

More to Do, But Less Capacity To Do It

# States' Progress in Implementing the Recovery Act Education Reforms



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## Introduction

The American Recovery and Reinvestment Act of 2009 (ARRA), also known as the economic stimulus bill, channeled an unprecedented \$100 billion into the nation's public education system. These funds were intended not only to avert teacher layoffs and stabilize state and local education budgets in the short term, but also to encourage reforms that will improve student achievement and thus strengthen the nation's economy in the long term.

In their applications for formula grants under the State Fiscal Stabilization Fund, the largest pot of ARRA education money, states had to assure they would make progress in four areas of K-12 education reform: 1) implementing rigorous standards and aligned assessments; 2) establishing longitudinal data systems to track students' progress; 3) improving teacher effectiveness and equitable distribution, and 4) providing interventions to turn around the lowest-performing schools.

To learn more about states' strategies, plans, and progress in addressing these ARRA reforms, the Center on Education Policy (CEP), with support from our contractor, Policy Studies Associates, sent surveys to state deputy superintendents of education in the 50 states and the District of Columbia in October and November of 2010. Forty-two states and D.C. responded. Responses were kept confidential to encourage frank answers. More information about the survey can be found in the appendix.

This report describes findings from the survey sections that deal with the condition of state education funding in fiscal years 2011 and 2012, the status of state implementation of ARRA-related reforms, the influence of ARRA's Race to the Top (RttT) program on reform agendas in states that did and did not receive these competitive grants, and the capacity of state education agencies to carry out ARRA reforms. Sections of this survey that focus on other topics—specifically, common state standards in core academic subjects and school improvement grants—are the subject of two related CEP reports (CEP, 2010; CEP, forthcoming).

## Main Conclusions

Our analysis led to four broad conclusions that cut across the more detailed findings in specific sections of the survey.

- **The ambitious agenda of education reform attached to ARRA may hit a wall in 2012.**

In 2012, states intend to move forward with major state reform work related to ARRA, but they may have to put the brakes on some of their plans. In 2012, overall state funding for elementary and secondary education is expected to decline or remain flat in a large majority of the states.

Many key strategies related to ARRA reforms are currently in the planning and development stage. A majority of states do not expect to fully implement some of the most demanding or potentially expensive strategies associated with ARRA until 2012 or later, such as creating assessments aligned to rigorous standards or developing evaluation systems for teachers and principals based on student achievement.

Most of the state strategies asked about in our survey will require funds to implement. But where will the funds for full implementation come from? Almost three-fourths of all states, or 37 states, reported that their state funding for K-12 education had decreased by 5% or more or remained flat in fiscal year 2011 compared with the previous year. For fiscal year 2012, almost as many states, 36, expect declining or stagnant state budgets for K-12 education, although projections may change in some of these states. Nearly one-fourth of all states, or 12 states, reported declines in state education funding in 2011 and project another round of cuts for 2012.

Federal ARRA funds are unlikely to compensate for these declines. Most of the federal stimulus money has been spent, and by 2012 it will be essentially gone. Very few states expect to have more state education dollars to help cushion the fall when they exhaust their ARRA funding.

- **The capacity of many states to implement ARRA reforms could be constrained by cuts in state education agencies' operating budgets and limited staffing levels.**

Twenty-three states reported a projected decrease of 5% or more in their state education agency (SEA) operating budget for 2011. Another six states projected flat operating budgets for state education agencies for 2011. In many cases, these cuts or freezes for 2011 have come on top of prior years of shrinking state agency budgets. In the majority of states that reported declines in state agency funding, increased federal funds made up for half or less of the loss.

In addition to operating funds, state education agencies need expertise and sufficient staff to carry out key reforms associated with ARRA. While most responding states said they have adequate expertise, a minority reported having adequate staffing or funding to implement various ARRA-related reform strategies.

Together these trends suggest that state agency budgets and staffing capacity could be insufficient, at least through 2011, to implement fully and effectively a range of critical activities required or implied by the ARRA reform agenda.

- **States are responding sooner and more actively in some ARRA reform areas than in others.**

In general, states reported being farther along in rolling out key reform strategies related to building longitudinal student data systems than in implementing other strategies, such as putting in place high-quality assessments aligned to rigorous standards or establishing systems to evaluate educators based on student achievement.

As regards data systems, a majority of the survey states are in the roll-out stage of assigning a unique statewide identifier for every student, compiling yearly records of students' test performance, and making student data available to schools and teachers to help improve instruction.

In the area of standards and assessments, 22 states are rolling out internationally benchmarked standards in math and 20 are doing so in English language arts, but fewer are ready to roll out other key reform strategies. Most of the key reforms related to standards and assessments, particularly those involving assessments, are in the planning and development stage in the majority of states responding to our survey.

In the area of teacher effectiveness, none of the key reform strategies highlighted in our survey are in the roll-out stage in a majority of the survey states. The bulk of these strategies are in the planning and development or pilot testing stage in most of the survey states.

In general, fewer states are undertaking some of the strategies highlighted in our survey for turning around low-performing schools than are implementing strategies in the other three reform areas. This may be because in many states, improving low-performing schools is primarily a local responsibility, and some of these states may have a tradition of local control that limits state involvement in local decisions. While a majority of survey respondents do intend to implement strategies related to sharing best practices for low-performing schools or assisting districts in recruiting highly effective principals or teachers, these actions tend to be in the planning and development stages.

Within each of the four ARRA reform areas, many states do not expect to fully implement several key reforms until 2012 or later.

- **ARRA has helped to create a common reform agenda for states based on broad federal goals.**

ARRA has helped influence states to focus their efforts to improve education around a set of common reform goals and take similar actions to accomplish those goals. Nearly all of the dozens of ARRA-related reform strategies included in our survey are being acted upon by a majority—often a large majority—of the responding states. These are just some of the more ambitious reform strategies being undertaken by a sizeable majority of states:

- Forty states are planning, developing, pilot testing, or rolling out teacher evaluation systems that include student achievement gains as a criterion, and the same number are taking these actions with systems for principals.
- Thirty-eight states are taking actions to establish state data systems that track the achievement of students taught by individual teachers.
- Thirty-seven states are involved in efforts to align data systems for K-12 and higher education to produce longitudinal data for individual students.
- Forty states are taking actions to provide professional development to familiarize teachers and principals with new standards and assessments and how to apply them.
- Thirty-five states are developing new curriculum guides and materials to facilitate the transition to the new standards and assessments.
- Thirty-four states are developing and disseminating guidance and rubrics that can be used to select school intervention models.

Our survey findings also suggest that many key state reforms related to ARRA can be achieved without new or revised state statutes or regulations. Relatively few states reported that they had adopted statutory or regulatory changes to implement the key reform strategies highlighted in our survey. The changes in laws and regulations reported by the greatest number of states pertain to the adoption of new academic standards and the creation of educator evaluation systems based on student achievement.

Even states that did not receive Race to the Top grants are proceeding with the reform plans in their RttT applications, although on a somewhat slower timeline and with some omissions. The fact that so many reform actions are underway in the states is a hopeful sign, but diminished budgets may pose obstacles to full implementation of these reforms.

The sections that follow provide addition detail, data, and findings that support these main conclusions.

## Status of State Funding for Elementary and Secondary Education

A major purpose of ARRA education funding was to stabilize declining state and local budgets. A 2009 CEP report that described states' plans for the ARRA education components projected that the education funding status of states would worsen in 2010 (CEP, 2009). This seems to be borne out by results from our 2010 state survey.

- **In fiscal year 2011, state funding for elementary and secondary education stayed the same or decreased in most states. In fiscal year 2012, state funding is also expected to remain flat or decrease in the majority of states.**

**Table 1** shows state responses to questions about state funding for elementary and secondary education in fiscal years 2011 and 2012, excluding ARRA education funds. In 24 of the states responding to our survey, state funding remained about the same in 2011 as in 2010. In 13 states, funding decreased by 5% or more. Just five states reported increases in state education budgets of 5% or more for 2011.

Nineteen states project that state education funding will stay about the same in fiscal year 2012 as in fiscal year 2011. Seventeen states expect declines of 5% or more in their 2012 state education budgets, and just five states project increases of 5% or more. Nine of the states projecting either increases or decreases said their projections are likely to change.

**Table 1. Status of state funding for elementary and secondary education (excluding ARRA funds) in fiscal year 2011 and state projections for fiscal year 2012**

*Number of states*

Funding status	Funding level for FY 2011 compared with FY 2010	Projected funding level for FY 2012 compared with FY 2011
Decrease of 5% or more	13	11
Decrease of 5% or more but projection is likely to change	NA	6
Same	24	19
Increase of 5% or more	5	2
Increase of 5% percent or more but projection is likely to change	NA	3

Table reads: Thirteen states responding to CEP's survey reported that their state funding for elementary and secondary education for fiscal year 2011 had decreased by 5% or more compared with fiscal year 2010. Eleven states projected that their state education funding will decrease by 5% or more in fiscal year 2012 compared with the previous year; an additional six states projected funding decreases of this magnitude but said their projection was likely to change.

- **Many states that experienced decreases in state education funding for fiscal year 2011 anticipate further cuts for fiscal year 2012.**

Of the 13 states that reported their state funding for elementary and secondary education had decreased by 5% or more in 2011, all but one expected further decreases of 5% or more in 2012. However, 3 of the 12 states that projected a decrease for 2012 also said their projection was likely to change. The one state that did not foresee a decline expected its state education funding to remain about the same.

Similarly, 17 of the 24 states that reported their fiscal year 2011 education funding had remained about the same as in the previous year also projected stable funding for fiscal year 2012. Only two of these states expected funding to increase by 5% or more, while four anticipated a decrease of 5% or more; in half of these six states, however, the projections were likely to change.<sup>1</sup>

<sup>1</sup> The numbers in this paragraph do not total 24 because one state that answered the question about 2011 did not respond for 2012.

States will have to cope with diminished or stagnant education budgets in 2011 and 2012 without much of a cushion from ARRA. Data from the U.S. Department of Education indicate that many states have spent most of their ARRA funding—33 states have less than one-third of their ARRA funds remaining, and 20 states have less than one-fourth of these funds left (McNeil, 2011). Across the 50 states and D.C., the median share of education stimulus money remaining is 28%.<sup>2</sup>

## State Progress in Implementing Reforms Related to ARRA Assurances

To receive stabilization funds, ARRA called on states to provide assurances in their applications that they will make progress in four areas of education reform:

1. Developing and implementing rigorous standards for college and career readiness and high-quality assessments that are valid and reliable for all students
2. Establishing data systems that track students' progress from prekindergarten through college and careers and that foster continuous improvement
3. Improving teacher effectiveness and addressing inequities in the distribution of qualified teachers for all students, particularly those most in need
4. Providing intensive support and effective interventions to turn around the lowest-performing schools

Several questions in our survey sought information about the status of key reform strategies associated with each of these assurances. These strategies were intended to be a list of possible activities—or in some cases requirements—that states could undertake to address the assurances. The strategies were drawn from various sources, including ARRA guidance and general materials from the U.S. Department of Education.

Specifically, states were asked whether they plan to implement each strategy listed. If they responded yes, they were asked whether that strategy was in the planning and development, pilot testing, or roll-out stage, and whether the state had adopted new or revised statutes or regulations related to that strategy. (States could choose more than one response.) States were also asked to note the calendar year in which each listed strategy would be fully implemented.

### IMPLEMENTING RIGOROUS STANDARDS AND ALIGNED ASSESSMENTS

- **Strategies for implementing rigorous standards and assessments tend to be in the planning and development stage in most states.**

Most states are undertaking a variety of actions to put in place internationally benchmarked standards and assessments. As shown in **table 2**, a majority of states—often two-thirds of all states or more—are moving ahead with each of the strategies in our survey related to standards and assessments. The strategy being undertaken by the fewest states is adopting internationally benchmarked standards in subjects *other than* reading and math; 29 states plan to do this.

<sup>2</sup> CEP calculated the medians based on data from the U.S. Department of Education reported in McNeil, 2011.

**Table 2. Status of state reform strategies for implementing rigorous standards and aligned assessments***Number of states*

Key reform strategy	Status of reform*				Action not planned
	Total	Planning & development	Pilot testing	Roll-out	
Adopt internationally benchmarked standards aligned with expectations for college and career readiness in <i>mathematics</i>	38	17	0	22	1
Adopt internationally benchmarked standards aligned with expectations for college and career readiness in <i>English language arts</i>	37	18	0	20	2
Adopt internationally benchmarked standards aligned with expectations for college and career readiness in <i>other core academic subjects</i>	29	19	0	11	12
Create or adopt state assessments aligned with new academic standards	41	33	3	7	0
Establish policies and procedures for accommodations to ensure that students with limited English skills participate in new state assessments	42	32	1	12	0
Establish policies and procedures for accommodations to ensure that students with disabilities participate in new state assessments	40	30	1	12	0
Provide professional development to familiarize teachers and principals with the new standards and how to apply them in the classroom	40	29	1	14	0
Provide professional development to familiarize teachers and principals with the new assessments and how to use the data for instructional planning	40	32	1	10	0
Develop and disseminate new curriculum guides and/or materials to facilitate the transition to the new standards and assessments	35	30	3	9	4

Table reads: Of the 38 states that plan to take action to adopt internationally benchmarked standards aligned with expectations for college and career readiness in math, 17 states are in the planning and development stage of implementing this strategy and 22 are in the roll-out stage. One state plans no action in this area.

\*Some states selected more than one response for the same strategy.

Most of the strategies in table 2 are in the planning and development stage in the bulk of the states responding to our survey. For example, roughly three-fourths of responding states are in the planning and development phase of creating or adopting assessments aligned with new standards (33 states), providing professional development on the new standards and assessments (32 states), and establishing assessment accommodations for English language learners (32 states) or students with disabilities (30 states).

We took a closer look at the implementation status of standards-related reforms in the 32 states which reported in a different section of our survey that they have adopted the voluntary common core state standards in math and reading/language arts initiated by the nation's governors and state education superintendents (CEP, 2010).<sup>3</sup> Most of these states reported being in the roll-out phase of adopting internationally benchmarked standards in math (19 states) and English language arts (18 states); the remainder are in the planning and development phase. When it comes to adopting internationally benchmarked standards in other core academic subjects, however, just 9 of these common core standards states are in the roll-out stage, while 17 are in the planning and development stage.

<sup>3</sup> Since the time of our survey in October and November of 2010, additional states have adopted the common core state standards.

A few states that had not adopted the common core state standards at the time of our survey nevertheless reported that they are in the roll-out phase of adopting internationally benchmarked standards in math or English language arts. It could be that these states believe their existing standards are already benchmarked to rigorous international expectations.

## ESTABLISHING LONGITUDINAL DATA SYSTEMS TO TRACK STUDENTS' PROGRESS

A large majority of the survey states are implementing strategies associated with developing longitudinal data systems to track students' progress.

Under ARRA, states must assure they will establish data systems to track individual students' progress from prekindergarten through college and careers. This is the only new requirement among the four ARRA assurances; the substantive themes of the other three assurance areas have been priorities since enactment of No Child Left Behind. Thus, ARRA has helped to encourage states to build a type of data system that is more sophisticated than the ones they are replacing and that just a few years ago was nonexistent in many states.

For each of the data-related reform strategies in **table 3**, roughly four-fifths or more of the survey states plan to take action. Several of these strategies are already in the roll-out phase in many states. These include assigning a

**Table 3. Status of state reform strategies for establishing longitudinal student data systems**

*Number of states*

Key reform strategy	Status of reform*				Action not planned
	Total	Planning & development	Pilot testing	Roll-out	
Assign a unique statewide identifier for every student	40	4	0	36	0
Compile yearly records of individual students' test performance	40	8	2	31	0
Compile college-readiness test scores of individual students	34	15	1	18	5
Compile student-level transcript information on all students, including courses completed and grades earned	35	21	5	9	5
Collect data and report on the extent to which students make transitions from high school to postsecondary education, including whether students enroll in postsecondary remedial courses	37	24	4	10	4
Align elementary/secondary data systems and higher education data systems to produce longitudinal individual-level student records	37	29	2	7	4
Link teacher data to student data within the data system	40	22	6	15	0
Make student data available to schools and teachers to support instructional improvement and student assignment to instructional programs	40	13	3	25	1
Make student data easily accessible to parents, policymakers, and other key stakeholders	38	21	1	18	3

Table reads: Of the 40 states that plan to take action to assign a unique statewide identifier for every student, four states are in the planning and development stage of implementing this strategy and 36 are in the roll-out stage.

\*Some states selected more than one response for the same strategy.

unique statewide identifier to every student (36 states), compiling yearly records of individual students' test performance (31 states), making student data available to schools and teachers (25 states), and compiling college readiness test scores of individual students (18 states). Most of the other strategies in table 3 are in the planning and development phase in the majority of survey states.

## INCREASING EDUCATOR EFFECTIVENESS AND EQUITABLE DISTRIBUTION

- **The most ambitious strategies for increasing educator effectiveness and equitable distribution are in planning and development in the majority of survey states.**

As shown in **table 4**, the strategies related to educator effectiveness being implemented by the greatest numbers of states include establishing teacher evaluation (40 states) and principal evaluation (40 states) systems that include

**Table 4. Status of state reform strategies for increasing educator effectiveness and equitable distribution**

*Number of states*

Key reform strategy	Status of reform*				Action not planned
	Total	Planning & development	Pilot testing	Roll-out	
Establish high-quality educator induction programs	28	16	2	11	11
Provide high-quality professional development for educators	33	20	3	16	5
Create incentives for highly qualified teachers to remain in or transfer to districts and schools with low percentages of such teachers	25	21	4	5	15
Create incentives for highly effective principals and other school leaders to remain in or transfer to low-performing schools	22	19	3	3	18
Establish teacher evaluation systems that include student achievement gain as a criterion	40	38	4	2	2
Establish principal evaluation systems that include student achievement gain as a criterion	40	38	4	2	2
Establish a state data system that tracks the achievement of students taught by individual reading/language arts and math teachers	38	25	6	9	0
Establish a state data system to report on the effectiveness of educator preparation programs	37	30	3	6	5
Establish alternative pathways for aspiring teachers and principals to enter the profession	30	14	3	18	6

Table reads: Of the 28 states that plan to take action to establish high-quality educator induction programs, 16 states are in the planning and development stage of implementing this strategy, two are in pilot testing, and 11 are in the roll-out stage. Eleven states have no actions planned in this area.

\*Some states selected more than one response for the same strategy.

gains in student achievement as a criterion. A large number of states are also establishing data systems to track the achievement of students taught by individual teachers of reading/language arts and math (38 states), and creating a state data system to report on the effectiveness of educator preparation programs (37 states).

The only strategies that a sizeable minority of states do not plan to implement are creating incentives for highly effective school leaders to remain in or transfer to low-performing schools (18 states), creating incentives for highly qualified teachers to remain in or transfer to districts and schools with low percentages of such teachers (15 states), and establishing high-quality educator induction programs (11 states).

As table 4 also makes clear, three strategies for increasing educator effectiveness and equitable distribution are in the roll-out stage in notable numbers of states—adopting alternative pathways to the teaching profession (18 states), providing high-quality professional development (16 states), and establishing high-quality teacher induction programs (11 states).

More typically, however, strategies related to educator effectiveness are in the planning and development stage. Thirty-eight states are engaged in planning and developing systems to evaluate teachers and principals using student achievement gains as a criterion. Large numbers of states are also in the planning and development stage of adopting data systems to report on the effectiveness of education preparation programs (30 states) and to track the achievement of students taught by individual reading/language arts and math teachers (25 states).

## SUPPORTING IMPROVEMENT OF LOW-PERFORMING SCHOOLS

- **Several strategies for turning around low-performing schools are in planning and development in many states. Some key strategies for achieving this goal, however, are not part of the reform plans of a notable number of states.**

To address the assurance of improving low-performing schools, 19 states are in the roll-out stage in developing and disseminating guidance and rubrics for schools or districts to use in selecting school intervention models. As shown in **table 5**, 13 states are rolling out information on best practices for low-performing schools. The other strategies in table 5 are in the planning and development stage in most of the states that intend to pursue them.

It is noteworthy that the numbers of states in the “action not planned” column of table 5 tend to be larger than the comparable numbers for the other ARRA assurances. For example, 13 states do not plan actions to assist school districts in identifying and recruiting highly effective teachers, and the same number do not plan to do this for principals. Fifteen states do not plan to develop and disseminate guidance for use in screening school intervention experts. Twenty-two do not intend to assist districts in identifying and recruiting charter school or education management organizations; however, this may be because laws in some states do not allow for the establishment of charter schools.

Possible explanations for these results may be that certain strategies to improve low-performing schools, such as recruiting teachers and principals, are primarily functions of school districts rather than state agencies. Some states may have a tradition of local control that limits state involvement in many local decisions. States that are assisting districts in improving low-performing schools may be doing so as part of their implementation of federal school improvement grants.

**Table 5. Status of state reform strategies for turning around low-performing schools**  
*Number of states*

Key reform strategy	Status of reform*				Action not planned
	Total	Planning & development	Pilot testing	Roll-out	
Assist districts in identifying and recruiting highly effective principals	28	24	2	4	13
Assist districts in identifying and recruiting highly effective teachers	29	24	2	5	13
Assist districts in identifying and recruiting charter management organizations and/or education management organizations	20	17	0	3	22
Develop and disseminate guidance and procedures for use in screening and selecting school intervention experts	27	18	5	9	15
Develop and disseminate guidance and rubrics for use in selecting school intervention models	34	16	3	19	9
Gather and disseminate information on best practices in low-performing schools	40	25	7	13	2
Establish and facilitate online networks and other forums for districts and schools to learn about and share successful practices in implementing school intervention models	36	26	4	7	7

Table reads: Table reads: Of the 28 states than plan to take action to assist districts in identifying and recruiting highly effective principals, 24 states are in the planning and development stage of implementing this strategy, two states are in pilot testing, and four states are in the roll-out stage. Thirteen states have no actions planned in this area.

\*Some states selected more than one response for the same strategy.

## NEW STATE LAWS AND REGULATIONS RELATED TO ARRA REFORMS

- **Relatively few states reported new or revised state statutes or regulations to support implementation of key ARRA-related reform strategies.**

For most of the ARRA-related strategies highlighted in our survey, only a few states reported adopting new or revised state laws or regulations. Seven was the highest number of states that had done so for any strategy. Seven states said they had changed laws and regulations to establish teacher and principal evaluation systems based on student achievement. And seven states reported making statutory or regulatory changes to adopt internationally benchmarked standards in mathematics and English language arts, including five of the states that had adopted the common core state standards initiated by the governors and state superintendents.

These findings could suggest that most states can carry out their planned ARRA-related strategies within the current legal framework.

## Timelines for Full Implementation

In general, many states expect to fully implement certain key reform strategies addressing statewide longitudinal data systems and teacher effectiveness sooner than they expect to fully implement strategies related to rigorous standards and aligned assessments.

States have different timelines for implementing the key ARRA-related strategies discussed above. Some states reported that they had already fully implemented some of these strategies in 2010 or earlier—in a few cases, as early as a decade ago or more. Other states expect to fully implement certain strategies this year, in 2011. Many states do not expect to fully implement specific strategies until 2012 or later—in some cases as late as 2016.

For each reform strategy included in our survey, the appendix shows the number of states that have already fully implemented the strategy in 2010 or earlier, as well as the number that expect to fully implement it in 2011, or in 2012 or later.

In general, strategies related to longitudinal student data systems are being implemented sooner than strategies related to rigorous standards and assessments. For example, only a limited number of states—6 or fewer—reported that they have fully implemented any of the reforms related to standards and assessments. Conversely, 22 states or more do not expect to fully implement these key strategies addressing standards and assessments until 2012 or later:

- Create or adopt state assessments aligned with new academic standards (29 states)
- Adopt internationally benchmarked standards aligned with expectations for college and career readiness in English language arts (23 states)
- Adopt internationally benchmarked standards in mathematics (22 states)
- Establish policies and procedures for accommodations to ensure that students with limited English skills participate in new state assessments (22 states)

The longer timeline for implementing assessment-related reforms may be related to the fact that many states are part of the federally-funded consortia that are developing new assessments aligned to the common core state standards. These states' timelines are dependent on the consortia schedules, which call for the new assessments to be on line in 2014-15.

Almost as many states (21) do not plan to fully implement two other strategies related to aligned assessments until 2012 or later—establishing accommodations policies to ensure that students with disabilities participate in new state assessments, and providing professional development to familiarize teachers with new assessments.

Greater numbers of states had implemented certain key reforms related to longitudinal data systems by 2010. Roughly one-third to two-thirds of the survey states reported that in 2010 or sooner, they had done the following:

- Assigned a unique statewide identifier for every student (30 states)
- Compiled yearly records of individual students' test performance (24 states)
- Made student data easily accessible to parents, policymakers and other key stakeholders (16 states)
- Compiled college readiness test scores of individual students (15 states)

In general, certain key strategies for improving teacher effectiveness and equitable distribution also tend to be on a somewhat faster track than those related to standards and assessments. But the timelines for implementing teacher-related strategies varied. For example, 18 states reported that by 2010 they had already established alternative pathways for teachers and principals to enter the profession, and 10 said they had already established high-quality teacher induction programs. As for the timelines for implementing other strategies, such as providing high-quality professional development or establishing data systems to track the achievement of students taught by individual teachers, state responses were evenly distributed across years.

A pattern of needing a few more years was apparent when it came to implementing educator evaluation systems based on student achievement. Eighteen states do not expect to fully implement such a system for *teachers* until 2012 or later, and 20 states do not expect to have such a system for *principals* until 2012 or later. This may also be related to the timetables of the consortia producing assessments related to the common core state standards. In states that are part of the consortia, the new assessments will be a primary source of the student achievement data used in the educator evaluation systems.

States varied in their timelines for implementing strategies related to improving low-performing schools. Twelve states had already developed and disseminated guidance and rubrics to use in selecting school intervention models, but fewer states have implemented any of the other strategies related to this assurance. More than one-fourth of the responding states do not expect to fully implement three key strategies until 2012 or later:

- Assisting districts in identifying and recruiting highly effective principals (14 states)
- Assisting districts in the same way for highly effective teachers (13 states)
- Establishing online networks and other forums for districts and schools to learn about and share successful practices in implementing school intervention models (12 states)

## Implementation of Race to the Top Reforms

Our survey asked both states that won Race to the Top grants and those that did not about the extent to which preparing the RttT application stimulated their education reform efforts. Consistent with RttT requirements, all 11 RttT winners in our survey reported they will implement the plan in their RttT application.

More noteworthy is the fact that 16 of the 32 survey states that did *not* win RttT grants still intend to use their RttT application as their state reform plan. In this latter group of states, however, implementation is expected to proceed more slowly than originally planned and with some omissions. An official in a state that did not receive RttT funding noted in a survey comment that “the governor continues to state that our RttT application is [the state’s] reform plan ... and [the state department of education] is working to figure out how the plan can go forward without the award.” A respondent in another state that did not receive RttT funding is “using a modified implementation of RttT and a slower pace.”

Twelve of the 32 survey states that were not RttT winners said they are reviewing their strategies for moving forward on the efforts described in their application.

## Capacity of State Education Agencies to Carry out Reforms

An earlier section of this report reviewed the current and future condition of overall state funding for elementary and secondary education. This section looks specifically at the operating budgets for state education agencies and their capacity to carry out key duties related to education reform in this challenging economic climate.

A 2007 CEP report on the capacity of state education agencies to carry out the No Child Left Behind Act (NCLB) and their other duties highlighted the staffing challenges states face, as well as the evolving role of SEAs from compliance monitors to providers of technical assistance and support to school districts and schools.

Several findings from this 2007 report are relevant to this study. First, even in better financial times, SEAs are often targets of budget cuts. Sometimes these cuts are imposed for no other reason than a new administration wanting to create the perception of a smaller government. Second, because SEA personnel often have low salaries relative to school district employees or the private sector, agencies have a hard time retaining talented, well-qualified staff. Many leave for better-paying jobs. Third, the hiring practices in state agencies are often bureaucratic and lengthy, which compounds the problem of hiring well-qualified people. Finally, in the 2007 study, states often cited too few staff or not enough funds as challenges to implementing various aspects of NCLB.

- **Since 2007, operating budgets for state education agencies have decreased by 10% or more in the majority of states and have stayed about the same in many other states. Federal funds have not made up for the bulk of the loss in states with cuts in their SEA budgets.**

Our 2010 survey asked state respondents to compare their state agency's current operating budget (excluding ARRA funds) with that of three years ago, or 2007. Twenty-eight states responded that their agency budget had decreased by 10% or more, while 10 states said that their budget had stayed about the same over this three-year period. Two states reported that their agency's operating budget had increased by 10% or more.

Recent increases in federal education funding through ARRA and the regular federal appropriations bills have helped to make up for some of these losses. Eleven of the states that reported diminished SEA operating budgets indicated that increases in federal education funds had made up for less than half of the decrease, as shown in **table 6**. Five states said the increased federal money compensated for about half of the decrease, and two said their increased federal funds had made up for all or nearly all of the decrease. (In nine states, federal funding did not increase.)

**Table 6. Extent to which increased federal funds compensated for a decrease in state funds for SEAs**

*Number of states*

Extent to which federal funds made up for decrease in SEA funds	Number of states
Less than half of the decrease	11
About half of the decrease	5
All or almost all of the decrease	2
Federal funds for SEA operations did not increase during this period	9

Table reads: Eleven states with decreases in SEA budgets since 2007 reported that increased federal funds had made up for less than half of this decrease.

- **Almost half of the states (23) expect their operating budgets to decrease by 5% or more in 2011. Federal funds are unlikely to compensate for a major share of these cuts.**

Our survey, which was administered in fall of 2010, asked respondents to estimate the condition of the SEA's operating budget in 2011. Twenty-three states said this funding would decrease by 5% or more, while 6 said it would remain about the same (see **table 7**). One state indicated the agency's operating budget would increase by 5% or more. In the 23 states with projected decreases an increase in federal funds will help out to some degree. According to survey respondents, increased federal dollars would compensate for less than half of the anticipated decrease in nine states, and for about half of the decrease in three states. However, 11 states did not expect their federal funds to increase, so there was no cushion.

**Table 7. Extent to which an increase in federal funds is expected to compensate for a decrease in SEA funds in 2011**

*Number of states*

Extent to which increased federal funds are expected to make up for decreased SEA funds	Number of states
Less than half of the projected decrease	9
About half of the projected decrease	3
All or almost all of the projected decrease	0
Federal funds for SEA operations are not expected to increase	11

Table reads: Nine states expected increased federal funds to compensate for less than half of the decrease in funding projected for 2011.

- **Changes in state staffing assignments for reform-related activities vary by state.**

Our survey also asked state officials about the extent to which SEA staffing levels for certain key activities had changed over the past three years (since 2007). For the most part, states' responses were mixed about whether staffing levels had changed, as illustrated in **table 8**. But there were three notable exceptions. First, more states (19) indicated that staffing levels devoted to developing statewide data systems had increased than said these levels had decreased (11) or stayed the same (8). Second, the number of states indicating that staffing levels to assist low-performing schools had increased (18 states) was quite similar to the number that said staffing levels had remained about the same (17 states). This may be due in part to increased federal funding for school improvement activities. Third, in the area of implementing new content standards, the number of states (19) indicating that staffing levels had decreased was the same as the number responding that these levels had stayed about the same. Only one state said that staffing had increased for new content standards implementation.

The capacity of states to implement education reforms depends not only on adequate funding and adequate numbers of staff, but also on a third element, adequate expertise. In general, state officials reported their state had adequate expertise among state agency staff to carry out various activities, as shown in **table 9**. Most states indicated they have adequate expertise to manage ARRA-related programs (37 states), or to implement internationally benchmarked standards (32 states), or to develop and implement longitudinal data systems (32 states).

**Table 8. Changes in SEA staffing levels over the last three years for key state activities***Number of states*

Area of state education agency staff assignments	Decreased	Remained the same	Increased	No assignments in this area
Developing statewide data system	11	8	19	1
Implementing new content standards	19	19	1	1
Developing and implementing new state assessments	11	25	3	1
Assisting low-performing schools	5	17	18	1
Developing and implementing educator induction programs	8	20	3	8
Developing and implementing new educator evaluation systems that hold educators accountable for gains in student learning	3	20	9	8
Developing, operating, and maintaining state technology infrastructure	10	18	9	2

Table reads: Eleven states reported that SEA staffing levels devoted to developing statewide data systems had decreased over the last three years, while 8 states reported that these levels had stayed the same, and 19 states said they had increased. One state reported it had no staff assigned to developing statewide data systems.

**Table 9. State capacity to carry out various activities***Number of states*

Activity	Adequate expertise	Adequate staffing levels	Adequate fiscal resources	Adequate expertise, staffing, and fiscal resources
Implement internationally benchmarked standards (including the common core state standards, if applicable)	32	7	6	4
Manage ARRA-funded programs	37	14	14	13
Support efforts to support improvements in low achieving schools	27	15	13	9
Support development & implementation of a longitudinal data system	32	12	14	9
Support development & implementation of a new assessment system	27	12	4	3

Table reads: Thirty-two states reported that they had adequate expertise to implement internationally benchmarked standards, while seven states had adequate staffing levels, and six states had adequate fiscal resources. Four states responded that they had adequate expertise, staff, and fiscal resources to implement these standards.

- **Only a handful of states believe they have all three elements in place—adequate expertise, staffing levels, and funding—to carry out key ARRA-related reform activities. Most states have adequate expertise, but fewer report having sufficient staffing or funding.**

Since states could respond to our survey question about state capacity by checking all of the responses that applied, we also analyzed the data to determine how many states responded that they had all three elements in place—adequate expertise, staffing levels, *and* funding. Only four states said they have all three elements in place to implement internationally benchmarked standards. More states, but still less than one-third of all states, indicated they had adequate expertise, staffing levels, and funding to manage ARRA-funded programs (13 states), or support efforts to improve low-performing schools (9 states), or support development and implementation of a longitudinal data system (9 states). Only three states felt they have adequate expertise, staffing levels, and funding to support development and implementation of a new assessment system.

Similar to our finding in our 2007 report, fewer states reported that they had adequate staffing levels or fiscal resources than had adequate expertise.

- **Most of the states that have adopted common core state standards do not have the expertise, staffing, and funding to implement internationally benchmarked standards or a new assessment system.**

When it comes to implementing the common core state standards, including new assessments aligned to these standards, states that have adopted these standards may face capacity hurdles, especially in funding. Only four of the states that had adopted the common core state standards at the time of our survey and had answered our question about capacity indicated they had the expertise, staffing, and financial resources to implement internationally benchmarked standards. (See **table 10**). Eighteen of these states reported having expertise but not adequate staffing levels or funding. Two of the states that had adopted these common standards said they had expertise and staffing levels but not funding, and one state indicated it had expertise and financial resources but not staffing levels.

A similar challenge exists among states that have adopted the common core state standards as regards developing and implementing a new assessment system. Three states that had adopted these standards at the time of our survey and had answered our capacity question indicated they had expertise, staffing, and funding to develop and implement a new assessment system, while 14 states have only the expertise to do so, and four have expertise and staffing but not financial resources.

**Table 10. Capacity of states adopting common core state standards in two key areas of standards and assessment implementation**

*Number of states*

Element of capacity	Capacity to implement internationally benchmarked standards (including common core state standards)	Capacity to support development and implementation of a new assessment system
Expertise, staffing, and fiscal resources	4	3
Expertise and staffing	2	4
Expertise and fiscal resources	1	0
Expertise only	18	14
Staffing only	0	0
Fiscal resources only	0	0

Table reads: Among the states that have adopted the common core state standards, four reported having adequate expertise, staffing, and fiscal resources to implement internationally benchmarked standards, while two had adequate expertise and staffing only, and one had expertise and fiscal resources only. Eighteen of the states adopting these standards reported having only expertise.

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# Appendix—Timelines for Fully Implementing Key ARRA-Related Reform Strategies

Number of states

State reform strategy	Year of implementation		
	2010 or earlier	2011	2012 or later
<b>Strategies for implementing rigorous standards and assessments</b>			
Adopt internationally benchmarked standards aligned with expectations for college and career readiness in mathematics	5	5	22
Adopt internationally benchmarked standards aligned with expectations for college and career readiness in English language arts	4	5	23
Adopt internationally benchmarked standards aligned with expectations for college and career readiness in other core academic subjects	3	2	14
Create or adopt state assessments aligned with new academic standards	2	2	29
Establish policies and procedures for accommodations to ensure that students with limited English skills participate in new state assessments	6	2	22
Establish policies and procedures for accommodations to ensure that students with disabilities participate in new state assessments	6	2	21
Provide professional development to familiarize teachers and principals with the new standards and how to apply them in the classroom	4	15	11
Provide professional development to familiarize teachers and principals with the new assessments and how to use the data for instructional planning	2	6	21
Develop and disseminate new curriculum guides and/or materials to facilitate the transition to the new standards and assessments	2	10	17

State reform strategy	Year of implementation		
	2010 or earlier	2011	2012 or later
<b>Strategies for establishing a longitudinal data system</b>			
Assign a unique statewide identifier for every student	30	3	0
Compile yearly records of individual students' test performance	24	3	3
Compile college-readiness test scores of individual students	15	5	6
Compile student-level transcript information on all students, including courses completed and grades earned	7	14	8
Collect data and report on the extent to which students make transitions from high school to postsecondary education, including whether students enroll in postsecondary remedial courses	9	10	9
Align elementary/secondary data systems and higher education data systems to produce longitudinal individual-level student records	5	19	14
Link teacher data to student data within the data system	9	10	11
Make student data available to schools and teachers to support instructional improvement and student assignment to instructional programs	16	9	5
Make student data easily accessible to parents, policymakers, and other key stakeholders	6	9	11

State reform strategy	Year of implementation		
	2010 or earlier	2011	2012 or later
<b>Strategies for increasing educator effectiveness and distribution</b>			
Establish high-quality educator induction programs	10	4	8
Provide high-quality professional development for educators	8	9	9
Create incentives for highly qualified teachers to remain in or transfer to districts and schools with low percentages of such teachers	6	5	10
Create incentives for highly effective principals and other school leaders to remain in or transfer to low-performing schools	5	3	10
Establish teacher evaluation systems that include student achievement gain as a criterion	2	8	18
Establish principal evaluation systems that include student achievement gain as a criterion	2	6	20
Establish a state data system that tracks the achievement of students taught by individual reading/language arts and math teachers	8	12	13
Establish a state data system to report on the effectiveness of educator preparation programs	5	3	15
Establish alternative pathways for aspiring teachers and principals to enter the profession	18	5	7

State reform strategy	Year of implementation		
	2010 or earlier	2011	2012 or later
<b>Strategies for improving low-performing schools</b>			
Assist districts in identifying and recruiting highly effective principals	2	5	14
Assist districts in identifying and recruiting highly effective teachers	2	7	13
Assist districts in identifying and recruiting charter management organizations and/or education management organizations	2	8	4
Develop and disseminate guidance and procedures for use in screening and selecting school intervention experts	4	7	7
Develop and disseminate guidance and rubrics for use in selecting school intervention models	12	7	4
Gather and disseminate information on best practices in low-performing schools	8	14	7
Establish and facilitate online networks and other forums for districts and schools to learn about and share successful practices in implementing school intervention models	4	11	12



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