



ALLIANCE FOR
EXCELLENT EDUCATION

Straight A's

Public Education Policy And Progress



ALL I WANT FOR CHRISTMAS: Congress Continues Deliberations on Fiscal Year 2012 Funding; Education Programs Potentially Facing 1.5 Percent Funding Cut

Although Fiscal Year (FY) 2012 began on October 1, Congress has yet to determine the final funding allocations for education programs housed under the U.S. Department of Education. Instead, it has passed a series of continuing resolutions (CRs) that kept funding for education programs at FY 2011 levels minus 1.5 percent for all programs (unless there is a specific exception). With the most recent CR set to expire on December 16 and members of Congress anxious to return home for the holidays, time is running short for a final agreement.

The latest attempt at an agreement is a spending package that could exceed \$900 billion and include nine yet-to-be-passed appropriations bills. At one point, it looked as though the bill would simply extend funding for programs in the Labor, Health and Human Services (HHS), and Education appropriations bill, which funds the U.S. Department of Education, through a yearlong CR. A yearlong CR would have meant that education programs, including Title I and special education, would have been subject to an across the board cut in the neighborhood of 1.5 percent.

Instead, it appears as though House and Senate negotiators have negotiated a compromise that will include funding levels for each of the programs in these bills, rather than a year-long CR.

“We’re coming into the homestretch,” said **Rosa DeLauro (D-CT), the top Democrat on the Labor-HHS-Education Appropriations Subcommittee**. “There’s still some negotiation, but it’s mostly paperwork.”

Although the package was intended to be released the evening of December 12, final negotiations have taken longer than anticipated. Members are now saying the legislation will be unveiled on Tuesday, December 13. Once the agreement is finalized, rules of the House of Representatives require the language to be available for two days prior to a vote. This means that the House could vote on the legislation on Thursday, December 15, and the Senate could vote on it shortly thereafter.

The U.S. Department of Education recently released a table showing how funding levels for education programs would be impacted by a 1.5 percent cut. The table, which includes funding comparisons to FY 2011, as well as President Obama’s FY 2012 budget request, is available at <http://www2.ed.gov/about/overview/budget/budget12/12actioncr.pdf>.

“Storm” Looming Over Washington, DC Could Impact Nation’s Schoolchildren

In the video to the right, Alliance President Bob Wise explains how competing “storms” around education reform in Washington, DC, could impact the educational futures of the nation's schoolchildren.

In this “weather report,” Gov. Wise discusses two looming “storm” systems. The first, led by President Obama and U.S. Secretary of Education Arne Duncan, is focused on providing waivers and greater flexibility to states from key requirements in the No Child Left Behind (NCLB) Act. The other, underway in the U.S. Senate and U.S. House of Representatives, is about rewriting the Elementary and Secondary Education Act, currently known as NCLB, but will require Democrats and Republicans working together on a compromise.



In the coming weeks, Gov. Wise will report on whether the Senate and House of Representatives can come together on a bill that could be sent to the White House and outflank the waiver option.

“If no agreement is made, then the waiver option could overwhelm the Congress, pushing them out of the picture completely and controlling the education atmosphere in Washington, DC until after the next presidential election,” Wise says.

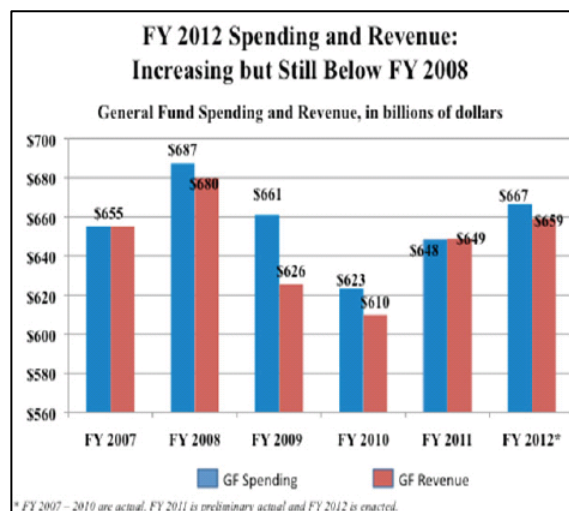


FISCAL SURVEY OF STATES: States’ Fiscal Situations Improve, but Revenue and Spending Remain Below Prerecession Levels

States’ fiscal situations have rebounded from the depths of the recent recession, but state revenues and spending figures remain below their prerecession levels, according to the *Fall 2011 Fiscal Survey of States*, released on November 29 by the National Governors Association (NGA) and the National Association of State Budget Officers (NASBO).

Although the report finds some financial improvements for states, including rising tax collections, growing general fund expenditures, and a slow restoration of state rainy day balances, the fact that states continue to be below prerecession revenue and spending levels

“demonstrates the continuing significant impact of the economic downturn and the current tepid growth in the national economy,” the report says.



“This report shows that state budgets are certainly improving, however growth is weak and there is not enough money for all of the bills coming in,” said **NASBO Executive Director Scott Pattison**. “State officials will still be cutting some programs and increases in funding for any program except for health care will be rare.”

According to the report, spending on Medicaid is expected to consume an increasing share of state budgets and grow more rapidly than state revenues. As a result, states are likely to “face tight fiscal conditions for the foreseeable future,” the report finds.

Based on estimates contained in this year’s report compared to last year’s, the percentage of general fund spending on elementary and secondary education, as well as higher education, has declined while spending on Medicaid has increased. Specifically, NGA and NASBO estimate that 35.0 percent of states’ general fund spending will go toward elementary and secondary education in Fiscal Year (FY) 2011, compared to an estimate of 35.7 for FY 2010. For higher education, they estimate spending at 11.5 percent of general fund expenditures for FY 2011, compared to 12.1 percent in FY 2010. Meanwhile, the Medicaid component of general fund expenditures is estimated to grow from 15.4 percent in FY 2010 to 17.4 percent in FY 2011.

“While fiscal 2012 state-enacted budgets show a combined \$19.4 billion increase in general fund spending for Medicaid, general fund spending on higher education was reduced by \$3.2 billion,” the report notes. “Additionally, although K–12 education saw an overall increase in funding, there were twelve states which enacted reductions in K–12 general fund spending.”

Additionally, states are facing a “squeeze” as federal support declines while pressure increases from local governments for additional aid and a restoration of previous funding cuts. “State governments are feeling the squeeze from the demands for spending from both local and federal governments,” said **NGA Executive Director Dan Crippen**. “Revenues are up slightly, but they do not yet meet 2008 levels, and the reduction of federal funds compounds the fiscal challenges for states.”

The recovery in state finances began in FY 2011, when thirty-eight states reported higher general fund spending than the year before. For FY 2012, forty-three states have enacted budgets with higher general fund spending than those enacted in FY 2011. Overall, general fund expenditures in FY 2012 will total \$666.6 billion, a 2.9 percent increase over FY 2011. Even with the increases, however, general fund expenditures are still \$20.7 billion, or 3 percent, less than the prerecession high of \$687.3 billion in FY 2008.

State revenues in FY 2012 are expected to be \$659.4 billion, a 1.6 percent increase over FY 2011, but \$20.8 billion less than in FY 2008. With revenues trailing spending, states will continue to face budget gaps; between FY 2009 and FY 2011, states reported \$230 billion in budget gaps. In FY 2012, states had to close a combined \$95 billion in budget gaps, and although not all state budget offices have completed official forecasts, seventeen states have already reported a combined \$40 billion in budget gaps for FY 2012, which begins July 1, 2012.

To close budget gaps, states were forced to make a combination of spending cuts and increases in revenues (i.e. taxes); some states borrowed money from “rainy day” accounts. In FY 2011, the program areas where many states made mid-year general fund expenditures cuts were K–12 and

higher education. Specifically, eighteen states reduced spending on K–12 while nineteen states cut higher education.

Fall 2011 Fiscal Survey of States is available at
<http://www.nga.org/files/live/sites/NGA/files/pdf/FSS1111.PDF>.



A NEW MISSION FOR THE MIDDLE GRADES: New Report Encourages Focus on Middles Schools for Postsecondary Preparedness

Middle schools in the South need to forge a new mission of preparing students for more rigorous high school course work and ultimately college and technical training, according to a new report from the Southern Regional Education Board's (SREB's) Middle Grades Commission. The report, *A New Mission for the Middle Grades: Preparing Students for a Changing World*, warns that failure to do so puts the nation's students and states' economies at a greater disadvantage when competing with the rapidly developing world.

"The middle grades are the make-or-break point of our K–12 public school system," said **SREB President Dave Spence**. "If states are serious about raising graduation rates and preparing more students for postsecondary study, work has to begin now on the middle grades."

According to SREB, one in every four rising ninth graders in the states it represents will not graduate from high school on time.¹ The report asserts that the rising educational demands of the average worker, the correlation between middle school engagement with postsecondary achievement, and the national push toward increasing high school graduation rates underscores the urgency with which state leaders must support fundamental changes to the middle grades. Through three core steps, SREB pinpoints the critical process of initiating middle-grade change.

First, SREB stresses that middle schools must develop concrete, clearly defined missions that outline the goal of high school and postsecondary readiness for middle-grade students. Specifically, it recommends that middle schools designate targets, including a 90 percent high school graduation rate, 80 percent postsecondary enrollment rate, and two-thirds of those students to achieve a college degree or career-related credential. To meet these goals, SREB says policymakers and education leaders must clearly define what knowledge and skills eighth graders should possess in order to be deemed ready for high school.

SREB also encourages integration of new, rigorous standards—such as the common core state standards in English language arts and math—with visual, performing, physical, and technical arts. The objective is to inspire and engage students in using reading and math in new ways. The theory is that with support and involvement from well-qualified teachers, parents, and school districts, students can be prepared for challenging high school courses, stay on track to graduate from high school, and earn some type of postsecondary credential that has value in the workplace.

Second, SREB believes it is important to have a strong voice through all avenues of policy and legislation. It calls on states to designate an individual who coordinates policy issues related to

¹ SREB's sixteen member states include Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

middle grades at the local, state, and federal levels. Responsibilities of this individual should include involvement in evaluation and data analysis to identify and share best practices that result in increased student achievement and productivity.

Finally, the board suggests creating a statewide framework for the makeover of middle schools through the following six key goals:

1. Communicating and clarifying the mission of middle schools through implementing higher and more rigorous standards.
2. Focusing the middle-grade curriculum on literacy and STEM (science, technology, engineering, and math) disciplines.
3. Identifying middle-grade students who are likely to drop out and intervening on their behalf.
4. Requiring students to complete individual academic and career plans.
5. Redesigning professional development for middle-grade educators.
6. Holding districts and schools accountable for meeting the middle-grade mission.

SREB implores state leaders and educators to take seriously the actions and statewide efforts needed to help all middle-grade students learn the skills vital to successfully and enthusiastically begin ninth grade.

“The Commission believes we must achieve a better balance among standards, instruction, and accountability that taps into the particular interests and dispositions of young adolescents,” said Spence. “We have an unprecedented opportunity to engage them in truly relevant educational experiences that can ignite their passion for learning for a lifetime.”

A New Mission for the Middle Grades is available at
http://publications.sreb.org/2011/11E15_Mid_Grades_Com.pdf.



**COMPARABILITY OF STATE AND LOCAL EXPENDITURES AMONG SCHOOLS
WITHIN DISTRICTS: New U.S. Department of Education Report Finds Many
Low-Income Schools Receive Less Than Fair Share of Funding**

Many low-income schools receive less than their fair share of state *and* local funding, according to a new report released on November 30 by the U.S. Department of Education. The report, *Comparability of State and Local Expenditures Among Schools Within Districts: A Report From the Study of School-Level Expenditures*, finds that more than 40 percent of schools receiving federal Title I money to serve disadvantaged students spent less state and local money on teachers and other personnel than schools that do not receive Title I money at the same grade level in the same district.

“Educators across the country understand that low-income students need extra support and resources to succeed, but in far too many places, policies for assigning teachers and allocating resources are perpetuating the problem rather than solving it,” said **U.S. Secretary of Education Arne Duncan**. “The good news in this report is that it is feasible for districts to address this problem and it will have a significant impact on educational opportunities for our nation’s poorest children.”

Complicating the challenges facing high-poverty high schools is the fact that only 10 percent of the approximately \$14 billion Title I program supports high school students even though they account for nearly 25 percent of the nation's low-income students. This is a key finding in "Overlooked and Underpaid: How Title I Shortchanges High Schools and What ESEA Can Do About It," a recent brief from the Alliance for Excellent Education. The brief also finds that nearly 1,300 high schools—in which 50 percent or more of their students come from low-income families—are not eligible for Title I funds.

"Whether you're talking about federal, state, or local funding, it is clear that low-income students are not getting the resources they need to graduate from high school prepared for college and success in life," said **Bob Wise, president of the Alliance for Excellent Education and former governor of West Virginia**. "I applaud Secretary of Education Arne Duncan for providing concrete numbers behind what we have long known to be true about the insufficient support received by low-income students. As Congress works to rewrite No Child Left Behind, it must strengthen Title I to better meet the needs of the nation's low-income students, including those in high school."

In conducting the study, researchers at the U.S. Department of Education analyzed new school-level spending and teacher salary data submitted by more than 13,000 school districts as required by the American Recovery and Reinvestment Act (ARRA) of 2009. This school-level expenditure data was made available for the first time in this data collection.

Comparability of State and Local Expenditures Among Schools Within Districts is available at <http://www2.ed.gov/rschstat/eval/title-i/school-level-expenditures/school-level-expenditures.pdf>.

The Alliance's policy brief, "Overlooked and Underpaid," which includes a state-by-state breakdown of the number of high-poverty high schools that are not Title I eligible in each state, is available at <http://www.all4ed.org/files/OverlookedUnderpaidTitleI.pdf>.



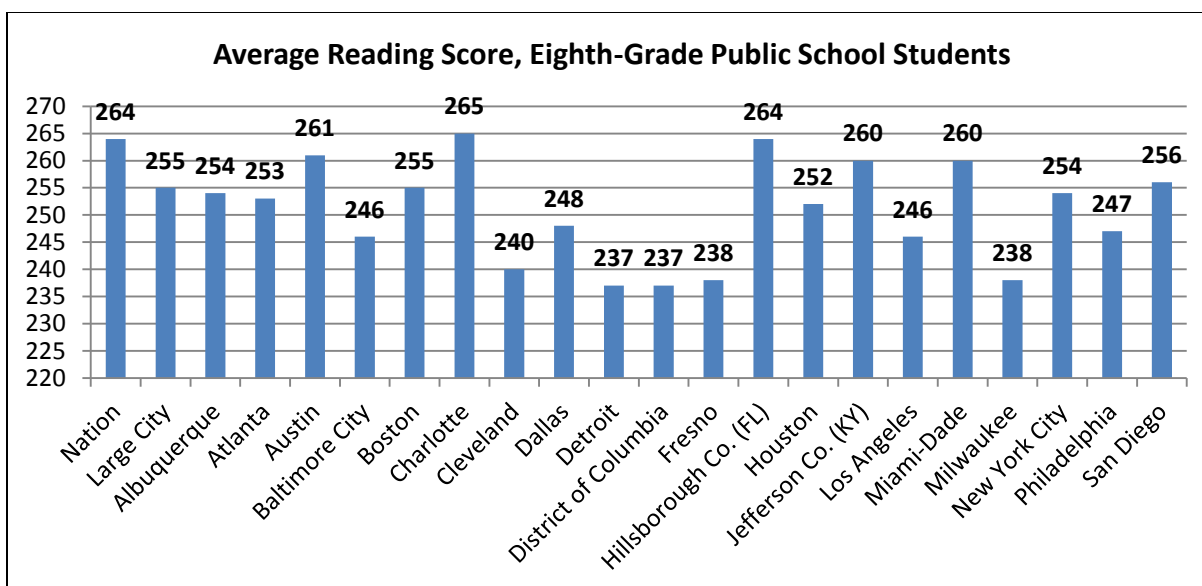
RESULTS OF 2011 TRIAL URBAN DISTRICT ASSESSMENTS IN READING AND MATH: Large Urban Districts Narrow Gap With National Average

Although the average reading score for eighth-grade public students increased 2 points from 2009 to 2011, the average reading score remains 9 points lower than the score for public school students in the nation, according to the 2011 National Assessment of Educational Progress (NAEP) Trial Urban District Assessment (TUDA). In math, the average score for eighth-grade public school students increased by 3 points since 2009 and 12 points since 2003 but still trails the national average by 9 points.

"The latest NAEP results show both short- and long-term progress by students in the nation's large-city schools and gains since 2003 that are significantly larger than the nation," said **Michael Casserly, executive director of the Council of the Great City Schools**, the nation's primary coalition of large public school districts. "We are catching up with the nation and putting urban schools in a stronger position as we begin implementing the new common core standards."

As shown in the graph below, the average reading scores in five of the twenty-one participating urban districts (Austin, Charlotte, Hillsborough County (FL), Jefferson County (KY), and

Miami-Dade) were higher than the average score for large cities. Ten districts had average scores lower than the large city average (255).



Charlotte was the only one of the eighteen districts participating in both years to have a higher average eighth-grade reading score in 2011 than in 2009. In comparison to 2002, eighth-grade reading scores were higher in 2011 for three of the five districts—Atlanta, where the average score increased seventeen points since 2002; Houston; and Los Angeles—that participated in both years, as well as for large cities, even though there was no significant change in the score for the nation.

Complete results on the 2011 NAEP Trial Urban District Assessment in reading and math are available at <http://nationsreportcard.gov/>.



Happy Holidays from the Alliance for Excellent Education!

The Alliance for Excellent Education wishes you and yours a happy holiday season and best wishes for the new year!

This is the last issue before the Alliance newsletter—although not the Alliance staff—settles in for a short winter's nap. The next issue of *Straight A's* will be dated January 9, 2012.

Straight A's: Public Education Policy and Progress is a biweekly newsletter that focuses on education news and events in Washington, DC and around the country. The format makes information on federal education policy accessible to everyone from elected officials and policymakers to parents and community leaders. Contributors include Jason Amos, editor; Kenya Downs, communications associate; and Kate Bradley, copyeditor.

The Alliance for Excellent Education is a national policy and advocacy organization that works to improve national and federal policy so that all students can achieve at high academic levels and graduate from high school ready for success in college, work, and citizenship in the twenty-first century. For more information about the Alliance, visit <http://www.all4ed.org>.