiny science lab, is the effectiveness of that teacher standing up in front of the room."

Dan Weisberg

Our system of compensating teachers is not based on student achievement.

Districts spend enormous sums on compensation policies that are not related to improving student achievement such as:

Master's degrees. One of the best ways for a teacher to get a salary increase is to get a master's degree. But overwhelming research finds that teachers with a master's degree don't produce greater student achievement. Despite no improvement in student achievement, districts pay millions of dollars to teachers with master's degrees. Seattle spends \$61 million per year for teachers with master's degrees.

Experience. Pay is typically based on a teacher's years of experience. But experience doesn't translate into greater student achievement. Studies show that first-year teachers generally struggle, but highly effective teachers can be identified by their third year. After that, there is no data to support that teachers become more effective over time. They are paid more over time, but they don't produce better results.

Certification. Students show identical academic gains regard-less of whether they are taught by traditionally certified teachers, alternatively certified teachers, or teachers who have no certification. However, certified teachers are usually paid more and many districts don't even allow teachers with alternative or no certification.

"Guess what, they [teachers with different or no certification] all produce almost identical learning gains. Certification doesn't make any difference."

Kate Walsh

Tenure. Tenure is based solely on years of teaching and is not related to a teacher's effectiveness. If the top 75% of tenured teachers were retained, but the bottom 25% were replaced, the impact would be equivalent to lowering class size in every classroom by five students.

Seniority-based layoffs. When layoffs occur, decisions about who to let go are based not on effectiveness, but on seniority. The newest, least expensive teachers are the first to go and the longest-serving, most expensive teachers are kept.

None of these common practices is based on student achievement. Teacher contracts are focused on protecting the interests of adults, not students.

"We have to find ways to advance student learning in our contracts."

Kate Walsh

Education reform requires measuring performance.

To identify and incentivize highly effective teachers—and to eliminate poorly performing teachers—performance assessment is critical. There is general agreement that teacher effectiveness is the most important factor impacting student achievement, yet school administrators generally have no idea who their top or bottom performers are.

A study conducted by The New Teacher Project in 2009 (“The Widget Effect”) found that almost all teachers are highly rated. In Chicago, 93% of teachers were rated superior or excellent. This study also found that excellence goes unrecognized; professional development is inadequate; novice teachers are neglected; and poor performance goes unaddressed. Over the past five years, just nine teachers in Chicago were dismissed for poor performance.

Many teachers and administrators are frustrated that poor performance goes unaddressed and good performance is not rewarded.

60% of teachers say there are tenured teachers in their school delivering poor instruction.

60% of teachers say their district is not doing enough to identify and recognize the most effective teachers.

Student success needs to be at the core of evaluating teacher performance.

“Before one can discuss contract reform and human capital reform, you have to have a system to measure performance.”
Dan Weisberg

Business leaders must hold school administrators accountable for comprehensive reform.

History shows that if you allow school boards and unions to negotiate collective bargaining agreements, 99.9% of the time the status quo is maintained. Since unions do not evaluate teacher effectiveness through the lens of student achievement, real education reform will not happen.

Business leaders need to play an active role in driving changes in teacher contracts, including new ways to measure and compensate based on performance. Business must support superintendents through the contract process, becoming familiar with collective bargaining agreements and encouraging a strong approach to contract negotiations.

“If you read your teacher’s union contract, you will see some of the most ludicrous things from a business perspective.”
Kaya Henderson

When called upon by school districts to support and fund various initiatives, business leaders need to demand accountability and not be content with promises of reform. Business leaders should spotlight key issues in advance of negotiations and get administrators on the record, holding them accountable throughout the

negotiation process. Unions will usually try to focus negotiations on one particular area. This is not acceptable. Education reform must be comprehensive.

“Experience has shown us that if you don’t work on these issues comprehensively, you’re not going to get the gains.”
Dan Weisberg

Race to the Top is having an impact on education reform.

The Race to the Top is rapidly changing the game. The Obama Administration is supporting a bold strategy that focuses on rigorous standards and teacher effectiveness. The demands being placed on states applying for Race to the Top funds are likely to be the demands placed on districts and states for reauthorization of ESEA.

Changes are already being seen before the first dollar of Race to the Top has been spent. Examples include:

Several states are passing legislation that weights teacher quality over seniority.

The president of the American Federation of Teachers is now talking about how unions are going to be out in front with changes to evaluation systems.

Case Study: Spotlight on Reform – Washington, D.C. Public Schools

In the midst of a two-and-a-half-year negotiation of its teacher contract, the Washington D.C. public school district is trying to bring the unions to a different way of thinking. Pay-for-performance and student achievement have not previously been part of the union’s mindset.

The district’s goals are to ensure that teacher effectiveness and student achievement are priorities and to establish the ability to remove low performers and reward high performers. The district is hopeful of agreeing on a new contract by Spring 2010.

As the district has moved forward in its reform efforts, it first sought to maximize the rules already in place under the existing collective bargaining agreements such as:

Teacher evaluations. The district determined it could change the teacher evaluation system. The district had the authority to create a new evaluation tool, processes, and consequences.

Layoffs. The municipal code actually provides the ability to consider factors other than just seniority when making layoff decisions. When the district had to lay off 250 teachers, it laid off those of least value to the district.

“Not all requirements rest inside collective bargaining agreements.”
Kaya Henderson

A challenge is that unions view contract negotiations not in terms of broad reform, but as an opportunity to ensure job security. The district has chosen to focus contract negotiations on:

Mutual consent. Principals need to have a role in deciding which teachers to hire and fire at their school—they must consent to have the teacher there.

Exiting low-performing teachers. If a teacher is evaluated to be ineffective or minimally effective he or she is not guaranteed a job in the school district.

Bonuses for high performers. There should be an option to financially reward high performers.

The Washington D.C. school district developed its own state-of-the-art teacher evaluation system. Teachers are observed five times a year; three times by the principal and twice by a master educator (content specialist). Teachers can be rated:

Highly effective. Eligible for a bonus of up to \$20,000-\$30,000.

Effective. Move up a salary step.

Minimally effective. Salary freeze for one year; after two years of this rating, separated from the district.

Ineffective. Subject to immediate separation.

In addition to teacher observations, student achievement comprises 50% of a teacher's evaluation. Teachers are also evaluated on how they add value to the school.

The district is still in contract negotiations. If the contract is approved, average teacher salaries will rise from \$68,000 to \$100,000. The goal is to attract higher-caliber teachers. Although the unions have not yet agreed on mutual consent, the introduction of an accountability system has already made a radical difference in the classroom.

For reform to work broadly, the following needs to occur:

Demonstrate courage. Districts need to have courage in pushing to implement different policies and initiatives.

Build relationships with union leadership. Reform will only be possible with mutual respect with the unions.

Navigate local politics. Local officials must be held accountable.

Participants' Questions and Perspectives

Q: *If we remove the bottom 25% of teachers will there be enough teachers left?*

A: The response needs to be, "You need to figure out how to increase the pipeline. Go solve the problem!"

Q: *Where is D.C. getting the funding to raise teacher salaries from \$68,000 to \$100,000?*

A: Major education funders are supporting Washington D.C.'s program as a pilot. The city has to prove it can sustain the incremental cost over time.

Q: *What exactly is tenure?*

A: Technically, it is the right to due process, but it has evolved into a level of protection. In most states, teachers can be removed for poor performance even when tenure is in place. The problem is that few act on this and when they do, it is extremely costly.

Q: *Has Washington D.C. seen improved student performance?*

A: The contract isn't yet in place, and initial measures won't be known until the end of the school year, but initial indicators are positive.

Q: *How can we learn more about Washington D.C.'s evaluation system?*

A: Information is on the DCPS website at: www.dcps.dc.gov/DCPS/Files/downloads/TEACHING%20&%20LEARNING/IMPACT/DCPS-IMPACT-Group1-Guidebook-September-2009.pdf.

Understanding Education Data

- Panelists: **Aimee Guidera**, Data Quality Campaign
Drew Scheberle, Austin (TX) Chamber of Commerce

Overview

Changing education requires collecting and using data. The good news: after years of not having good data in education, much progress is being made by states to develop data management systems. The key is to put the data being collected to use, which will require a change in culture, attitudes, and practices. Instead of data being seen as the enemy, it must be viewed as a flashlight that shines on insights and opportunities.

While many districts have education improvement initiatives, they are often data poor. Business organizations can leverage their data expertise in productive ways. For example, they can tie compensation to measurable results, create programs with quantitative performance metrics, and analyze education data to identify opportunity areas.

Context

Ms. Guidera described the progress states are making in collecting educational data and offered recommendations for actions states should take to ensure the data is used effectively. Mr. Scheberle described data-driven initiatives that the Greater Austin Chamber of Commerce is using to increase college enrollment.

Key Takeaways (Guidera)

Longitudinal data has great power.

Longitudinal data is gathered on the same student from year to year. This data makes it possible to follow an individual student's academic growth; determine the value added by specific schools, programs, and teachers; and identify what is working.

Until recently, no longitudinal data existed in education, but this is rapidly changing. By 2011 every state plans to have a longitudinal data system. Ideally, longitudinal data won't just be K-12; it will extend further, providing comprehensive data about individuals from P-20 and even into the workforce.

States are making tremendous progress in developing data systems and collecting data.

Over the past five years there has been incredible progress in building the capacity of state longitudinal data systems. In 2005, no states had a complete data system. As of November 2009, 12 states had all 10 essential elements that constitute a longitudinal data system. More states are collecting more data and are able to use this data to answer more questions. For example, all 50 states can now answer questions about graduation and dropout rates, up from 34 states a few years ago.

The stimulus funds, which require that governors provide assurance about "improving the collection and use of longitudinal data," have accelerated data-related activities at the state level.

"Let's be really blunt. Data up to now has served nobody. But now we are really on the cusp of saying how do we use data as a tool to inform decisions at every level of the education system."
Aimee Guidera

Collecting data isn't the goal. What matters is using data effectively, which requires a change in culture.

While much progress is being made in the collection of data, the goal is to ensure the effective use of this data. This requires a shift in culture. Historically, educators have feared and mistrusted data because it has been used to embarrass them. The attitude must shift to using data as a tool to identify what works. Also, previously data has been used for compliance reporting. Moving forward, data needs to be used to guide continuous improvement efforts in education.

The Data Quality Campaign has defined ten state actions to ensure that data is used effectively.

These ten actions are divided into three major categories.

Expand the ability of state data systems to link across the P-20/workforce pipeline and across state agencies.

1. Link state K-12 data systems with early childhood, post-secondary education, workforce, social services, and other critical state agency data systems.
2. Create stable, sustained support for robust state longitudinal data systems.
3. Develop governance structures to guide data collection, sharing, and use.
4. Build state data repositories (i.e., data warehouses) that integrate student, staff, financial, and facility data.

Ensure data can be accessed, analyzed, and used; communicate data to all stakeholders to promote continuous improvement.

5. Implement systems to provide all stakeholders timely access to the information, while protecting student privacy.
6. Create progress reports with individual student data that provide information that educators, parents, and students can use to improve student performance.
7. Create reports with longitudinal statistics to guide system-wide improvement efforts.

Build the capacity of all stakeholders to use longitudinal data for effective decision making.

8. Develop a purposeful research agenda and collaborate with universities, researchers, and intermediary groups.
9. Implement policies and practices, including professional development and credentialing, to ensure that educators know how to access, analyze, and use data effectively.



10. Promote strategies to raise awareness of available data and ensure that key stakeholders know how to access, analyze, and use the information.

While states are making progress on the ten actions, there is still a long way to go.

In January 2010, the Data Quality Campaign released its 2009-2010 annual survey results. The majority of states have implemented three or fewer state actions. Just one state has achieved seven of them.

Most states are focused on building data repositories or warehouses. This is a good start, but more needs to be done to link this information with other systems and to provide access to stakeholders. Every governor is committed to implementing a longitudinal data system by 2011.

Key Takeaways (Scheberle)

The Greater Austin Chamber has launched data-driven programs to increase college-educated talent.

In 2005, the Greater Austin Chamber conducted a talent assessment and realized the region had a shortage of college-educated talent. While superintendents could be fired if students didn't pass state assessments, nothing happened if students didn't pursue higher education. Although 160 non-profits in Austin were helping students enroll in higher education, they were lacking quantitative data to measure the results of their work.

In response, the Chamber has launched the "20,010 by 2010" initiative. The goal is to increase the region's direct-to-college enrollment by 20,010 students or 64% by 2010. The initiative uses several data-driven programs to increase college enrollment and graduation rates in metro Austin.

College enrollment managers. These individuals work in high schools. They help students fill out college applications and financial aid forms, and ensure that students graduate ready for college-level work. The Chamber has helped expand this program beyond Austin to 13 additional districts. Part of college enrollment managers' compensation is tied to increasing the students enrolled in higher education.

Financial Aid Saturdays. The Chamber has organized 29 Financial Aid Saturdays to help students and families complete college financial aid forms. The Chamber buys advertising and uses Facebook and Twitter to market to students. Each month, the Chamber receives data from the U.S. Department of Education about how many people in the region have filled out their FAFSA (Free Application for Federal Student Aid) forms. In March, the Chamber will be able to forward real-time, individual FAFSA submission data to college enrollment managers. This will enable incentive pay for the managers, since enrollment objectives can be set and measured.

"Efforts like Financial Aid Saturdays are helping move the needle on college enrollment rates."
Drew Scheberle

College readiness. To address readiness, the Chamber invested in Austin Partners in Education. This organization works with high school seniors who have passed the state assessment test but are not ready for college-level work. At the beginning of the senior year, a counselor meets with students and identifies if remedial coursework is needed. In 2006, 37% of students were college-ready. The Chamber's goal was to increase college readiness by 20%. In 2008, 53% of students in metro Austin attained college readiness.

Common college application. The Chamber has encouraged local universities to use the ApplyTexas common application. This common application system acts as a source of real-time data for college enrollment managers. As of February 2010, 48% of Austin seniors had applied to a university and 43% had applied to a community college. The Chamber analyzes data from ApplyTexas and ranks high schools based on the application information. Publishing these rankings has changed the conversation with school administrators.

The Student Futures Project. The University of Texas' Ray Marshall Center started the Student Futures Project in which 11,000 seniors are surveyed about their school habits and intent to attend college. That data is linked to students' high school and college records, as well as unemployment insurance (UI) wage records for Texas. By analyzing this information, the Chamber is working to identify the top three things that will increase college enrollment rates.

Participants' Questions and Perspectives

Q: Why did the Greater Austin Chamber of Commerce come to Capitol Hill to discuss data needs?

A: There are significant data gaps that need to be closed. For example, it is not possible to link student information to UI wages if people work outside of Texas, enter the military, or work for the federal government. Once students enter college, it is impossible to know if they require remediation, or what their majors and GPAs are. All this information would be useful in implementing a performance management approach at the school district level.

Q: How are college enrollment managers in Austin compensated and how many managers does each school have?

A: They are financed by the school district. Each school determines how many college enrollment managers it will hire. Some have three or four and some just have one. They have a competitive base salary and earn up to 20% more through commission.

Q: My state has a system with all ten elements needed for a longitudinal data system, but it hasn't taken any of the DQC actions to ensure effective data use. What is going on?

A: One metric is the state's capacity to collect longitudinal data. Your state is in good shape there. However, the issue is what the state is doing to ensure the system is accessible to people in appropriate ways. Incredible things can happen when people are strategic and figure out how to use data.

Q: Are government incentive programs focused on building data systems or using the data more strategically?

A: Federal dollars are supporting the Department of Education's Institute of Education Sciences State Longitudinal Data Systems. This money is focused on building data collection systems. The Race to the Top applications, however, are concerned with how states access and use that information. In addition, applications were due last November for Institute of Education Sciences grants that promote the use of education data.

Other Important Points

Duplication of data. There are many sources of federal funding that flow to the states for data collection. Yet, these programs are not coordinated and efforts are duplicated. Governors should require state data collection program managers to streamline and coordinate their work.

State and district coordination. State and district standards related to education data can cause problems. For example, states must help smaller districts while not impeding more sophisticated ones. In addition, it can be costly for sophisticated districts to simplify their rich education data to conform to state reporting requirements.



Science, Technology, Engineering, and Mathematics Education (STEM)

- Panelists: **Carlos Contreras**, Intel
John Winn, National Science & Math Initiative

Overview

Experts predict the U.S. economy will see an expansion in fields related to science, technology, engineering, and mathematics (STEM). Yet the nation's students are lagging in math and science proficiency. Cultural attitudes toward STEM need to change and steps must be taken to bring effective teaching programs to more students.

Education policy reform is one of the best ways to address STEM shortcomings. Business must be involved, with participation taking a variety of forms, such as conversations with legislators, demands for accountability, or partnerships with schools. Chambers can play an important role in supporting these efforts.

Context

Mr. Winn discussed the STEM education achievement gap and recommended replicating successful programs nationwide. Mr. Contreras described the challenges in communicating information about STEM and emphasized the importance of business involvement in education policy reform.

Key Takeaways (Winn)

Major achievement gaps exist in STEM.

The STEM achievement gaps are a serious problem. Of America's 55 million school children, barely one-third have basic proficiency in math. Only 29% of fourth graders, one-third of eighth graders, and less than 18% of twelfth graders perform at or above the proficiency level in science. As of 2006, the U.S. ranked 25th in math and 21st in science.

At the university level, things look no better. The number of American engineering and physical science graduates has declined by 20%. In addition, two-thirds of students receiving PhDs in engineering at U.S. universities are not American. For some industries, like defense, the pool of eligible engineers is getting smaller and smaller. The pipeline of young people in university STEM programs must be strengthened.

Changing teaching methods and cultural attitudes toward math and science is essential.

Many students don't see math and science as keys to the solutions to world problems. Teachers need to show students that changing the world (which students want to do) will come from breakthrough innovations and the application of technology. However, it will take a concentrated and broad-based effort to reach the country's 55 million students.

Cultural attitudes toward math and science need to change. The National Math & Science Initiative (NMSI) is promoting a program that has dramatically increased participation in AP math

and science courses and has increased the number of students passing AP tests. Success has been proven among all student groups, including disadvantaged students. Once the education community sees what students can achieve, people never go back to having low expectations.

A myth is that college students who are serious about math and science are not interested in teaching. This isn't true. Experience shows that 6-10% of such students are interested in teaching. NMSI supports the UTeach program at the University of Texas. This program provides teaching certifications for math, science, and computer science majors without added time or cost. Graduates have a 70% teacher retention rate, compared to a national average of 50%.

To address the national education crisis, successful programs must be replicated on a large scale.

Too many education programs are funded that don't achieve positive results. But there are successes. To address the education crisis, the public and private sectors must work in a coordinated way to identify and replicate successful programs.

The National Math & Science Initiative focuses on identifying effective programs and taking them to scale. Program replication is effective only when approached in a structured way. Delivering results relies on a strong curriculum, teacher preparation, after-school activities, business partnerships, shadowing, and mentoring. A complex set of elements must be organized to create a truly successful program.

STEM education is gaining visibility. The business community can help maintain the momentum.

Math and science education is gaining visibility at the highest levels of government. Within a three-month period, the White House held two STEM events and STEM education was the only priority component of the Race to the Top grant awards. In addition, the Investing in Innovation Fund (i3) is a \$650 million program focusing on math and science education achievement.

There are several things the business community can do to help maintain this momentum. It is important to communicate actively with Congress and state legislatures about STEM. Partnerships between schools and Chambers, not-for-profits, foundations, and corporations can add value. Beyond funding, businesses must demand greater accountability for education results and insist on the use of objective measures.

"We have been talking about math and science for a long time. But the last time we did something significant about it was when we were in competition with Berlin and the Soviet Union."
John Winn



Key Takeaways (Contreras)

STEM needs to be discussed in ways that both adults and children understand.

Communicating information about STEM is difficult. People don't understand what the term means and it is also hard to visualize science, technology, and math. It is critical that educators discuss STEM in ways kids understand. Children are tuned in to the world's problems. They must recognize that addressing issues like climate change, clean water, renewable energy, and green transportation requires math, science, and engineering skills.

It is often effective to teach STEM through projects about designing new products and services. A strength that business brings is real-life examples of science, technology, engineering, and math-oriented work.

Students also need to understand the nature of technical jobs. A misconception is that scientists work alone. In reality, science is highly collaborative and requires teamwork. This resonates with kids. The other issue is financial security. Good jobs exist for people with engineering, math, and science degrees.

Education policy reform can be time-consuming and frustrating, but is the only way real change will occur.

Programs can be successful, but the real problem is with the education system. The only way to address these systemic issues is through comprehensive education policy reform.

"Programs are fantastic, but it is the system that is the problem. The lever that will fix it is education policy. That is hard, tedious, and messy work but it needs to be done."

Carlos Contreras

From a business perspective, there is risk associated with education reform. It is time-consuming and sometimes there can be little to show for the effort. However, sitting back and not taking action is just as risky.

The business community must promote an education system with high expectations and accountability.

The voice of business must be represented in the education policy dialogue. It is important that local officials understand the issues business sees, why these issues are important to business, and how they can be addressed.

Needed changes include high expectations and greater accountability. The business community can promote greater accountability through improved data systems. It is impossible to improve things that aren't measured. A root cause of the achievement gap is that teacher and administrator performance isn't measured. As a result, there isn't enough qualified staff.

Chambers are an excellent resource for businesses seeking to get involved in education reform. Chambers can serve as an information clearinghouse and help businesses craft a consistent message about the need for education reform. Ensuring that the same key messages reach all stakeholders is critical.

Participants' Questions and Perspectives

Q: What can Chambers and businesses do to encourage students with STEM talents to go into science- and math-oriented careers?

A: Kids must first understand that they have talents in STEM. Designing outreach programs, such as design competitions, that demonstrate their competence is very effective. Also helpful is increasing the visibility of STEM careers. Consider having scientists and engineers speak to classes, as well as serve as mentors.

In addition, the National Youth Service Learning Council has gotten funding from the Corporation for National Service for a pilot to put service learning programs in 16 STEM schools.

Q: Not every student will work in a STEM field. Why is it important that they be proficient in science and math?

A: There is a strong relationship between the amount of math that a student takes in high school and their likelihood of graduating from college. Whatever field a student ultimately pursues, math provides a solid foundation.

Q: Are there things Chambers can do to encourage corporations to participate in education programs and education reform?

A: Chambers can provide businesses with the opportunity to influence or provide feedback to the local school district. A good first step is to include businesses in stakeholder groups that are discussing how the local school district can be improved.

Q: If businesses want to support STEM programs, how can they identify high quality initiatives?

A: Ask program administrators a series of pointed, business-oriented questions. For example: Where is your greatest need and what data supports that? How will quality be measured? If the "best teachers" are going to participate, define who the best teachers are and how that is determined.

When a program is implemented in a school, the biggest problem is that the principal doesn't monitor how the program is executed. While in the negotiating phases with a school, ask questions about program execution. Get agreement on reporting times and metrics and then hold people accountable.

Other Important Points

Economic growth and education achievement. A strong relationship exists between academic achievement and economic growth. One study showed that if the U.S. improved its PISA (Program for International Student Assessment) score by 25 points, the GDP would increase from \$14.5 to \$40 trillion.

Students and STEM. In South Carolina, counselors meet with eighth grade students and their parents to develop an individual education plan for each student. The objective is to discuss students' strengths and have them pick an area of emphasis for high school. The number-one field selected has been healthcare, followed by STEM.



Perspective from the Department of Education

- Panelist: **Massie Ritsch**, U.S. Department of Education

Overview

This an opportune time for transforming the U.S. educational system. There is huge need, will, and demand for a system that better prepares students for 21st-century careers and better prepares America to compete. Education reform has become an economic imperative.

With the help of business leaders and states, the Department of Education is spearheading policy changes that will drive the local education reforms needed to meet well-defined goals. The federal government does not seek to dictate reforms but to incentivize innovation to make them happen.

Context

Mr. Ritsch shared the Department of Education's (DOE) approach to education policy and replied to questions from participants.

Key Takeaways

This is an opportune moment for transforming America's education system.

The stars are aligned for transformational improvement of the nation's education system. There is currently:

Huge need to better prepare students for the workforce. Despite high unemployment, there are three million job openings in the U.S., many of which can't be filled due to shortages of trained workers in areas like nursing or IT.

"Imagine if we could take those three million jobs and fill them right now. What a different situation we'd be in economically."

Massie Ritsch

Huge political will and momentum behind education policy reforms. The Obama Administration has made education reform a priority and reform legislation has bipartisan support in both houses of Congress.

Huge demand for changes to transform America's educational system. Recent economic challenges present budgetary hurdles—but also a reform imperative. Reform needs to happen, to improve America's long-term global competitiveness.

"We haven't prepared our children for careers in the 21st century."

Massie Ritsch

The DOE is seizing the reform opportunity with the help of business leaders and the states.

The Administration feels that the recent economic crisis provides an opportunity to move in a bold way toward significant education reform. The business community has been a much-appreciated advocate and partner in this endeavor.

"You 'get it,' as business people: For our economic security, for our national security, education is critical."

Massie Ritsch

States, too, have embraced education reform. Many states:

Are committed to adopting college- and career-readiness standards. Nearly all states (48) are involved with the governor-led Common Core standards program.

Have submitted applications (41 states and D.C.) for Race to the Top funds designed to drive effective reforms.

Have been improving their charter school laws, showing openness to innovation.

Are starting to change teacher evaluations, increasingly basing job performance on classroom outcomes.

The Administration's approach is to incentivize innovation; not dictate how reforms are achieved.

The philosophy behind the DOE's reform programs (including the four assurances, Race to the Top, Investment in Education, STEM funding, and reauthorization of ESEA) is not to dictate a one-size-fits-all approach, but to reward achievement of reform goals, however accomplished.

The DOE's philosophy is designed to trigger a process whereby state and local school officials figure out where their systems fall short of reform goals, then make changes that will work for them. The most successful innovations will be scaled and replicated.

The approach is to be tight on goals at the top (federal level) and loose on how they are achieved at the bottom (state/school level). This is the opposite paradigm of No Child Left Behind.

"At the top, we want to be tight on the goals and loose on how you reach them. This is flipping the paradigm of No Child Left Behind."

Massie Ritsch

Such policies should go a long way toward transforming America's schools from compliance-minded bureaucracies to innovation-minded enterprises.

Participants' Questions and Perspectives

Q: How many states will be selected in the first round of Race to the Top?

A: I don't know, but finalists will be announced soon. The process involves a team of 50-plus impartial peer reviewers reading and scoring applications; each application is read five times.

Q: What is the likelihood of Congress passing the No Child Left Behind reauthorization in the next 12-18 months?

A: We think it is very good, despite Congress's full plate. Education reform is the issue with the greatest potential for bipartisan accomplishment. Both parties have signaled willingness to work together to get legislation passed. Moreover, members up for reelection in the fall need an accomplishment to point to—education legislation is a popular one. Hopefully, reauthorization will be passed before Congress's summer recess.

Q: Can you discuss the Investing in Innovation competition for school districts?

A: The Investing in Innovation program (i3) should be launched in the next several weeks. The program will distribute \$650 million in grants to districts with the most promising plans for innovative programs addressing one or more core reform issues. Districts must have a nonprofit partner, and may also have corporate supporters. Bigger grants will go to programs with more evidence-based data showing desired outcomes.

Q: Can a consortium of regional districts apply jointly for an i3 grant?

A: Yes.

Q: Are the Departments of Labor and Education working collaboratively on programs to help adults work, earn, and learn simultaneously?

A: Yes. We realize that to achieve the Administration's goal of college degrees for 60% of Americans by 2020 (versus 40% now), reform efforts cannot just focus on K-12. The nation must also invest in educating adults through community colleges and must recognize the role that on-the-job certification programs can play.

Other Important Points

Listen up. DOE officials are available and interested in speaking to business and civic groups to discuss the DOE's policies. Chambers can inquire about availability through ICW.

Open up. Check out the DOE's new Open Innovation Portal at <https://innovation.ed.gov>. It's both a social networking community for education innovators to discuss and collaborate on reform ideas as well as a marketplace that connects funders with the most promising projects.

Replicating Success. A new DOE grant program—"Project Neighborhoods"—seeks to replicate the success of Harlem Children's Zone by enriching a community (urban or rural) with myriad new services and support. The application will be available soon.



How to Tell Your Story to Your Peers and the Media

Panelist: **Jason Smith**, Widmeyer Communications

Overview

Local media are under-reporting the central policy issues that define national education reform. This national/local gap creates a historic opportunity for local Chambers of Commerce. By translating the national education policy conversation into simple stories with local relevance, Chambers can connect the dots for their communities, helping stakeholders see their interests in education reform (which are generally linked to “jobs”).

By taking on this local advocacy role, Chambers can help drive the education reform agenda. An effective communication strategy involves reaching out to traditional local media while simultaneously leveraging social media.

Context

In this interactive session, Mr. Smith and workshop participants shared best practices for promoting the national education reform agenda in local communities by reaching out to traditional media outlets and leveraging social media.

Key Takeaways

There is a huge gap between the national discourse on education reform and local media's education coverage.

This is a historic moment in education—with reforms backed by unprecedented federal money and Administration commitment.

The national discourse on education reform (and the four assurances that states must agree to in order to receive federal funding) centers on standards and testing policies, teacher quality, use of data, and turning around poorly performing schools. When the Elementary and Secondary Education Act is eventually reauthorized, the Obama Administration hopes to embed the current reforms for the long term.

Yet local media have under-reported these national reform policies. Local education coverage is generally focused on local events and personalities such as sports, school board governance, and budget issues. This national/local communication gap creates an advocacy opportunity for local Chambers.

The success of nationwide education reform depends on educators and officials at district and state levels carrying out the business of education differently. Communities need to understand the reform imperative and how it translates practically into local school system changes.

By helping translate the national reform agenda into stories with local relevance, Chambers can help drive the reform agenda.

“Local Chambers have a historic opportunity to reform education locally You get to drive the reform agenda.”

Jason Smith

Driving national education reform at the local level requires simple messages that resonate locally.

Bridging the gap is simple: relate the national reform agenda to issues, messages, and stories with local relevance. One way is to make each of the four assurances relevant on a local level. Local relevance entails linking national education policies (which often sound grandiose) with practical, real-world issues—like jobs.

Examples of ways to communicate the four assurances so that they resonate locally include:

Assurance 1: Implementing college- and career-ready standards and assessments. Connect the dots for reporters between the qualifications students need to get jobs and the jobs available in the local community. If your message concerns jobs and the economy, more reporters than just the one assigned to the education beat will have interest.

Assurance 2: Recruiting and retaining effective teachers and principals. A story angle: taxpayers want measurable evidence of teacher quality and performance for their tax money.

Assurance 3: Improving education's use of data. Theme: parents have a right to data showing whether their child is on track academically and how well the system they fund is preparing students for the workplace.

Assurance 4: Supporting low-performing schools. The scores students need to be eligible for local jobs can be an article's focal point. Stories about employers who have to go to neighboring counties to fill positions because of a lack of candidates in areas with weak schools resonate as well.

“When you are trying to appeal to the interest of someone in the media, you have to keep it [your message] very simple. You have to make it relevant to the kinds of news they're trying to generate.”

Jason Smith

Every story should include the human element to generate local interest. Stories solely about policy or statistics don't resonate.

Outreach by Chambers to local media is a necessity to advocate on education.

Besides having the right story to tell, Chambers need to have the right approaches to traditional media outlets.



"If your job is to advocate on a particular point of view and try to effect change in your community . . . then you have to work with the media."
Jason Smith

Points to remember in planning a traditional media strategy:

Build relationships with reporters. Invite them to lunch and forge a personal connection so they will come to you for quotes and will listen to story ideas.

Remember that reporters are not your friend. They are doing a job: to inform, advise, entertain, and make a profit. To the extent you can help them do their job, they need you. Your job is to tell a story that aligns with their objectives.

Make reporters' jobs easy. The realities of traditional media's decline—budget cutbacks, overworked reporters—can be opportunities. Newspapers and magazines increasingly publish content produced elsewhere. Become a reporter's go-to resource. Supply them with stories requiring little of their work: written in their publication's style, with photos and experts' contact information.

Be familiar with reporters' needs—their work environment, deadlines, beat—and be responsive to those needs. For example, suggesting follow-up story ideas, offering experts available to corroborate facts, returning calls and emails promptly, and so on.

Don't let rejection dissuade you. Revise and re-pitch a rejected idea or pitch others; reporters welcome as many ideas as you can offer. They are used to such back and forth.

Write press releases, but don't hold press conferences. The press conference is dead—the economics don't make sense. It's less expensive to write a press release and distribute it electronically than invite people to gather in one place.

Try to get print stories recycled in broadcast media and vice versa. Broadcast media get story ideas from newspapers, and vice versa. If your story isn't recycled spontaneously to other media, make it happen.

Leveraging social media in conjunction with traditional media strategies brings synergistic benefits.

There are synergistic benefits for Chambers to push messages via social media. (One participant said that 30% of traditional

media stories originate on a social platform.) Many reporters are required to have Twitter accounts to monitor tweets for ideas.

Moreover, embedding URLs in social media posts can drive traffic to a Chamber's website. Posting information on social media pages saves distribution costs.

Tips for leveraging social media:

Figure out why you want to use particular platforms and how best to do so. Make sure all employees who use social media understand the purpose of the Chamber's Facebook page or Twitter account, have experience using the platform, and understand the medium's etiquette and the Chamber's message.

Know the audience you're trying to reach. Social media is the ideal way to reach and engage students. However, it may be irrelevant with older people who prefer personal interaction.

Target the message to the audience and platform. Understand the uses of the various platforms. Twitter is particularly important to use effectively. Make Tweets substantive or you'll quickly lose followers.

Don't over-think your social media messaging. Social media strategy requires a different mindset from traditional media. Messages that seem overly planned lack the informality that invites two-way communication. The ability to have a dialogue is the unique benefit of social media; two-way communication fosters deepening engagement.

"With social media, there's an informality to the messaging that allows you to have more communication in real time."
Jason Smith

Get over fears about lack of control and employees' time abuse. Social media opens the door to public criticism. But see that as an opportunity to convert or neutralize an opponent and a small cost for the benefits of using the media.

As for staff wasting time on social sites: they will find ways around any prohibitions since social sites are an integral part of many people's lives, and prohibitions will hurt the Chamber as an employer. The way to influence what employees say is through clear and enforced acceptable use policies.

Turning Rhetoric Into Policy

- Panelists: **Gov. John McKernan**, Education Management Corp.
Vic Klatt, Van Scoyoc Associates

Overview

Advocacy is key to effecting policy change, whether on grassroots, state, or federal levels. Comprehensive education reform requires advocacy from the business community; indeed, business must take a leadership role.

To effect change, Chambers need to build and strengthen relationships with policymakers. That means understanding elected officials' perspectives, knowing how to get their ear, and being familiar with legislative processes. It also means making a compelling argument by recognizing how to frame issues to show lawmakers that the principles of education reform are in their constituents' best interests—and therefore their own.

Context

Capitol Hill veterans Mr. Klatt and Governor McKernan discussed the need for the business community to have a greater voice in education reform and shared best practices for reaching and influencing lawmakers.

Key Takeaways (Klatt)

Chamber of Commerce representatives are needed to advocate for education reform at all levels.

Advocacy is imperative to effecting policy change, whether on grass-roots, state, or federal levels. Comprehensive education reform requires advocacy from the business community.

It is important for the business community to get more deeply involved in education reform advocacy. Reform proponents are having a tough time getting their voices heard over those of more entrenched stakeholders, such as teachers' unions. The reform community needs the Chamber of Commerce—representing both business interests and reform interests—to lead the way.

"When it comes to pushing education reform, Chambers and business groups have to lead the way—they have to. Your perspective is important."
Vic Klatt

Key education issues pending before Congress that could use local Chambers' support:

- Elementary and Secondary Education Act Reauthorization
- The Workforce Investment Act
- Budget/appropriations bills related to higher education reconciliation

Effective lobbying involves understanding your audience, their needs, and the legislative process.

Often, local Chambers don't think their efforts can make a difference on education. But there are best practices that can help ensure your voice is heard on this critical subject.

In his role as a lobbyist and on the receiving end of lobbyists' messages, Mr. Klatt has seen unprepared advocates fail and knows that traction is gained through rigorous preparation, honesty, situational awareness, and conscientious follow-up. His principles of effective lobbying:

Know your audience, both Member and staff. Don't arrange a meeting without knowing the basics about a Member (state and district, party, length of service, committee membership) and his or her position on your issue, including voting record. Understand their world, which means understanding the legislative process. Understand how staff operate and get to know key staffers. Staff can greatly influence Members' positions and often craft the language of legislation. Find a mutual acquaintance or common association. Members meet dozens of people every day; having someone or something in common will help you be remembered.

Know your stuff. Know the legislative status of your issue: where bills stand, what committees are involved, etc. Be able to demonstrate how various aspects of your issue affect various groups among the Member's constituency, providing data to back your claims. Know your issue inside out, and be able to answer all types of questions about it.

Know what to ask and how to ask for it. Don't be afraid to ask for what you want. Members and staff see it as their job to serve constituents, which means being asked for assistance. The more specific your request, the better. Legislators and staff are incredibly busy, so make your points clearly and succinctly. Explain how supporting your position benefits their district and the country, and helps them advance their policy and political goals. Provide a concise summary of your points.

Follow up. Send a concise thank-you letter after a meeting and show your continued involvement by following up when-ever Congress takes action on your issue. That will keep your point of view in legislators' minds and show your appreciation of their support.

Timing is everything. Timing is perhaps the most critical point related to advocacy. At key points in the legislative process, decisions are made—this is when it is essential to weigh in.

Be honest. Stretching the truth can cost you credibility. Stick to the facts. If you don't know an answer, it's better to say so than risk stating an untruth. If a person is seen as unreliable, he or she will have difficulty getting future meetings.



Key Takeaways (McKernan)

Advocates can improve their chances of influencing elected officials by following a set of proven practices.

Not enough people recognize the impact they can have on elected officials simply by becoming more sensitized to officials' perspectives and the realities of their world.

For example, elected officials have a hard time saying "no" to friends. So, try to forge a relationship by bringing to a meeting a mutual acquaintance or a political supporter.

"The better [lawmakers] know you, the tougher it is for them not to go with you."
Governor John McKernan

Elected officials want to know what to expect in advance of meeting you. When they don't know the people they are scheduled to meet with, lawmakers want staffers to tell them: Who set this meeting up? Why are they *really* coming to see me? Why is their cause important to them? Who else will support the issue? Who will oppose it? Do I know enough to commit? If staffers don't know those answers, it's actually a strike against you.

Remembering a few rules can improve your chances of gaining access to elected officials and influencing their thinking:

Never connect campaign support to an issue request. Reminding a lawmaker of your campaign donation is tacky and potentially illegal; it will kill the dialogue. (There's no need to do so anyway—lawmakers already know.)

Have people in your organization support both sides of a political race. Then there will be someone in the organization to request a meeting with whoever wins. The National Education Association has done this well.

Elected officials are unable to refuse a meeting with people who worked on their campaign. Even if a lawmaker disagrees with your position, working on a campaign will win a meeting.

Be prepared with compelling arguments. The importance of making a compelling case—framed in terms of constituents' interests—cannot be overstated.

Be persistent; follow through after meetings. The staff have a lot of meetings; stay in mind by following up with thank-you notes and additional information.

Participants' Questions and Perspectives

Q: *What if your congressional representative is a reform opponent, perhaps having run against No Child Left Behind?*

A: Begin the conversation with a point on which you agree. Discuss ways to improve No Child Left Behind or the principles of reform, which are difficult to disagree with. Emphasize the opportunity the lawmaker has to make an impact.

Q: *How can we combat heart-wrenching anecdotes that support an opponent?*

A: Agree that the result described is not something you are for, either. Move to important goals reform can achieve—such as academic achievement for all kids. Offer to work with the lawmakers' staff to prevent recurrences of situations like the anecdote.

Q: *How much actually is handled at the staff versus Member level—is working with the staff more potent?*

A: Elected officials deal in concepts. They often lack time to learn the details of legislation. They rely on staff to deal with the details and inform their opinions. Different levels of staff have power to varying degrees. Committee staff people are very involved in legislation, actually writing the bills.

Q: *Business leaders don't seem to be as focused on education reform as the opponents of reform are. Is this accurate?*

A: The business community has interests in so many areas that it doesn't tend to put the same energy behind education reform as those on the other side of these issues. For teachers' unions, education reform is their number-one issue. Business interests agree with reformers but often don't engage in the details enough. We must remind business leaders how important their involvement is to education reform's success.

Q: *In preparing for reauthorization, what should the business community be advocating?*

A: The principles of reform: strong academic standards, accountability and transparency, measurement, data showing that kids are learning, more choice in schools, paying teachers by how well they teach, innovation and research into what works.

Q: *The Obama Administration is saying positive things about reform. What's missing from the Administration's reform efforts?*

A: The details. At this point, the Administration's statements are mainly conceptual. There are lots of questions to be answered, such as how Race to the Top will work.

Education Finance: Where Does Education Funding Come From and How Can It Be Used Efficiently

- Panelists: **James Guthrie**, George W. Bush Institute
Alfred Lindseth, Sutherland

Overview

The problem with our education system is not a lack of money. Despite huge increases in education spending, student achievement has been stagnant. High spending, low productivity, and stagnant achievement cannot continue if the United States is to be competitive in the rapidly changing global economy.

Massive increases in education spending at the state level have been driven by equity and adequacy lawsuits. However, these lawsuits and spending increases have not produced improvements in student achievement. True education reform is needed. Business leaders need to be aware of pending court actions and legislation that may impact education spending in their districts, and must drive education reform.

Context

Panelists discussed the history and complexities of education finance, the history of the court's impact on education spending, and trends setting the stage for reform.

Key Takeaways

The U.S. education system must adjust to a dramatically shifting global economy.

Over the last century, the public school system has established the U.S. as an economic and world power. However, the education system has not kept up with the shifts in the economy. Until 30 years ago, educating the top 10% of the population was sufficient to support the country's needs. High school graduates could count on jobs to support a middle-class lifestyle.

The transformation of international trade has displaced U.S. workers who lack the skills employers need in the global market. Educating just the top 10% is no longer good enough. Much more of the population needs to be educated at a higher level.

Education funding is becoming more centralized.

Historically, local property taxes funded public school education. But over the last 30-40 years, school funding has become more centralized. Many states are now the primary funders of public education, though this varies from state to state. For example, 80% of New Hampshire's school funding comes locally, whereas 100% of Hawaii's school funding comes from the state. The mechanisms for distributing funds are complicated due to archaic formulas often based on political compromises.

Until a year ago, the federal government contributed only about \$0.08 out of every education dollar. With the passage of the

American Recovery and Reinvestment ACT (ARRA), the federal government is now contributing \$0.15, marking a dramatic shift.

High levels of education spending with no productivity gains are no longer sustainable.

The U.S. economy cannot continue to support high levels of education spending on a system that doesn't produce a reasonable return. While productivity in the U.S. has soared over the last 100 years, productivity in education has plummeted. School spending, in inflation-adjusted dollars, has increased from \$500 per pupil in 1920 to \$11,000 in 2007. Over the past four decades productivity has declined and achievement has been stagnant. Today, only 70% of high school students graduate.

Declining productivity is related to the student/teacher ratio, which has declined significantly. In 1955, the student/teacher ratio was 28:1; today it is 15:1. Despite a significant increase in spending and a doubling of the number of teachers (to four million), student achievement results have remained flat.

"Productivity has just plummeted over time. We are paying far more now in some instances for far less than we ever before received."

Jamie Guthrie

Several factors have converged that will, by necessity, end the upward spending and force schools to focus on productivity.

Competition for resources. As school funding is more centralized, districts will have to compete for limited resources.

Unfunded pension liabilities. There is a huge unfunded liability associated with teacher health and pension benefits. This will weigh heavily on mounting public concerns about spending and productivity.

Changing demographics. As a smaller portion of U.S. households have children in public schools, there will be increased pressure to constrain spending and improve productivity.

The reward structure for educators needs to change.

The current education system has perverse incentives. There is no prestige, compensation, or other reward for teachers who improve student achievement. The farther a teacher gets from the classroom (i.e., principal, superintendent), the more money he or she makes. The incentive structure has to change so the people who do a great job of teaching children are rewarded.

The public doesn't understand how education is financed.

Americans lack an understanding of education funding. In 2008, researchers asked people how much they thought public schools spent per student per year. The average response was \$5,300; the actual cost was \$10,400. People were also asked how much



they thought teachers earned. The average response: \$33,000 per year. The reality is close to \$47,000, which is earned for 10 months of work and doesn't include generous benefits.

The court's role in education finance has been significant.

The 1954 Supreme Court decision *Brown vs. Board of Education* dramatically affected the court's role in education finance. After *Brown*, hundreds of cases were filed to erase the effects of segregation. Some of these cases involved taking control of school finances. In the early 1970s, many "equity" suits were filed in state courts demanding more equitable distribution of education dollars among school districts.

Fast forward to 1990. Plaintiff school districts began filing "adequacy" suits against states. These suits sought to expand state funding to fulfill states' obligations under the "education clause" of their constitution. Due to vague provisions in state constitutions, judges decided broad questions about education finance and policy. Some examples:

New Jersey. A school finance suit from 1969 was dismissed just last year. During those 40 years, New Jersey's courts, not the legislature, had the final say on education spending.

New York. The New York statute is vague, requiring the state to provide "free common schools." Based on that provision, a New York court ordered a \$5.6 billion dollar judgment for New York City schools.

Wyoming. The court's interpretation of the vague language in Wyoming's constitution has led Wyoming to spend more per student than any state in the country.

In some states judges dismissed adequacy suits due to concerns of separation of powers between the court and legislature. But from 1990 to 2005, plaintiffs lost few cases. Since 2005, after decisions in Texas and Massachusetts, adequacy suits have been unsuccessful, though new cases are still filed. (The five states that spend the most on education have all been held liable in adequacy suits; the five states that spend the least have not.)

Large-scale funding increases for K-12 education did little to improve student achievement.

Even though suits resulted in enormous education funding increases in many states, student performance hasn't improved. Wyoming's outcomes are representative. Despite spending more per student (\$16,000 vs. \$10,000-12,000 in neighboring states), Wyoming's educational achievement has fallen behind.

Legal remedies have focused just on money, not reform.

Lawsuits, which are just about funding, have not had the desired effect on student achievement. Courts have been reluctant to look for other remedies and haven't considered other causes of poor performance such as:

Teacher compensation that is unrelated to classroom success.
Union work rules that have been restrictive.
Tenure rules that hinder termination of incompetent teachers.
Inefficiency and waste in local operations.

When states lose an adequacy lawsuit, the legislature doesn't have the time to consider other types of reform. They are focused on finding funds to satisfy the court's decision.

The current environment is ripe for true reform.

Trends are converging that provide opportunity for real reform: Court orders are on the wane.
Fiscal constraints demand non-spending solutions.
The Obama Administration is supporting more innovative approaches like charter schools and teacher training.

"We can't just keep increasing spending in our schools if the money is not there. We have to look for more successful ways [to improve performance]."
Alfred Lindseth

Business leaders need to stay abreast of potential lawsuits and legislative changes in their states. Be skeptical about what is written in newspapers and presented in cost analyses.

Participants' Questions and Perspectives

Q: *What is the correlation between increased spending over the last 30 years and changes in special education laws?*

A: Since enactment of the Handicapped Children's Act in 1976, special education spending has skyrocketed. Special ed accounts for about 12% of the school population but 20% of the spending.

Q: *We are restructuring our middle schools. What should we be concerned with?*

A: A study (EdSource, "Gaining Ground in the Middle Grades: Why Some Schools Do Better") found that changing configurations does not matter. What matters is that when students transition their performance dips, and transitions add costs.

Q: *What arguments are effective in defeating adequacy lawsuits?*

A: Show data that increased spending hasn't led to increased student achievement.

Q: *In adequacy lawsuits, who is usually the plaintiff?*

A: Usually advocacy groups or school districts bring the cases. The NEA often orchestrates and subsidizes these cases.

Q: *How do we increase productivity?*

A: By augmenting people (which account for 80% of education costs) with capital. Computer-assisted instruction programs have enormous potential.

Q: *How should we measure teachers?*

A: We do rely too much on standardized tests, which aren't yet good enough. We are about five years away from having tests that measure whether a specific teacher adds value. We need a wider spectrum of measures, including subjective ones. A good principal with a strong accountability system will have ways of determining who the good teachers are.



How Business Can Drive Reform

Panelist: **Frederick Hess**, American Enterprise Institute

Overview

The business community has been too nice and not bold enough. Business leaders need to be bolder and do a better job holding school officials accountable. Too often the business community is a consensus builder, when it should be demanding reform. Spending on education has increased dramatically with no corresponding increase in student achievement. As a generous financial supporter of education, business is in a unique position to challenge the status quo in education funding.

Business can play a key role in driving education reform by sharing effective management practices, investing in programs that will drive real reform, and communicating hard truths about education.

Context

Dr. Hess discussed the role business can play in education reform. He then responded to questions from institute participants.

Key Takeaways

Business has not pushed hard enough for reform.

Business has not been bold enough in advocating for reform. The business community has provided encouragement and support for education; offered genteel philanthropy like scholarships and mentoring; and has been a quiet advocate of education reform.

These contributions are laudable but don't drive profound change. As the most significant partner that school districts have, business is in a powerful position to demand reform.

"Business, partly because of a tendency to be humble about the wrong things, doesn't push as hard as it needs to, or as smart and effectively as it might on questions like accountability, and cost effectiveness, and teacher quality."

Frederick Hess

Higher spending on education has not resulted in higher student achievement.

The U.S. spends more per pupil on education than any country. Most Americans, however, believe we should spend more, based on a misperception of actual spending. When asked to estimate the annual cost of educating a student, on average Americans guessed about \$4,200; the actual cost is more than \$10,000.

Spending on education has gone up 400% in inflation-adjusted dollars since 1960. Most of this money has gone to hiring new teachers. The student/teacher ratio has gone from 23:1 in the early 1970s to 15:1 today, yet student performance is flat. Had the student/teacher ratio remained constant, teachers could have been paid much more.

The average teacher salary today is \$48,500. But teachers work 190 days a year compared to private sector employees who work 240. Teachers earn the same hourly wage as engineers.

"In the late 1950s, we had about 1.1 million teachers. Today we have three times that."

Frederick Hess

Reform efforts have been misdirected.

The significant increase in education spending has not resulted in gains in student achievement because the education community has focused on the wrong things like:

Trying to drive up teacher quality. It is hard to predict who will be a good teacher until they have been in the classroom a while. Ninety-seven percent of the variation in performance between teachers cannot be explained by any measured variable, such as experience, education level, or certification. Most efforts to improve the quality of teachers focus on recruiting people believed to be good who haven't taught. Once teachers have taught for a while it is possible to determine who is good, which suggests pushing back tenure.

Accountability. The No Child Left Behind Act has not produced any real change. Much time has been spent on accountability systems. States had to set standards and develop assessments to measure proficiency. But states had no incentive to set the bar high and every incentive to set the bar low to achieve high rates of proficiency. States have gamed the system, watering down the idea of accountability.

Adequate Yearly Progress. While intended to measure progress, AYP measures a student's and a school's level of performance. It measures how good prior educators did—it doesn't measure progress. Often schools with high AYP aren't making progress and schools with low AYP are.

Business is well positioned to drive education reform.

There are five powerful things business can and should do to effect education reform. They are:

Help schools manage smart. Schools are behind in utilizing state-of-the-art management practices. Managing smart means transferring effective business practices into schools. It means helping schools do what business has done for years, like investing in IT and HR systems; figuring out how to attract and retain talent; and measuring performance.

Invest in the supply side. This includes investing in infrastructure, human capital, and tools to be able to supply a better educational product. Business needs to play a role in analyzing and solving the supply-side problems that exist.

Do what innovators can't. Educational innovators can't challenge state or official leaders because they have to work with these leaders. Business organizations are in a better position to communicate unpleasant truths about education.



Get firm with education leaders. Business leaders must demand accountability when asked to support education initiatives. Tough questions need to be asked about cost effectiveness and promises need to be extracted from school officials. Too often the business community plays the part of a consensus builder, when they should be demanding reform.

Lead with experience and credibility. The business community is in a strong position to influence reform on topics such as teacher accountability and compensation. The business community must support good ideas, shoot down bad ones, and be an honest critic.

"Instead of having all of your local and state dollars just flowing into programmatic funding, let's free up dollars so people who are solving problems in smarter ways compete for them."
Frederick Hess

Participants' Questions and Perspectives

Q: Where do we start on reform?

A: We need to build on the education system we have; not patch it via "best practices" or blow it up believing that "school choice" will fix everything. We need to change the systems and structure of education. We need to focus on the supply side and leverage the tools of the current era.

Q: An organization that does not adapt to new tools and new environments is not a learning organization.

A: One of the huge disadvantages in our education system is we do not suffer the natural consequences the private sector does. Bad companies go away; bad schools do not. Schools are generally not learning organizations that grow and evolve; they haven't had to.

Q: What can the business community do on the local level?

A: When a district needs more money and comes to the business community, you have the option of saying no. Do not get behind a bond issue until the district shows what it is going to do with the money. Insist on having local CFOs review and challenge what officials want to do. Get promises in writing. Business needs less in the short term from schools than schools need from business.

Q: What kind of questions should we be asking?

A: You should be asking:

- What can be done to get better teachers?
- What can be done to pay good teachers more?
- What can be done to push out ineffective teachers?
- What are you doing to hold school leaders accountable for quality of instruction?
- What do teacher contracts actually say?
- What is the school board policy?
- What does case law in the state say?

Business leaders need to examine governing law, eliciting the help of outside counsel if necessary.

Q: Collecting student achievement data is crucial, but there are many obstacles. What are the federal obstacles to collecting school performance data at the state or local level?

There are things that inhibit data collection, but it is not as restrictive as you are told. This is a classic bureaucracy problem. There is no reward for seeking solutions. Incentives are geared toward staying out of trouble. When looking at the federal guidelines you need to determine if they are statutory, an administrative interpretation, or just regulatory guidance. Many times guidelines represent how your state education agency (SEA) interprets federal language. SEA policy can be changed by the state education commissioner. State Chambers can lobby to change the policy.

Q: Can you give an example where industry or business intervened in a local school system in the way you recommend?

A: Janet Knupp, head of the Chicago Public Education Fund, has taken a pure supply-side strategy. She has invested massively in New Leaders for New Schools, a program that recruits people with experience both as teachers and outside of education. Knupp has helped fund teacher advancement program models in about two dozen schools in Chicago and has supported The New Teacher Project and Teach for America.

ExxonMobil is another example. Washington, D.C. was having problems getting text books and chalk into classrooms on time. ExxonMobil lent a procurement person to the district to assess the district's purchasing. This individual determined that 85% of expenditures could be planned and those expenditures could be pre-approved. Much of D.C.'s procurement problems were due to needing school board approval for expenses above \$500. ExxonMobil's employee figured out a plan for handling the 15% of unexpected expenses and came up with a reasonable threshold of when the school board should be involved in purchasing decisions.

Q: Can you tell us more about that High Tech High Ed School?

A: High Tech High Ed School is a charter school in San Diego. It is the only K-12 school in the country accredited as a teacher training program. They have no problems recruiting because they are a highly regarded charter school. They have people with master's degrees and PhDs who want to teach at the school. The school has 15 or 20 full-time, hand-picked, student teachers on campus 40 hours a week providing 800 hours of free tutoring for students.

There are so many resources available to complement teacher efforts in the classroom. Modern technology provides the opportunity to tap into the expertise of teacher mentors regardless of what state they are from. All it takes is a camera in the classroom and providing a video that can then be reviewed individually by mentors who can give feedback to the teacher. Another thought is to have experienced teachers come to schools and share their expertise.

Smart Thinking is an organization that sells tutoring hours. A child or client can get 24/7 tutoring in 23 subjects from somebody with an advanced degree for \$10/hour. Smart Thinking is using tutors from New Delhi and Sri Lanka. These are people with PhDs in math or literature.

