

The Promise and Challenge of Benchmarking in Education in the U.S. Federal System

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Historical Background – Layer Cake Federalism

- Historically, the U.S. federal government has taken a permissive role in education that is characterized as “layer cake” federalism.
- Article I, Section 8 of the U.S. Constitution specifies the “enumerated powers” that Congress enjoys and the Tenth Amendment granted state autonomy in virtually all domestic affairs, including education.
- Sovereignty for the states was not dependent on the federal government but instead came from the state’s citizenry.

Federal As Junior Funding Partner

Table 1. Per Pupil Spending in Public Schools by Sources of Revenue, 1996-2007

	<i>PER PUPIL EXPENDITURE</i>		<i>SOURCE OF REVENUE</i>		
	Constant	% Increase over	Federal	State	Local
	2008 Dollars	Previous Period	(%)	(%)	(%)
1995-1996	8,833	--	6.6	47.5	45.9
1998-1999	9,535	7.9	7.1	48.7	44.2
2001-2002	10,443	9.5	7.9	49.2	42.9
2004-2005	9,978	-4.5	9.2	46.9	44.0
2006-2007	11,941	19.7	8.5	47.6	43.9

Three Phases of Federalism 1960s-Present

	Categorical Federalism	Performance-Based Federalism Phase I	Performance-Based Federalism Phase II
	(1960s – present)	(NCLB – present)	(RTTT – present)
Federal Objectives	Redistributive	Redistributive Outcome-based Accountability	Redistributive Outcome-based Accountability Institutional Innovation
Institutional Boundary for Service Delivery	Confined within the Public Sector	Boundary opens to diverse service providers	Boundary opens to diverse service providers
Funding Mechanism	Formula-based Categorical (Title I, IDEA)	Formula-based Categorical (Title I, IDEA)	Formula-based Categorical Competitive Grants (RTTT, i3)
Tension in Intergovernmental Process	Administrative Compliance, e.g. supplement non supplant	Local/state resistance vs. federal direction (e.g. annual testing and AYP) Local/state filed lawsuits for more federal funds Achievement Gap for various subgroups Mixed support for diverse provider model and school choice	Local/state resistance vs. drastic restructuring Limited capacity to track student performance longitudinally Achievement Gap for various subgroups Mixed support for diverse provider model and school choice
Actors who Gain in Decision Making Power	Policy Professionals at different levels	Diverse Service Providers	Governors, State Chiefs, Mayors, Unions, Networks

Evolving Policy Focus: Three Phases of Federalism

- **Equity:** The Great Society of the 1960s created categorical arrangements (ESEA Title I, Head Start, Special Ed)
- **Equity + Accountability:** No Child Left Behind: Bush and Obama (Annual testing, teacher quality, state standards)
- **Equity + Accountability + Innovation:** Obama (Race to the Top, turnaround)

Phase I: Growth of Categorical Grants

- Grants-in-aid arrangement: where federal government provides the dollars and sets the programmatic framework, but the delivery of services is up to the state and local agencies.
- Categorical or single purpose grants: where well-defined eligible students are the intended beneficiaries; only they would receive the services.
- Supplementary and non-supplanting guidelines: programmatic rule and auditing procedures are designed to guard against any local tendency to shift federal resources away from the disadvantaged.

Allocational Politics

- Bipartisan support: Special needs programs are often connected to well-entrenched political interests. For example, the child nutrition program (free lunch program) is supported by the agricultural business.
- Incentives for local government to meet anti-poverty objectives: Federal funds are widely distributed to ensure broad political support.

Increase in Federal Equity Funding

- Federal aid for special-needs students showed persistent growth in real dollar terms. Between 1996 and 2005, these programs amounted to over 60% of the total federal spending in elementary and secondary schools.
- The Title I program for the education for the disadvantaged increased from \$8.9 billion to \$14.6 billion in 2005 constant dollars.
- Federal aid in special education grew by over two times, while the school lunch program increased its funding from \$9.8 billion in 1996 to \$12.2 billion in 2005.
- Head Start also jumped by 50% in real dollar terms during this period.

Phase II: Growing Demands on Performance

- Categorical federalism tends to focus on the level of resources, regulatory safeguards, and other “inputs” to meet the learning challenges of special-needs students.
- In providing the supplemental funds to state and local government, the federal government has not pressed for accountability in student achievement.
- With the Child Left Behind Act (NCLB) of 2001, the federal government aims at combining an input-based framework with outcome-based accountability.

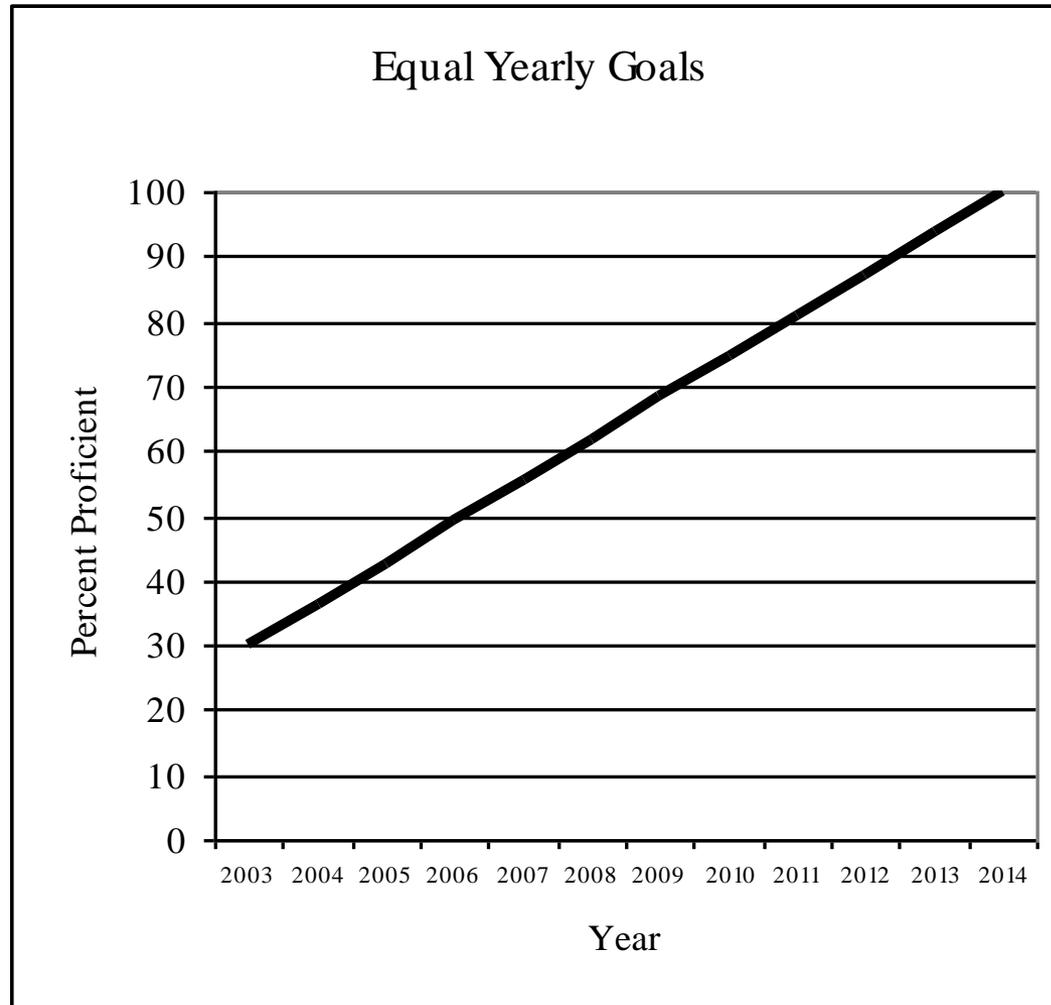
No Child Left Behind (NCLB) Act As An Accountability Framework

- Focus on School-level and Subgroup Achievement. To determine if a school meets Adequate Yearly Progress annually, student achievement is aggregated by grade and by subject area for each school.
- The School-level report includes the percent of students proficient in each of the core content areas, student participation in testing, attendance rates, graduation rates, and dropout rates.
- Depending on their socio-economic characteristics, schools are required to report the academic proficiency of students in the following subgroups: economically disadvantaged students, students from major racial and ethnic groups, students with disabilities, and Limited English Proficiency (LEP) students.
- All students in grades 3 through 8 and additional grade in high school are tested annually in mathematics, reading/language arts, and science.

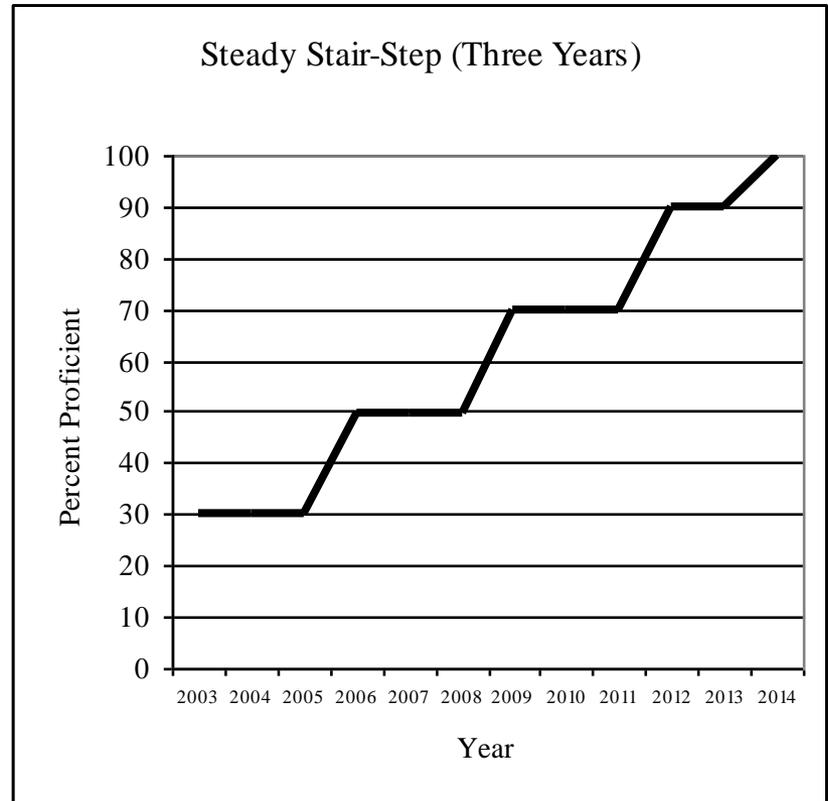
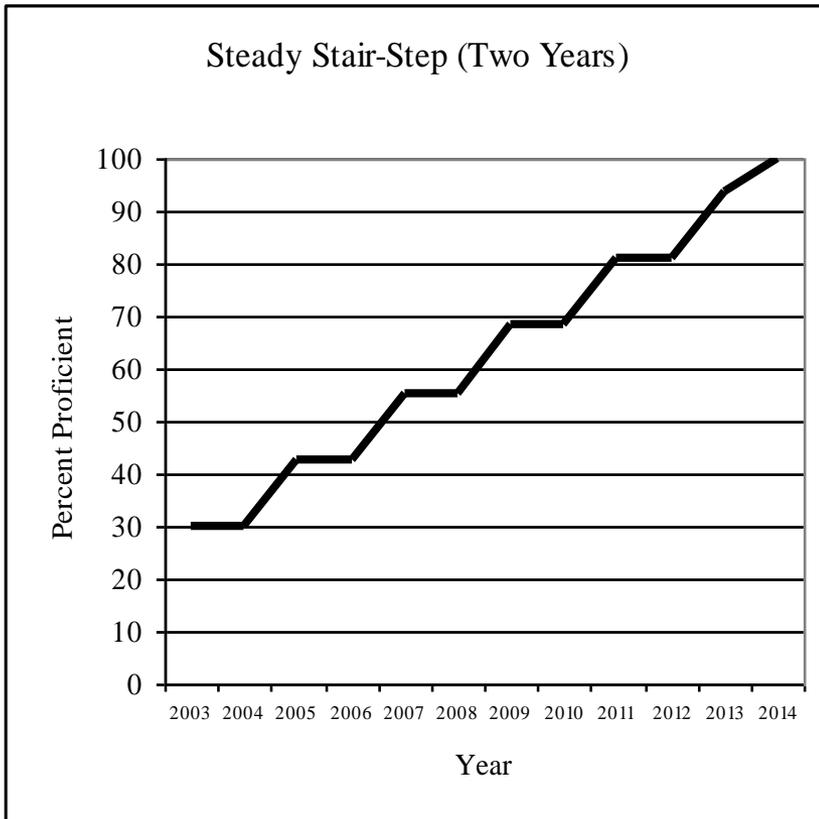
Adequate Yearly Progress (AYP)

- Adequate Yearly Progress. Each state decides its own pace of reaching the federal goal of 100% proficiency by 2014.
- Within this time frame, states are required to specify the annual targets on the percentage of students who meet the state proficiency standards in the core subject areas. These annual, measurable targets are known as “Adequate Yearly Progress” (AYP). Districts, schools, and various subgroups are required to meet the AYP in order to avoid sanctions.

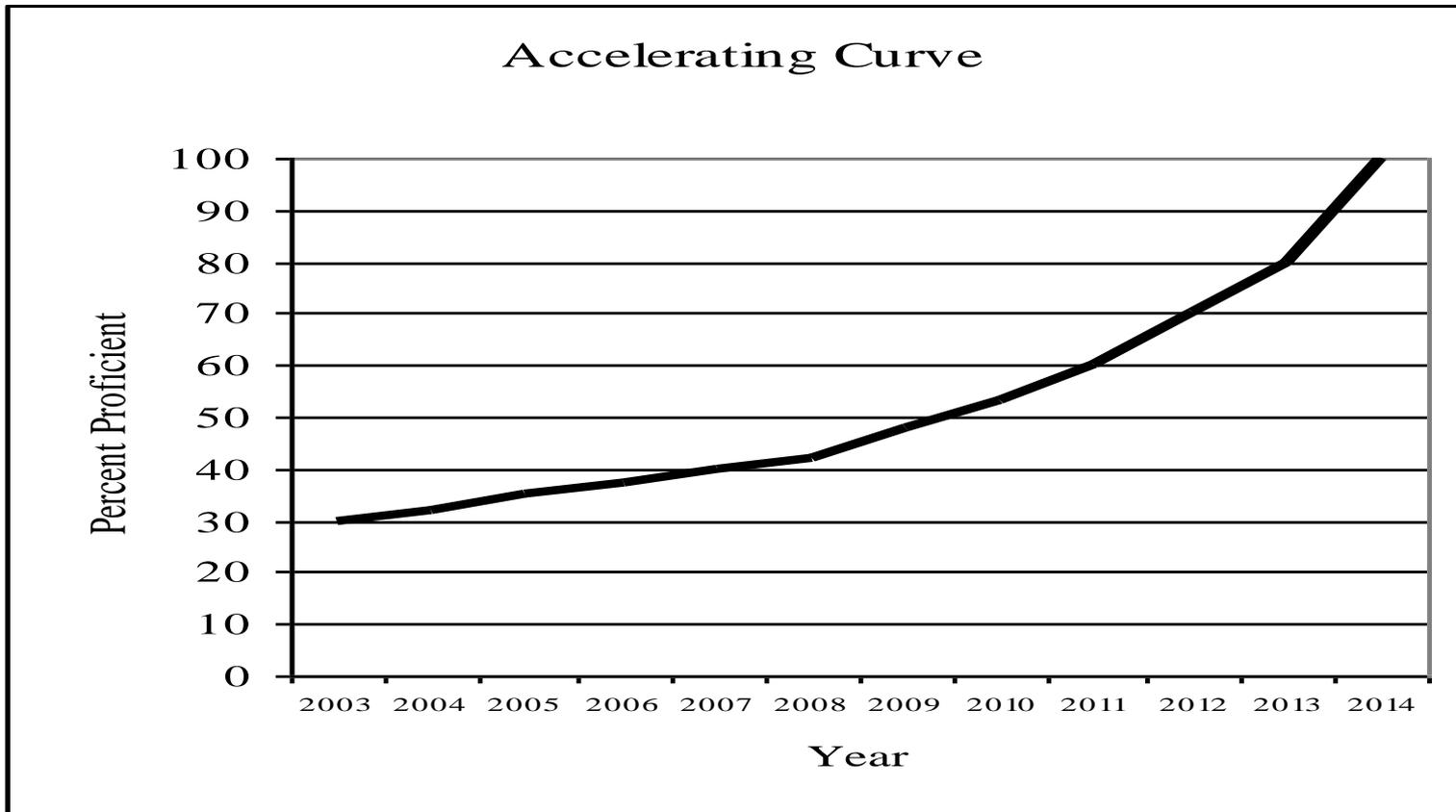
13 States – Equal Yearly Goals



24 States – Steady stair Step



6 states: Accelerating Curve



Implementation Reality

- Policy delay in the initial period
- Consider the initial NCLB implementation: according to a 50-state report card on the first anniversary of the NCLB legislation, only five states received federal approval on their required accountability plan
- Over 80% of states were not ready to meet the federal expectation on placing highly qualified teachers in the classroom

Uneven State AYP Progress

% Schools Meeting AYP for Each State	2002-2003	2003-2004	2004-2005
0-25%	2	2	0
26-50%	5	1	6
51-74%	22	18	16
75-100%	13	25	27
NA	9	5	2

Sanctions Intensify Over time

1st Year	Fail to make AYP ↓						
2nd Year	Make AYP (Removed)	Fail to make AYP	→	<ul style="list-style-type: none"> - Offer public school choice - Develop a 2-year school improvement plan (SIP) ↓			
3rd Year	Make AYP (Continue Sanctions)		Fail to make AYP	→	<ul style="list-style-type: none"> - Continue public school choice - Continue SIP - Offer supplemental education services ↓		
4th Year	Make AYP (Removed)	Make AYP (Continue Sanctions)		Fail to make AYP	→	<ul style="list-style-type: none"> - Continue public school choice - Continue supplemental education services - Make adjustments to SIP - Implement Corrective Actions defined by the state 	

Sanctions 6th & 7th Years

Make AYP
(Continue
Sanctions)

Fail to
make
AYP



- Continue public school choice
- Continue supplemental educational services
- Continue Corrective Action sanctions
- Develop a Plan for Restructuring



Make AYP
(Removed)

Make AYP
(Continue
Sanctions)

Fail to
make
AYP



- Continue Corrective Action sanctions
- Implement Restructuring Plan



Make AYP
(Removed)

Fail to make
AYP

Phase III: Obama Pushes Innovation in Federal Agenda

- American Recovery and Reinvestment Act of 2009 (Pub Law 111-5) enacted in February 2010 marks a historic shift
- Historically, the federal government contributes to less than 10 percent of the total spending in public schools
- ARRA not only doubles the federal contribution but also creates the policy conditions for innovative reform and stronger accountability on student performance
- If fully implemented, the federal agenda will redefine the core functions in K-12

ARRA Redefines Federal Role: Involve in Core Staffing

- ARRA creates the State Fiscal Stabilization Fund program to save over 300,000 teaching jobs in public schools during the time when many states and districts face significant fiscal retrenchment.
- In return, local and state expected to reform on:
 - more equitable distribution of well-trained, well-qualified teachers to address students with greater needs;
 - ongoing monitoring of student progress with a data system that links pre-K to college and career development;
 - developing and implementing standards on college- and career-ready standards; and
 - taking effective actions to turnaround the persistently lowest-performing schools.

ARRA Delays

- US GAO (2010) found that only 58% of the awarded ARRA funds were drawn down 11 months after the enactment
- Local delays in submitting their applications for specific allocation purposes (CRS 2009).
- capacity gaps in state data systems, cash management, and monitoring local practices (GAO 2010)

Obama: Strong Equity Focus

- ARRA substantially expands the historically distinct federal role to address equity
- Increase funding in several categorical program areas, including education for the disadvantaged children (or Title I program), IDEA program for learning disabled students, and financial assistance for eligible college students.

Innovation Strongly Encouraged

- Race to the Top competition invites states to submit their best ideas on system transformation and school innovation
- States likely to uncap the restrictions on new charter schools and charter enrollment
- Alternative routes for educator pipeline are gaining state support (TFA, NTP, NLNS, among others)
- Urban mayoral leadership promoted by Duncan, though with limited progress up to this point (attempts were made in Milwaukee, Rochester, Detroit, Nashville, among others)

Restructuring Options Under Obama Administration

- *Turnaround school* under a new principal who can recruit at least half of the teachers from the outside,
- *Transformation school* that strengthens professional support, teacher evaluation, and capacity building,
- *Restart school* will reopen as either a charter school or under management by organizations outside of the district, and
- *School closure* that results in moving all the students to other higher-performing schools.

Charter School Expansion

<i>Provider Type</i>	<i>2007-08</i>	<i>2009-10</i>
Freestanding	3,421	3,838
Education Management Org	454	492
Charter Management Org	436	573
Total	4,311	4,903
Total Student Enrollment	1,289,449	1,665,779

Teacher Accountability

- Delaware and Tennessee (first two winners in Race to the Top) share several features in their approach on transforming public education:
 - teacher accountability is prominent; a system of teacher evaluation will be established; student achievement will be a “cornerstone” of this new assessment system (TN); Delaware will use the annual evaluation results to remove teachers who are rated as “ineffective” for consecutive years.
- Second group of winners (9 states and DC) also emphasize teacher accountability

Federal Grants: Teacher Incentives Fund

	FY 2006	FY 2009	FY 2010
Fed Appropriation	\$99M	\$200M	\$442M
No. New Awards	33	20	62

Accountability: The need for Data Systems across States

- Data Quality Campaign, focuses on the necessary elements in creating a “robust longitudinal data system”
- Student data will be matched with other data files, such as teacher records and instructional programs K-16.
- A robust system includes a unique student identifier that matches individual student achievement; a unique teacher identifier

Data Systems: Work in Progress

- Data Quality Campaign (January 2010) found that 12 states have instituted all 10 elements, while 34 states have 8 or more
- Only 8 states were tracking individual students across P-20 and the workforce sectors
- 10 states reported strategies in sharing individual student progress data with educators

Accountability: Political Challenges

- Not all teachers' unions signed off on Race to the Top Applications
- State applications vary in their commitment on performance-based compensation
- Turnaround models allow for substantial local and state discretion: tendency toward incremental changes

Conclusion

- An era of unprecedented federal activism
- Implementation affects the degree of success:
 - Greater local/state support for charter schools, alternative educators pipeline, alignment of P-16
 - Local reluctance in school turnaround and performance-based compensation reform
 - Reliance on state leaders as change agents