



The Research Bureau

Race to the Top: What's the Winning Strategy?

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EXECUTIVE SUMMARY

The Obama administration's Race to the Top program is a grant competition among states for \$4.35 billion in Federal economic stimulus funds for K-12 public education. Unlike the previous \$75 billion in stimulus for K-12, these funds are not intended simply to plug budget deficits and protect jobs, but to advance substantial education reforms, including raising caps on charter schools and evaluating teachers based on student performance. The Obama administration will award the grants based on states' commitment to education reform, as defined by the U.S. Secretary of Education.

Unlike largely all other City departments, the Worcester Public Schools (WPS) has been protected from cuts and layoffs during the current recession due to an infusion of over \$50 million in stimulus funds. However, since most of these funds have been spent, the WPS is facing a budget deficit of at least \$26 million in FY11. If Massachusetts manages to be one of the 15 states to win Race to the Top funds, WPS could receive between \$3 and \$12 million.

Massachusetts is in a strong position in the Race to the Top competition due to its sophisticated use of data, high levels of student achievement, and record of maintaining high standards and assessments. However, in order to make its position even stronger, The Research Bureau recommends the following:

- The state Legislature should amend the sections of the Education Reform Act of 2009 that establish quotas for various student sub-groups for charter schools and that make charter school funding subject to annual appropriation.
- The state Legislature should pass a law limiting the use of seniority in staffing teacher positions in Massachusetts school districts.

Based on the Race to the Top criteria as well as the need to raise student achievement and address unsustainable levels of spending, the WPS should consider the following:

- Negotiate some form of pay for performance for WPS teachers.
- Close down the lowest performing schools in the district and open new schools on the model of the University Park Campus School.
- Negotiate the removal of seniority rights for teacher transfers.
- Negotiate a series of fiscal reforms including the following: increase employee health insurance premium contributions to 25%; privatize custodial and other non-core services; and negotiate zero pay raise and zero step increases for FY11. These reforms would begin to address the projected \$26 million deficit in FY11.

INTRODUCTION

The Obama administration’s Race to the Top program is a competition among states for grants from a \$4.35 billion fund included in the American Recovery and Reinvestment Act (ARRA) or Federal economic stimulus legislation. Grants will be awarded through a competitive application process based on states’ past and present commitment to education reform, as judged by the U.S. Secretary of Education. The first round of applications is due on January 19, 2010 for grants to be awarded in April, and the second on June 1 for grants to be awarded in September.¹

The announcement of the program comes at a significant time for Worcester in light of the precarious state of the Worcester Public Schools’ (WPS) finances. The school department was able to avoid layoffs and cuts in programs during FY09 and FY10 through a massive infusion of ARRA funds (**Table 1**). WPS is currently projecting a deficit of at least \$26 million (9.3% of the total budget) for FY11 (**Table 2**). This deficit is the result of a projected \$10 million in increased spending and loss of the \$15.9 million in Federal stimulus funds in FY11. Any funds from the Race to the Top competition WPS secures could help to prevent or at least minimize layoffs and cutbacks.

In contrast with funds that the Commonwealth has already received from ARRA for education, the Race to the Top grants are not intended simply to shore up budgets and protect jobs, but “to encourage and reward States that are creating the conditions for education innovation and reform.”

The following report will discuss the Race to the Top program to determine the prospects for Worcester and Massachusetts to receive this new stimulus money. It will elaborate on the criteria needed to qualify for the funds and compare the education policies promoted by the Obama administration with those that currently exist in Massachusetts and the WPS.

Program	Amount	Use
State Fiscal Stabilization Fund	\$18.9 million	Ensuring foundation-level Ch. 70 Spending in FY09
State Fiscal Stabilization Fund	\$15.9 million	Ensuring foundation-level Ch. 70 Spending in FY10
IDEA	\$8.4 million	Special education programs in FY10 and FY11
Title 1	\$7.9 million	Programs benefiting low income students in FY10 and FY11
Total	\$51.1 million	

Source: WPS

Year	Total Budget	Estimated Increase	Deficit
FY08	\$248.2 million	-	-
FY09	\$256.6 million	3.4%	-
FY10	\$268.2 million	4.5%	-
FY11	\$277.8 million	3.5%	\$25.9 million
FY12	\$287.1 million	3.3%	\$35.9 million

Source: WPS (General Fund Expenditures)

¹ “Race to the Top Fund: Final priorities, requirements, definitions, and selection criteria,” Federal Register, Vol. 74, No. 221, November 18, 2009, p. 59688-59834, <http://edocket.access.gpo.gov/2009/pdf/E9-27426.pdf>. States who are not awarded grants in the first round may reapply in the second.

FEDERAL STIMULUS FOR EDUCATION

In February 2009, President Obama signed into law the ARRA, which appropriated about \$100 billion for public education and \$80 billion for K-12, out of a total \$787 billion (**Table 3**).

Massachusetts is slated to receive about \$1.9 billion in stimulus for public education, not including any funds for capital projects or from competitive grant programs such as Race to the Top; about half (\$994 million) is from the State Fiscal Stabilization Fund (SFSF) program (**Table 4**).

Supporting public education was central to ARRA. As implied by its title, the two official purposes of the legislation were to stimulate and stabilize the economy in the short term (“Recovery”) and also to make investments for the future (“Reinvestment”). The fact that the school department in Worcester was in a much stronger

financial position than any other city department in FY09 and FY10 was the direct result of policies at the Federal level. President Obama and Congress viewed added investment in public K-12 and higher education to be more vital to our economic health in the short and long term than, for example, public safety.² In order to further the goal of immediate economic recovery, most of the ARRA funds were intended to be spent in FY09-11 to help reduce cuts in public higher education and K-12 since FY08 and to fund increases called for by funding formulas in state law. They were mostly distributed as block grants to each state, based on population.³

In accord with its stated purpose as a form of “reinvestment,” stimulus spending on education was also supposed to be used to promote reform. In exchange for the SFSF funds, the U.S.

Program	Appropriation
State Fiscal Stabilization Fund	\$48.6 billion
Student Financial Assistance	\$16.5 billion
IDEA	\$12.2 billion
Title 1	\$10 billion
Additional Formula Grants	\$4.4 billion
Discretionary Grants	\$5.7 billion
Total	\$97.4 billion

Source: US Department of Education

Amount	For
\$412 million	FY09 foundation-level funding of all school districts
\$168 million	FY10 foundation-level funding of all school districts
\$162 million	Funding for public colleges and universities
\$363 million	Pell Grants
\$280 million	Grants for Special Ed (IDEA)
\$163 million	Grants for high poverty school districts (e.g. Title 1)

Source: MA Executive Office of Education

² Including the funds appropriated by the “Omnibus Appropriations Act of 2009,” the Obama administration has increased the U.S. Department of Education’s funding by 163% (Dan Lips, “Obama Administration Proposes New Federal Education Spending Increases,” *Heritage Foundation WebMemo*, March 26, 2009, http://www.heritage.org/Research/Education/upload/wm_2363.pdf).

³ 61% of the allocation was based on the population of those between 5 and 24 years of age, 39% based on the state’s total population.

Department of Education required each governor to sign a pledge “to advance essential education reforms to benefit students from early learning through post-secondary education.”⁴

Early assessments of education stimulus funds suggest that the stimulus act has indeed had a significant impact on stabilization in this field. A report by the U.S. Department of Education claimed that 250,000 education jobs have been saved thus far as a result of ARRA.⁵ According to the government’s official statistics, more than half of the total jobs created or saved thus far by ARRA have been in public education.⁶ Although many local districts, unlike Worcester, had to make cuts in FY10, Federal stimulus funds enabled most states to fill their budget gaps in education in FY09 and FY10. In Massachusetts, 8% of state spending on K-12 in FY09 and 4% in FY10 were restored as a result of ARRA.

Less clear is what sort of impact the spending has had so far in terms of “reinvestment.” Although the U.S. Department of Education and its affiliated researchers claim that ARRA has succeeded in achieving the other aim of education stimulus, to “drive key school reforms,” the only evidence it marshals to support this claim is “anecdotal accounts to the [U.S.] Department of Education and in the media” of some districts reporting that they enacted certain reforms that they would not otherwise have enacted without stimulus funds. Other early assessments of stimulus spending have come to opposite conclusions about its impact with regard to education reform.⁷

While any assessment of the stimulus spending’s impact on education reform could only be preliminary, it is important to note that most of that spending has already occurred. With the exception of the Race to the Top program, nearly all of the ARRA funds earmarked for public education have already been spent or committed in Worcester, in Massachusetts, and across the nation.⁸

⁴ The application only applied for the SFSF program, the majority of the stimulus funding. The application was made available on April 1 and states received the funds two weeks after submitting the application. States did not have to apply for the Title 1 and IDEA stimulus funds.

⁵ “Educational Impact of the American Recovery and Reinvestment Act,” Domestic Policy Council of the Executive Office of the President and the Department of Education, October 19, 2009, http://www.whitehouse.gov/assets/documents/DPC_Education_Report.pdf.

⁶ “The Recovery Act in Action: Recipient Reports on Jobs,” Office of the Vice President, <https://www.whitehouse.gov/files/documents/recovery/Recipient-Report-on-Jobs.pdf>. This statistic is based on “recipient reports,” the number of jobs reported to have been preserved or created by those who directly received stimulus funds. The *Wall Street Journal* disputes the government’s official figure: Louise Radnofsky and Maurice Tamman, “White House Tally Appears to Overstate Jobs,” *Wall Street Journal*, November 4, 2009. So does the *Boston Globe*, regarding the data on Massachusetts. Jenn Abelson and Todd Wallack, “Stimulus Job Boost in State Exaggerated, Review Finds,” *Boston Globe*, November 11, 2009. Both the *Globe* and the *Journal* claim that the figures for jobs preserved or retained in education are inflated.

⁷ “States’ and Localities’ Current and Planned Uses of Funds While Facing Fiscal Stress,” Government Accountability Office, July 2009, <http://www.gao.gov/new.items/d09829.pdf>, (p. 34-5), “Schools and the Stimulus: How America’s Public School Districts Are Using ARRA Funds, American Association of School Administrators, August 2009, http://www.aasa.org/uploadedFiles/Policy_and_Advocacy/files/AASASTimulusSurveyAug09.pdf.

⁸ Half of Massachusetts’ SFSF disbursement was used to balance the state budget in FY09, with the result that there will be no SFSF funds available to local school districts in FY11.

RACE TO THE TOP CRITERIA AND MASSACHUSETTS' PROSPECTS

Education scholar Andrew Smarick of the American Enterprise Institute has argued that, despite its admirable intentions with regard to education reform, ARRA was flawed from the start because “stabilizing our education system and reforming it are opposed objectives”:

[I]n important ways, [ARRA] sought to fill budget holes and protect jobs and programs so that the education world would look and behave as it would have had the downturn never occurred. But accomplishing this goal and fundamentally reforming the education system to look and behave differently are, of course, two entirely different things...by trying to protect cash-strapped school systems by providing such an enormous influx of funds, the federal government may have unintentionally delayed or inhibited crucial reforms that would have been possible had the full financial effects of the recession not been mitigated.⁹

Smarick divides ARRA's K-12 funding into two portions: the “Recovery-First Funds,” the \$75 billion of the total \$80 billion that was intended to be spent immediately to address state and local budget gaps in K-12 spending, and “Reform-First Funds,” the \$5 billion which makes a commitment to reform a prerequisite. Since the \$4.35 billion for Race to the Top falls into the latter category, it is likelier that funds from this program may be leveraged to encourage substantial reforms than previous stimulus programs.

In the original legislation appropriating the \$4.35 billion, ARRA stipulated that this funding must go toward four “assurance areas”: (1) standards and assessments; (2) data systems to support instruction; (3) great teachers and leaders; and (4) turning around struggling schools. In July 2009, the U.S. Department of Education released a set of proposed eligibility requirements and selection criteria, providing provisional definitions of what it would be evaluating states on in these four areas, and requested public comments through the end of August. Parents, educators, academics, governors, unions, and various other organizations submitted 1,161 public comments. Final application guidelines were released in early November, and states have 60 days (mid-January) to submit their applications for the first phase of funding in early 2010. For those states that do not have sufficient time to prepare an application,¹⁰ a second round of applications will be due in spring 2010, for funds to be awarded in Fall 2010. The funds will be distributed to up to 15 different states, in amounts proportionate to their size, ranging from \$350-700 million for

⁹ Andrew Smarick, “Education Stimulus Watch: Special Report 2,” American Enterprise Institute, September 2009. Some education scholars argue outright that greater budget deficits would have been beneficial to some states and local districts, because they would have been forced to make much-needed decisions about programs and staffing (Michael J. Petrilli, et al., “Silver Cloud, Dark Lining,” *National Review Online*, January 8, 2009).

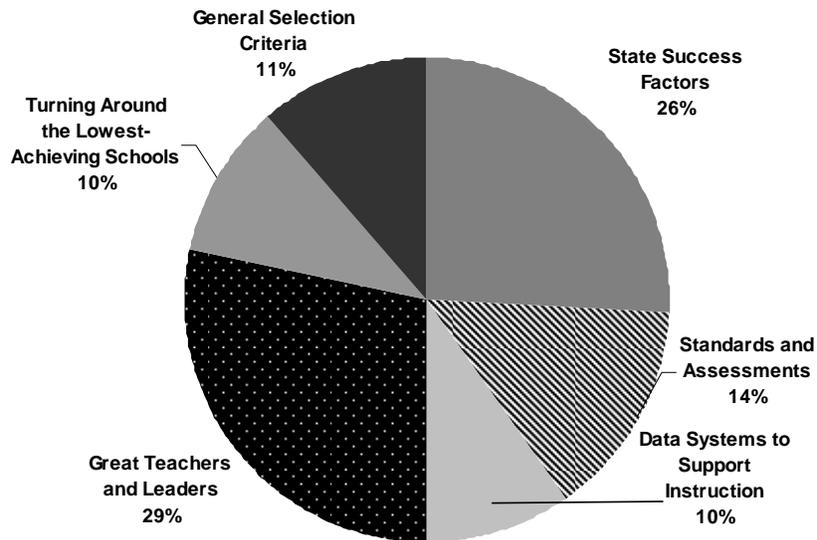
¹⁰ States may need more time either for administrative or policy reasons. Each state's proposal must be accompanied by statements of support from as many local school district leaders as possible (in California, there are over 10,000 school districts). Also, any of the substantial policy changes that the Obama administration is attempting to effect with the RTT could take time, especially those requiring legislative action.

the biggest states to \$20-75 million for the smallest. Massachusetts' suggested amount is in the \$150-250 million range.

How much does WPS stand to gain if Massachusetts is one of the winning states? States are required to distribute at least 50% to local districts. If Massachusetts is awarded the minimum \$150 million, and distributes only 50% directly to local districts through the standard Ch. 70 state education aid formula, WPS could receive \$3.4 million. If Massachusetts won \$250 million and awarded 100% directly to local districts (again, by the Ch. 70 formula), WPS could receive \$11.2 million.¹¹

What are Massachusetts' chances? It is difficult to predict with confidence any state's chances in the Race to the Top competition. All will depend on the Secretary of Education's interpretation of each state's record of education reform, and what policies and programs it has planned for future reform.¹² Although states are said to be expected to address all criteria "comprehensively," some criteria will be weighed more heavily than others (see **Chart 1**). Proposals will be evaluated based on a point system (500 points maximum), with "great teachers and leaders" and how well states articulate their overall education reform strategy ("State Success Factors") receiving highest priority.

Chart 1: Race to the Top's Scoring System



The New Teacher Project, a New York-based non-profit focused on recruiting and training new teachers, released a report that handicaps the 50 states' chances for Race to the Top funds¹³ and

¹¹ In FY10, WPS received about 4.5% of the state's total Ch. 70 funding.

¹² The U.S. Secretary of Education appointed Joanne Weiss, a former executive at the New Schools Venture Fund, to run the program. The New Schools Venture Fund is a foundation known for backing prominent charter-school management operations such as KIPP and also Teach for America.

¹³ "Interpreting 'Race to the Top'; TNTF Summary & Analysis of USDE Draft Guidelines," The New Teacher Project, August 2009.

ranks Massachusetts as “Somewhat Competitive.” This puts it behind 15 “Competitive” states and 2 “Highly Competitive” states. The New Teacher Project argues that Massachusetts ranks low in three of the four main policy categories: great teachers and leaders, data to support instruction, and turning around struggling schools. However, Massachusetts has been making reforms in the latter two of these areas, and thus will probably be in a stronger position than afforded it in The New Teacher Project’s assessment.

The Gates Foundation seems to think that Massachusetts’ chances are strong. In July, the Foundation selected 15 states to give \$250,000 to help them with their Race to the Top applications.¹⁴ Massachusetts was one of the 15, suggesting that the Gates Foundation considered it one of the states with the best chances to win.

Guidelines for Eligibility and Selection Criteria

In order to be eligible to participate in the competition, a state must have already been approved for ARRA’s SFSF program, and must have the legal ability to link student data to teachers and principals for evaluation. California, Nevada, Wisconsin and New York all within the past few years have passed “firewall” laws that prohibit tying student performance data to teacher and principal performance evaluations.¹⁵ All other states satisfy this basic requirement of eligibility.

After passing the bar for initial eligibility, the applications will be judged with regard to their “comprehensive approach” to the four policy areas.

Standards and Assessments

The Obama administration wants states to participate in ongoing efforts to adopt national standards and assessments of student performance.

The administration primarily has in mind the Common Core State Standards Initiative, a consortium of states working to develop

“internationally benchmarked common standards

and assessments that build toward college and career readiness.” This initiative has been launched and guided by the National Governors Association Center for Best Practices and the Council of Chief State Schools Officers. The first draft of potential exit standards in English and math for graduating seniors was released on September 21, 2009 and the standards are projected to be finalized in July 2010. (Only two states, Arkansas and Texas, are not participating; Massachusetts joined on June 2, 2009.)

Table 5: Standards and Assessments (70 out of 500)
Developing and adopting common standards (40)
Developing and implementing common, high-quality assessments (10)
Supporting the transition to enhanced standards and high-quality assessments (20)

¹⁴ Sam Dillon, “After Complaints, Gates Foundation Opens Education Aid Offer to All States,” *New York Times*, October 27, 2009. After protests from the other 35 states that it was trying to influence the outcome of Race to the Top, the Gates Foundation extended its program to all states.

¹⁵ Wisconsin and California have taken steps to remove these laws in order to comply with Race to the Top.

No Child Left Behind (NCLB), the Federal education reform act passed in 2001, requires states to develop systems of assessment and accountability for schools and local districts, but allows states to develop these systems on their own. Though designed to improve accountability and also transparency in K-12, some have argued that NCLB has produced the opposite effect. Because they are subject to federal penalties if they fail to demonstrate sufficient progress towards “proficiency” for all students in math and English by 2014, states have an incentive to “dumb down” their testing standards.¹⁶ This has led to wide disparities among different states’ standards, with many states watering down their standards in order for schools and districts to boost the appearance of progress towards “proficiency.”¹⁷ The National Center for Education Statistics, the research arm of the U.S. Department of Education, drew attention to this problem in a report it issued at the end of October 2009.¹⁸ This report compared states’ NCLB-mandated proficiency scores with their scores on National Assessment of Educational Progress (NAEP), the Federal government’s official measure of student achievement in core subject areas across states and over time, or “the nation’s report card.” Over the period surveyed, 2005-07, more states (15) lowered their proficiency standards on at least one test (4th and 8th grade English and math) than raised them (8).

Encouraging states to participate in the development of national standards is, in the Obama administration’s view, one of the most effective ways to ensure rigorous standards, and ultimately, to promote equal educational opportunity for all students nationwide.

It should be noted that Massachusetts has been recognized by many authorities for *not* watering down its assessment standards, most recently in the Department of Education report. Massachusetts’ MCAS scores correlate well with its NAEP scores. In 2005, 50% of Massachusetts fourth-graders scored at or above proficient on MCAS in reading, and 44% on NAEP, a gap of only 6 points. The average gap on this same test for the 50 states was 39 points. In this same year, on fourth-grade mathematics, Massachusetts actually reported 4% fewer students at or above proficient than on the NAEP assessment; the average nationwide was 26% more scoring proficient on state tests than on NAEP.¹⁹ Nor has Massachusetts suffered as a consequence of its upholding high standards: in 2007, Massachusetts ranked number one in 4th grade reading, 4th grade math, 8th grade math, and 8th grade reading. In 2009, the Commonwealth was again first in math in both 4th and 8th grade. In 2009, 48% of 4th graders

¹⁶ Matthew Ladner and Dan Lips, “How ‘No Child Left Behind’ Threatens Florida’s Successful Education Reforms,” *Heritage Foundation Background*, January 7, 2009,

http://www.heritage.org/Research/Education/upload/bg_2226.pdf, and Eugene Hickok and Matthew Ladner, “Reauthorization of No Child Left Behind: Federal Management or Citizen Ownership of K-12 Education?,” *Heritage Foundation Background*, June 27, 2007, <http://www.heritage.org/research/education/bg2047.cfm>.

¹⁷ See John Cronin, et al., “The Accountability Illusion,” The Thomas B. Fordham Institute, February 19, 2009.

¹⁸ Victor Bandeira de Mello et al., “Mapping State Proficiency Standards Onto NAEP Scales: 2005-7,” US Department of Education, October 2009, <http://nces.ed.gov/nationsreportcard/pdf/studies/2010456.pdf>.

¹⁹ “Mapping 2005 State Proficiency Standards Onto the NAEP Scales,” U.S. Department of Education, National Center of National Center for Education Statistics, June 2007, <http://nces.ed.gov/nationsreportcard/pdf/studies/2007482.pdf>.

scored proficient or above on MCAS, while on NAEP, the figure was 57%. (Reading results will not be available until next year.)

In short, Massachusetts has a strong record of maintaining high assessment standards and is also participating in the Common Core Initiative project, so its position in this category seems to be solid.

Data Systems to Support Instruction

The more sophisticated and comprehensive approach an individual state has in place for using student data, the greater its chances will be in the Race to the Top competition. While states are required by NCLB to conduct annual assessments of student achievement (the MCAS in Massachusetts), the U.S. Secretary of

Education wants to see them make an effort to compile performance data in terms of growth as well as achievement. The term used in the grant proposal is a statewide “longitudinal data system,” in which each student would have a unique identifier that would contain comprehensive data about his background and academic record. Teachers would also have identifiers that would enable them to be tracked over their careers and linked to successful student outcomes.

Ultimately, what would be sought through these data systems is so-called “value-added data” about teachers and programs: “How much value did teacher X or program Y add to a particular student’s progress during that academic year?”

Table 6: Data Systems to Support Instruction (47 out of 500)
Fully implementing a statewide longitudinal data system (24)
Accessing and using State data (5)
Using data to improve instruction (18)

Massachusetts’ Department of Elementary and Secondary Education (DESE) has been at work developing its own longitudinal data system for a few years prior to Race to the Top. Known as the “Student Growth Model,” this program assesses student performance on MCAS with respect to growth and will therefore help the DESE to distinguish between schools and districts that are low-scoring and stuck, and those that are low-scoring, but are making progress. The essence of the Student Growth Model is the development of a “student growth percentile” that will take MCAS scores for individual students and quantify their progress relative to their peers with similar test-score histories. Instead of comparing a given year’s 4th graders on English and math with last year’s 4th graders, it will be possible to track and analyze each student’s record through an entire academic career, and in precise detail.

According to the Massachusetts Commissioner of Elementary and Secondary Education, the program will provide better information for identifying best practices and making decisions regarding evaluations of teachers, administrators and programs, professional development for teachers and administrators, charter school renewal procedures, and making school and district accountability determinations. The program was tested in spring of 2009 in nine districts and will be implemented statewide this school year. At the end of October, aggregate and individual growth data were released statewide for the first time.

Worcester, it turns out, is an example of a district that is below average in terms of achievement, but average with respect to growth. Worcester’s 10th-graders in 2009 exhibited median growth percentiles of 61 and 56 in ELA and Math, respectively. At the school level, Grafton Street, Goddard Science and Technology, Lincoln Street, and Vernon Hill all had MCAS scores below the state average but growth percentiles equal to or greater than the state average.

DESE administrators believe that these ongoing efforts will strengthen the Commonwealth’s position in the “Data to Support Instruction” category.

Great Teachers and Leaders:

States stand to win more points in this category than any other, which implies that, in the Obama administration’s view, improving the quality of teachers and administrators is the most important part of education reform. The Obama administration will be looking for “legal, statutory or regulatory provisions” that allow for “alternative” routes to teacher certification other than a graduate degree from a school of education. Many have argued that these degrees contribute little to teacher effectiveness in the classroom and act as a barrier to well-qualified individuals who would be otherwise attracted to the teaching profession. Forms of alternative certification mentioned in the Race to the Top guidelines include those provided by “qualified providers...operating independently from institutions of higher education,” and ones that provide “school-based experiences and ongoing support.” The draft guidelines also mention that the Obama administration will be looking for programs that are “selective in accepting candidates.”²⁰

Table 7: Great Teachers and Leaders (138 out of 500)
Providing high-quality pathways for aspiring teachers and principals (21)
Improving teacher and principal effectiveness based on performance (58)
Ensuring equitable distribution of effective teachers and principals (25)
Improving the effectiveness of teacher and principal preparation programs (14)
Providing effective support to teachers and principals (20)

In addition to reviewing how states certify candidates for teaching positions, the Obama administration is looking for state and local efforts that differentiate teachers from one another after they have joined the profession.²¹ How serious are local districts about differentiating good from bad teachers? To many outside of the education establishment, evaluating teacher and principal effectiveness based on performance may seem like common sense, but recent reports and articles have drawn attention to the meaninglessness of most evaluation and tenure-conferring processes in many districts nationwide.²² Due to union-negotiated job protection and the high priority placed on seniority and advanced degrees, most teachers in most systems pass their evaluations, are granted tenure, and face little danger of being fired based on performance.

²⁰ Teach for America, which does operate a program for certain school districts in Massachusetts, would be an example of a program that fulfills all these criteria: a program that provides certification outside of an institution of higher education, that provides support to new teachers, and is highly selective.

²¹ ARRA also appropriated \$200 million for the Teacher Incentive Fund, an existing program that provides funds to support performance-based teacher and principal compensation systems in high-need schools and districts.

²² Daniel Weisberg et al., “The Widget Effect: Our National Failure to Acknowledge and Act on Differences in Teacher Effectiveness,” The New Teacher Project, 2009, <http://widgeteffect.org/downloads/TheWidgetEffect.pdf>, and Michael Jonas, “Teacher Test,” *Commonwealth*, Fall 2009, http://www.massinc.org/index.php?id=749&pub_id=2493&bypass=1

In speeches and interviews about The Race to the Top, the U.S. Secretary of Education has spoken passionately about the need to improve teacher quality by rewarding and penalizing teachers based on performance,²³ at one point calling it “my highest priority.”²⁴ Rigorously differentiating good and bad teachers is important not only for purposes of evaluation, compensation, promotion, tenure, and dismissal, but also so that the talents of highly effective teachers may be utilized in the neediest schools and districts. The formal definition of an “effective teacher” is “a teacher whose students achieve acceptable rates...of student *growth* [emphasis added].” “Growth” should be distinguished from achievement: effective teachers are not necessarily the ones whose students consistently score top scores on standardized tests, but those whose students consistently show improvement.

The original Race to the Top draft criteria emphasized the special importance of using student performance data in evaluating and differentiating teachers. The final version gives less priority to student performance data, calling for “multiple rating categories that take into account data on student growth...as a significant factor.” The final proposal also makes clear that the performance data that should be weighed during evaluations is data about student growth, not “raw student achievement data or proficiency levels.”

Turning Around the Lowest-Achieving Schools

Even the most rigorous assessment standards are meaningless if they are not complemented by powers and processes for holding schools and local districts accountable for failing to meet standards. NCLB requires states to establish protocols for addressing persistently underperforming schools. Forms of intervention suggested by NCLB include closing a school and reopening it as a charter school, replacing staff, having the state take control of it, contracting with a private, outside organization to take it over, or some other restructuring aimed at producing major reform. The Obama administration will review these protocols, and assess how well they are working. The Race to the Top grant proposal specifically mentions four “intervention models”: “turnaround,” “restart,” “school closure” or “transformational model.”

Intervening in the lowest-achieving schools and LEAs (10)
Turning around the lowest-achieving schools (40)

As mentioned above, in giving states the freedom to shape their own assessment standards, NCLB allowed, perhaps even encouraged a “race to the bottom.” Some observers maintain that a similar development has happened with NCLB’s accountability mandates. Of the NCLB-required accountability processes just mentioned, most states have opted for the least drastic processes for addressing chronic under-performance.²⁵

²³ “In California, they have 300,000 teachers. If you took the top 10 percent, they have 30,000 of the best teachers in the world. If you took the bottom 10 percent, they have 30,000 teachers that should probably find another profession, yet no one in California can tell you which teacher is in which category. Something is wrong with that picture.” Secretary Duncan, “Remarks to the Fourth Annual Institute of Education Sciences Research Conference,” June 8, 2009.

²⁴ Steven Brill, “The Rubber Room,” *The New Yorker*, August 31, 2009.

²⁵ Sara Mead, “Easy Way Out,” *Education Next*, Winter 2007, <http://educationnext.org/easy-way-out/>.

Massachusetts began developing its own accountability protocols with the Massachusetts Education Reform Act of 1993, prior to NCLB. Accountability was central to this legislation, and the “grand bargain” between those seeking more money for K-12 and those seeking, in exchange for greater expenditures, more reform and oversight.²⁶ The Education Reform Act called for a state system to hold districts and schools accountable both for student performance as well as their management of significantly increased state funds. But it has always been a disputed question in the Commonwealth as to what the state’s role should be in holding districts accountable. How aggressively should it intervene? What sort of assistance should it provide?

The Education Reform Act of 1993 gave the Board of Education the authority to evaluate and identify underperforming schools and districts, and even to place them into receivership if the cases were deemed especially dire (MGL Ch. 69 s. 1(j)(k)). However, the Board and the state Department of Education (now the Department of Elementary and Secondary Education) have traditionally been reluctant to exert this authority, preferring to provide assistance to local authorities instead of trying to run local systems at the state level.

The Board is currently in the process of revising its accountability framework, in an effort to link more closely the functions of providing assistance and making accountability determinations, and also to focus more on the lowest performing schools and districts. Accompanying these Board-level changes are portions of the “Education Reform Act of 2009,” which would give the state the power to appoint receivers for schools (it currently has the authority to do so for districts only) and also give superintendents in low-performing districts certain powers to address collective bargaining contracts. The bill as it was written would allow superintendents to renegotiate contracts, and also to temporarily close schools and then require that all employees re-apply for jobs. (This is the “restart” method mentioned in the Race to the Top proposal.)

State Success Factors

The final proposal includes a category entitled “State Success Factors,” which requires states to present comprehensive plans for education reform. This was in response to criticisms of the draft proposal that claimed that it seemed too much like a “checklist.” All the various parts of education reform (teacher quality, data to improve instruction, etc.) must be shown to be elements of a single integrated strategy. States must also articulate the role of local districts in implementing this comprehensive strategy.

Table 9: State Success Factors (125 out of 500)
Articulating State’s education reform agenda and LEAs’ participation in it (65)
Building strong statewide capacity to implement, scale up, and sustain proposed plans (30)
Demonstrating significant progress in raising achievement and closing gaps (30)

The Obama administration will also review states’ overall past record of education reform. Here, too, Massachusetts’ record is strong. The landmark Massachusetts Education Reform Act of

²⁶ A similar “grand bargain” was at the heart of NCLB. See Andrew Rudalevige, “The Politics of No Child Left Behind,” *Education Next*, Fall 2003, <http://educationnext.org/the-politics-of-no-child-left-behind/>.

1993 has long been recognized as a well-crafted and effective law that produced significant reforms with respect to standards, funding, and choice.²⁷ First, it had a direct impact on student achievement.²⁸ Between 1992 and 2007, Massachusetts NAEP scores on reading have risen from 30-35% proficiency to 45-50% on English and from about 20% to 50-60% on math. Second, it equalized funding formulas across districts. Before education reform in Massachusetts, education funding in the Commonwealth was highly contingent on property tax revenues, leading to large inequalities in spending between wealthier suburban communities and poorer urban areas. Now, Massachusetts spends about \$1,300 more per pupil in poorer districts than in wealthy districts, the third highest difference in the nation.²⁹ Third, it enabled the establishment of charter schools. Such successful charter schools as Boston's MATCH, Academy of the Pacific Rim, Boston Collegiate, Boston Prep, Edward Brooke and Excel Academy and Lawrence's Community Day, all of which boast MCAS proficiency scores of 90% or more in many categories, thus outperforming their sending districts by significant margins, would not have existed were it not for the Education Reform Act. With respect to growth (documented in the recently-released Student Growth Model data), charter schools' record is even more impressive. Charter schools constituted 9 of the top 10 growth districts in math and 6 of the top 10 districts in 6th grade English, represented 7 of the top 10 growth districts in math and 4 of the top 10 districts in English in 8th grade, and represented 5 of the top 10 growth districts in both math and English in 10th grade. The clear success of the Education Reform Act as a multifaceted and continuing strategy for education reform, will strengthen the Commonwealth's chances in the Race to the Top competition.

General Criteria

Race to the Top evaluators will review each state's overall record at education reform. What progress has been made in recent years with regard to closing the achievement gap, supporting education, and overall student improvement? The Secretary of Education will also scrutinize how states used the first round of education stimulus funds. While these were intended to be spent as quickly as possible to fill budget gaps and protect jobs, they did require at least a nominal commitment to use them in reform-minded ways. A state's gross misuse of prior stimulus funds could make the Obama administration less inclined to entrust them with additional stimulus funds for education from the Race to the Top competition.³⁰

Table 10: General Selection Criteria (Total-55)
Making education funding a priority (10)
Ensuring successful conditions for high-performing charters and other innovative schools (40)
Demonstrating other significant reform conditions (5)

²⁷ For a recent, comprehensive overview of Massachusetts' progress since 1993, see Thomas Downes et al., "Incomplete Grade: Massachusetts Education Reform at 15," *MassINC*, May 2009, http://www.massinc.org/index.php?id=216&pub_id=2459&bypass=1.

²⁸ It is easily forgotten that Massachusetts was not always a top-ranked state in student achievement. Massachusetts' SAT scores were below the national average as late as 1992 (see Charles Chieppo and Jamie Gass, "Accountability Overload," Pioneer Institute, April 2009, http://www.pioneerinstitute.org/pdf/0904_chieppo_gass_ednext.pdf).

²⁹ That includes state and local funding. Source: The Education Trust, "Funding Gaps 2006," <http://www2.edtrust.org/NR/rdonlyres/CDEF9403-5A75-437E-93FF-EBF1174181FB/0/FundingGap2006.pdf>.

³⁰ Massachusetts' chances in Race to the Top seemed to be imperiled as a result of its being singled out in a recent audit by the Education Department's Inspector General regarding Governor Patrick's administration of revenues

Within the context of evaluating a state's "overall innovation and reform" record, the U.S. Department of Education will be reviewing each state's charter-school policy. Charter schools are public schools governed by an independent board of trustees that operate outside of local district and union regulations. For this reason, they are much more autonomous than typical public schools, possessing complete authority over their budget, personnel, manner of instruction, mission, and curriculum. In Massachusetts, they are chartered by the Board of Elementary and Secondary Education and are subject to renewal or closure every five years. Horace Mann charter schools, a variant on the original Commonwealth charters, have less autonomy, as they must have the approval of the local school committee and local teachers' union. There are 62 charter schools in Massachusetts: 55 Commonwealth and 7 Horace Mann. In the 2008-09 school year, 26,384 students attended charter schools (cap: 30,765) and, as of March 2009, almost as many (24,066) were on waiting lists for the 2009-10 school year. Forty-two of the 62 charter schools in Massachusetts are located in Boston or other urban areas.

Reviewing a state's charter-school policy means not only looking at whether it allows charters,³¹ but reviewing if its charter school law "does not prohibit or effectively inhibit increasing the number of high-performing charter schools." Is the formation of charter schools encouraged, or is there a state cap which artificially limits their number? Are charters given access to public funds, including funds for facilities, comparable to that of traditional public schools? Additionally, what policies govern the administration of charters? How rigorous is the initial process? How aggressive is the state in identifying and closing down underperforming charter schools? Do the states encourage charters to serve students with "high-needs," such as those living in poverty or those who have learning disabilities?

In the original draft guidelines in July, charter school policy was part of the "Turning around Failing Schools" category, not the "General Selection Criteria" category. This was reportedly done so as not to give the impression that RTTT was suggesting charters as a "silver bullet solution" for addressing failing schools. Moving charter school policy "more appropriately reflects charter schools' broader role as a tool for school innovation and reform." In fact, the final proposal does not even make charter schools a requirement, so long as a state "enable[s] [local districts] to operate innovative, autonomous public schools other than charter schools."³²

from the State Fiscal Stabilization Fund. ("Potential Consequences of the Maintenance of Effort Requirements under the American Recovery and Reinvestment Act State Fiscal Stabilization Fund," ED-OIG/L03J0011, U.S. Department of Education, Office of Inspector General, September 2009.) The thesis of this audit is that the SFSF stimulus program had flaws in its design because it tempted state officials to decrease the amount of state funding for education, and it uses Governor Patrick's administration of the SFSF funds as one of three examples of this flaw. However, the U.S. Department of Education itself, which has final word both on the appropriateness of states' use of SFSF funds and the distribution of Race to the Top funds, has assured Massachusetts that it did nothing wrong ("United States Education Department Letter to Secretary Reville Regarding OIG Memo," November 2, 2009, http://www.mass.gov/Eeoe/docs/USED_OIG_response_110209.pdf).

³¹ Charters are not authorized in Alabama, Kentucky, Maine, Montana, Nebraska, North Dakota, South Dakota, Washington, and West Virginia.

³² "Innovative autonomous public schools" are defined as "open enrollment public schools that, in return for increased accountability for student achievement...have the flexibility and authority to define their instructional

The Race to the Top program is an attempt to influence educational policy at the state and local level with Federal grant money. One of the earliest and clearest examples of its effect was Governor Patrick's proposed legislation to raise the number of charter schools in underperforming districts and increase the state's authority to intervene in chronically underperforming schools.³³ Prior to this announcement, the Governor could be described as at best lukewarm on charter schools, either indifferent to the issue or skeptical.³⁴ State law currently caps the total number of charter schools at 72 for Commonwealth charters, and 48 for Horace Mann charters. No more than 4% of all students statewide can attend charters, and no district can commit more than 9% of total spending to charter schools. Massachusetts is below its cap in terms of total number of charter schools (again, there are now 55 Commonwealth Charters and 7 Horace Manns) and in terms of the percentage of public school students attending charters (currently 2.8%), but because of the 9% district spending cap, over 150 communities are at or near the charter cap.³⁵ The Governor has recently proposed raising the current limitation on charter school spending from 9% to 18% of total net district spending in the lowest-scoring 10%, or 33 districts.³⁶ In addition to raising the number of available slots in charter schools in certain districts, the legislation would place more restrictions on new charter schools. The schools would have to plan and implement strategies to attract low-income, special education, and English Language Learner students, students with low MCAS scores, and "at-risk" students.

If passed, the Governor's legislation would triple the number of available charter school seats and could have a significant impact on Worcester and the other formerly industrial cities in the Commonwealth, since they regularly rank among the lowest scoring districts. Worcester currently directs 7.7% of district spending to charter schools, putting it close to the cap. The law would increase the number of available charter school seats in Worcester from 319 (the number remaining under the current formula), to 2,264.³⁷ The press release announcing "An Act Relative to Charter Schools in Underperforming Districts" explicitly noted that, in addition to its intent to promote accountability and innovation in education, "the legislation is also meant to strengthen the Commonwealth's position as it competes with other states for \$4.35 billion in Federal 'Race to the Top' funds."

models and associated curriculum; select and replace staff; implement new structures and formats for the school day or year; and control their budgets."

³³ For examples of Race to the Top's effect in other states, see Sam Dillon, "States Mold School Policies to Win Federal Money," *New York Times*, November 10, 2009.

³⁴ None of the 13 sub-committees on Governor Patrick's Readiness Commission addressed charter schools. Prior to Race to the Top, when asked about the charter school cap, the Governor typically would either say it is a non-issue, since most districts are not technically at the cap, or say he would only look into lifting the cap after the charter funding formula was "fixed" (Chieppo and Gass, "Accountability Overload).

³⁵ *ibid*

³⁶ Currently, in America, 14 communities have over 20% of students enrolled in charter schools. 72 have 10% or more. ("Top 10 Charter Communities by Market Share, Fourth Annual Edition," National Alliance for Public Charter Schools, October 2009, http://www.publiccharters.org/files/publications/MarketShare_P4.pdf.)

³⁷ Source: MassINC.

Massachusetts's charter school record is fairly strong, both in terms of producing a number of high-quality schools,³⁸ and in the rigor of its charter-authorization process. A 2003 report by researchers affiliated with the Thomas B. Fordham Institute found that Massachusetts had one of the most rigorous charter authorization processes in the nation.³⁹ The report gave the Commonwealth the highest grade of all states surveyed regarding the charter application and approval process, performance contracts, oversight, renewal and revocation process, and transparency and internal accountability.⁴⁰

³⁸ "Massachusetts Charter School Achievement Comparison Study: An Analysis of 2001-2005 MCAS Performance," August 2006," MA DESE, www.doe.mass.edu/charter/reports/datastudy/report.pdf, and Cara Stillings Candal, "Putting Children First: The History of Charter Public Schools in Massachusetts," November 2009, http://www.pioneerinstitute.org/pdf/091112_putting_children_first.pdf, p. 17-27.

³⁹ Louann Bierlein Palmer et al., "Charter School Authorizing: Are States Making the Grade?," The Thomas B. Fordham Institute, June 2003, http://www.edexcellence.net/doc/CharterAuthorizing_FullReport.pdf. A 2007 report commissioned by the US Department of Education came to the same conclusion: "Innovations in Charter School Excellence Through Quality Authorizing," Public Impact and WestEd for US Department of Education Office of Innovation and Improvement, 2007, <http://www.ed.gov/nclb/choice/charter/authorizing/authorizing.pdf>. And "Massachusetts Charter Law," Center for Education Reform, www.edreform.com.

⁴⁰ Massachusetts' strong reputation for transparency and accountability in its charter school policy may have been compromised by a recent scandal involving the state Secretary of Education and a prospective charter school in Gloucester. The Board of Elementary and Secondary Education approved a charter school proposal for 2010-11 in Gloucester. Opponents of this school in Gloucester acquired email exchanges between the Secretary and the Commissioner of Elementary and Secondary Education which professed to imply that the state approved the proposal out of purely political considerations. The Secretary claimed to support the Gloucester proposal not on account of its merits relative to other competing proposals, but out of a desire to maintain the support of "moderates" in the education reform debate. The state Inspector General has launched a formal investigation into this matter.

EDUCATION REFORM AND THE WPS

Although public education in America remains primarily a state and local issue,⁴¹ the Federal government has become increasingly involved over the past few decades, in response to widespread public dissatisfaction with the status quo. However, its role remains substantially undefined and controversial. This is owing not only to constitutional questions about the Federal government's right to intervene in a properly state matter,⁴² but also to practical questions about its ability to do so effectively.⁴³

Federal legislation about public education has generally been of two kinds: civil rights legislation that affects public education and funding programs that require state and local government to adopt certain policy improvements in exchange for Federal funds. This is the structure of both NCLB and Race to the Top. What is unique about Race to the Top is the wide discretion that the U.S. Secretary of Education has been given in deciding how to disburse the funds.

Do the Worcester Public Schools embody the Obama administration's understanding of "what works" in education? Regardless of the state's or the district's success in obtaining the Race to the Top funds, are these policies described above worth implementing on their own merits?

Worcester has been classified as a "Commissioner's District," one of ten the Commonwealth has singled out for its size, high percentage of low-income students, and high concentration of under-performing or "Commonwealth Priority Schools." A "Commonwealth Priority School" is any school that has an NCLB accountability status of "Corrective Action" or "Restructuring" in English language arts and/or mathematics for students in the aggregate. A school or district is in Corrective Action when it has failed to meet AYP in ELA and/or Math in the aggregate or within certain subgroups, for four or more consecutive years. A school or district is in Restructuring when it has failed to meet AYP in ELA and/or Math in the aggregate or within certain subgroups, for five or more consecutive years. After having failed to meet state performance and improvement standards for four or more consecutive years, schools are identified as Commonwealth Priority Schools and are provided with targeted assistance (such as private consultants paid for by the state) to support district-led improvement efforts. There are 13 Commonwealth Priority Schools in the WPS.

⁴¹ Since NCLB, State and local governments have provided about 90% of all K-12 funding (Source: US Department of Education, "Digest of Education Statistics: 2008," Table 171, http://nces.ed.gov/programs/digest/d08/tables/dt08_171.asp). Due to the massive amount of federal stimulus into K-12 in 2009-11, the amount will be about 85% (James Guthrie, "Think Education Spending will Decline? Think Again," *Education Next*, November 5, 2009, <http://educationnext.org/think-education-spending-will-decline-think-again/>).

⁴² The Constitution is silent on the topic of public education, and the Supreme Court has never ruled that the Federal government has an implied authority over K-12.

⁴³ See Ladner and Lips, "How 'No Child Left Behind' Threatens Florida's Successful Education Reforms," Hickok and Ladner, "Reauthorization of No Child Left Behind: Federal Management or Citizen Ownership of K-12 Education?," and Neal McCluskey, *Feds in the Classroom: How Big Government Corrupts, Cripples, and Compromises American Education*, Rowman & Littlefield, 2007.

As The Research Bureau has documented in its recent “Benchmarking Public Education in Worcester: 2009” report,⁴⁴ WPS is faced with many challenges typical of large urban districts. Worcester has the fifth highest percentage of limited English proficient students in the state: 21%, up from 6% in 2000.⁴⁵ Sixty-five percent of students now qualify for free or reduced lunch, up from 47% in 1992.⁴⁶ Since the 2002-3 school year, Worcester’s enrollment has also declined by 9%.⁴⁷ WPS students performed well below the state average in almost all grades and in all subjects on MCAS in 2008 (**Table 11**).

Table 11: WPS vs. State MCAS scores, 2008						
Grade and Subject	Proficiency		Needs Improvement		Warning/Failing	
	District	State	District	State	District	State
Grade 3- Reading	30%	56%	45%	33%	25%	11%
Grade 3- Math	38%	61%	29%	25%	33%	14%
Grade 4- ELA	25%	49%	46%	39%	29%	13%
Grade 4- Math	33%	49%	41%	38%	26%	13%
Grade 5- ELA	38%	61%	42%	30%	20%	8%
Grade 5- Math	36%	52%	33%	30%	31%	17%
Grade 6- ELA	52%	67%	33%	24%	16%	8%
Grade 6- Math	44%	56%	28%	26%	28%	18%
Grade 7- ELA	44%	69%	36%	23%	20%	8%
Grade 7- Math	24%	47%	26%	29%	50%	24%
Grade 8- ELA	57%	75%	28%	18%	15%	7%
Grade 8- Math	27%	49%	26%	27%	48%	24%
Grade 10- ELA	57%	74%	34%	21%	9%	4%
Grade 10- Math	51%	72%	29%	19%	20%	9%

Source: MA Department of Elementary and Secondary Education

The area in which WPS, like most other local districts nationwide, is clearly not in accord with the Obama Administration’s education priorities is in identifying and rewarding teacher quality. As shown in **Table 12**, teacher compensation in Worcester is based completely on “inputs” such as longevity and educational credentials. Virtually no consideration is given to student performance data in evaluations or in decisions about filling open positions; the paramount consideration is seniority. Over the past five school years, 98% of all tenured WPS teachers

⁴⁴ Report No. 09-05, August 2009, <http://www.wrrb.org/documents/PublicEducation2009.pdf>.

⁴⁵ Source: Thomas Downes et al., “Incomplete Grade: Massachusetts Education Reform at 15,” p. 14 and DESE. A “limited English proficient” student is one who cannot perform ordinary classroom work in English.

⁴⁶ Source: DESE

⁴⁷ In a 2008 paper, economist Kenneth Ardon argues that the decline in enrollment in Massachusetts’ large urban districts during the past decade has been due largely to broader demographic trends: an aging population coupled with low or non-existent overall population growth, resulting in a steep reduction in school-age children. Migration to suburban districts, as well as charter and private schools may have had some effect, but not likely a significant one. (Worcester’s two charter schools currently enroll over 2,000 students and enrollment in the WPS is up almost 300 students this academic year.) (Kenneth Ardon, Enrollment Trends in Massachusetts,” Policy Brief, The Pioneer Institute, September 2008, http://www.pioneerinstitute.org/pdf/080924_ardon_enrollment_trends.pdf)

were in the top two evaluation categories (satisfactory or “special acknowledgement”), making the rigor of such evaluations doubtful.⁴⁸

Table 12: Teacher Compensation Structure in WPS, 2008-09

Step	Bachelor's	Bachelor's + 15 years (longevity pay)	Master's	Master's + 15 years (longevity pay)	Master + 30 years (longevity pay)	Certificate of Advanced Graduate Study	Doctorate
1	\$40,378	\$42,499	\$45,841	\$46,904	\$48,343	\$50,015	\$55,276
2	\$42,649	\$44,771	\$48,113	\$49,179	\$50,618	\$52,290	\$57,549
3	\$45,932	\$48,050	\$51,392	\$52,458	\$53,896	\$55,570	\$60,831
4	\$48,205	\$50,328	\$53,667	\$54,732	\$56,173	\$57,844	\$63,106
5	\$50,480	\$52,601	\$55,942	\$57,006	\$58,446	\$60,117	\$65,378
6	\$52,752	\$54,876	\$58,213	\$59,281	\$60,719	\$62,390	\$67,653
7	\$55,029	\$57,146	\$60,488	\$61,557	\$62,995	\$64,667	\$69,925
8	\$60,059	\$62,180	\$65,522	\$66,590	\$68,027	\$69,698	\$74,959
9	\$63,723	\$65,845	\$69,185	\$70,254	\$71,691	\$73,363	\$78,623

Source: Contract between WSC and EAW

An effort to introduce performance pay for Advanced Placement (AP) teachers met with considerable resistance on the part of the Educational Association of Worcester (EAW), the teachers’ union. North High School recently completed the first year of a five-year “AP Training and Award Program,” funded by a \$373,857 grant from the non-profit Mass Insight Education and Research Institute. This money is being used to defray the AP test fee for students and provide stipends to teachers for AP training, along with bonuses of up to \$3,000 for teachers and school administrators for student performance. (The program has been expanded to South High School this school year.)

The EAW filed a formal Prohibited Labor Practice complaint with the state’s Division of Labor Relations after the Worcester School Committee accepted the grant for North High. From the union’s perspective, the program manipulates compensation outside the bounds of collective bargaining. Providing stipends to certain teachers and not others (elementary school teachers, for example, would not be eligible to teach AP courses) and then awarding bonuses for those who succeed in increasing student test scores is, in the union’s words, “divisive.”

The School Committee and the EAW are currently negotiating a new contract. Management is reportedly asking for several concessions, including increased employee health insurance contributions, removal of seniority rights in making transfers, a pay freeze, and mandatory drug and alcohol testing,⁴⁹ but no significant changes in terms of compensation structure, such as instituting pay for performance, appear to be on the table.

⁴⁸ Michael Jonas, “Teacher Test.”

⁴⁹ “EAW Newsletter,” Educational Association of Worcester, September 16, 2009.

RECOMMENDATIONS

A number of education policy analysts have expressed serious doubts about the Race to the Top's likely effectiveness. The critics include those who support the program's overall policy ambitions of strengthening standards and assessments, encouraging the use of data in policy decisions, improving teacher quality, and establishing effective accountability processes. Skeptics are wary that the funds will go towards simply filling budget gaps, just like the prior \$75 billion, and/or to support changes that will not be carried through once the funding is gone.⁵⁰ And even if new policies are implemented and carried through in good faith, it may take years to judge their success.

The connection between increased funding for public education and improved student achievement is at best ambiguous: total government spending (state, local and federal) on K-12 has increased by about 50% (adjusted for inflation) over the last twenty years whereas student achievement in the aggregate has certainly not improved commensurate with expenditures.⁵¹ In light of the ambiguous causal connection between the massive increases in spending on K-12 in recent years and student achievement, it is important to note the insignificant amount of funds under consideration in Race to the Top. Though an enormous sum by the standards of the U.S. Department of Education, \$4.35 billion is less than .75% of the \$667 billion that the nation as a whole (Federal, state and local) spends annually on K-12.⁵² Within the context of education stimulus spending, Race to the Top represents only 5.4% of the total \$80 billion devoted to K-12. But some policies favored by Race to the Top may be worth implementing on both the state and local level regardless of what happens in the Race to the Top competition.

The Massachusetts Legislature should amend the current version of the Education Reform Act of 2009 before passing it.

The education reform bill, which was voted out of the Joint Committee on Education shortly after the Race to the Top's draft guidelines were announced, is a composite of a few proposals. It proposes changes in requirements for charter schools, the development of innovation (formerly known as "readiness") schools, and revisions in the state's accountability framework.

The parts of the bill dealing with charter schools are the ones that have resulted most directly from the Race to the Top competition. The original intent of the legislation proposed by Governor Patrick was to raise the cap on charter schools in low performing districts. Although the bill, as it is currently written, technically would lift the statewide cap on charter schools and

⁵⁰ For example, Tennessee passed a law allowing charters only to deny several applications right afterward, and Wisconsin passed a very weak law allowing student data in teacher evaluations in an effort to comply with Race to the Top's eligibility requirements.

⁵¹ Dan Lips, et al., "Does Spending More on Education Improve Academic Achievement," *Heritage Foundation Backgrounder*, September 8, 2008, http://www.heritage.org/research/Education/upload/bg_2179.pdf, "A Nation Accountable: Twenty-five Years After 'A Nation at Risk,'" U.S. Department of Education, April 2008, <http://www.ed.gov/rschstat/research/pubs/accountable/accountable.pdf>.

⁵² "Fiscal Year 2010 Budget: Summary and Background Information," US Department of Education, <http://www.ed.gov/about/overview/budget/budget10/summary/10summary.pdf>.

raise the district spending cap to 18%, it would also place the following new restrictions on charter schools which would hamper the ability of existing and new charter schools to succeed:

1. Section 4(f) mandates, in effect, quotas for low-income, special education, high-risk, and ELL students. Governor Patrick had originally proposed that new charters be required to mount efforts to recruit and retain students from these groups, in response to a common charge made against charter schools, that they skim the best students away from local school districts, in addition to skimming money away from them. In the proposed bill, each new charter must have a “student recruitment and retention plan,” in which the charter school organizers explain how they will attract, enroll and retain the same or greater percentage of students as their sending district in three or more of the following demographic categories: free-lunch eligible, reduced-lunch eligible, special education, limited English proficient, low MCAS scorers, at-risk students, and drop-outs. The plan must articulate specific outreach strategies and benchmarks for attracting and retaining these types of students, and its progress in these areas will be carefully scrutinized at the time of its renewal (section 4(gg)). As of the 2011-12 school year, even existing charter schools must develop such a strategy.

The implication that charter schools do not serve under-privileged children is simply not true.

Charters enroll a greater percentage of minority and low-income students than traditional schools in Massachusetts and about the same percentage of First Language Not English or Limited English Proficient students (see **Table 13**).

Table 13: 2008-2009 Student Demographics in Massachusetts Public Schools		
Student Demographic	Charters	State
First Language Not English	16.0%	15%
Limited English Proficient	4.0%	5.9%
Special Education	11.9%	17%
Low-Income	45.8%	30.7%
African-American	26.4%	8.2%
Hispanic	22.9%	14.3%
White	43.5%	69.9%
<i>Source: DESE's "Massachusetts Charter School Fact Sheet"</i>		

No district school admits children under these criteria. Why should charter school enrollment be structured according to such categories? The current lottery system is fair to parents, prospective students and traditional district schools. The Race to the Top proposal does call for outreach efforts to “high-needs students,” but it does not call for quotas.

2. The bill would remove about 20% of charters’ funding from the Chapter 70 formula and 100% for first charters, making it a separate line item subject to annual appropriation. Charter school supporters have long suspected that this is what critics mean by “reforming the charter funding formula:” to remove charter schools’ funding from Chapter 70 altogether, and make it subject to the annual appropriation process. This would make charter schools much more susceptible to budget cuts than traditional schools. Charter schools’ long term funding prospects are complicated enough, in light of the threat of non-renewal, to which traditional schools and districts are not subjected.

In a recent policy brief published by the Pioneer Institute,⁵³ economist Kenneth Ardon directly addresses the question of the fairness of Massachusetts' funding formula, which is essentially "should spending follow students?" Ardon points out a couple striking inconsistencies in charter opponents' arguments about the funding formula. First, though local districts claim that when they have to divert state aid to charter schools, they are stuck with fixed costs that they must continue to pay regardless of drops in student enrollment, they do not apply this argument in the other direction. If a local district is stuck paying the same fixed costs regardless of if its enrollment declines due to a charter school, then presumably, if its enrollment increases, it would not need its per-pupil state aid increased in a proportionate amount. Second, when a district loses state aid because parents choose to enroll their students in a charter school, this is no different from when parents move their child from a city school to a nearby suburban school. As Ardon notes, "it is difficult to imagine schemes to limit a student's ability to move from one district to another or to require the state to pay for a student's education at both the new and old districts, yet those are precisely the proposals that reappear in the debate over charter schools."⁵⁴

3. The bill would require charter schools to immediately "backfill" slots when students in any grade drop out. Charter schools succeed by taking students from diverse, underprivileged backgrounds and integrating them into a distinctive culture of high academic expectations and serious discipline. These students are often a few years behind their peers. In order to achieve this goal, some charter schools only take students in entering grades (9th for high school, 6th for middle school). About a third of charter schools operate on this model, including some of the higher-performing ones in Boston. Backfilling scarce open slots within the same grade would disrupt the acculturation process vital to these charters' success. No one would claim that a charter school could transform a troubled student within the course of a semester. Forcing charter schools to do so is another restriction designed to prevent them from succeeding.
4. The bill would only allow districts to expand beyond the 9% cap if they are classified as low-performing in terms of growth as well as achievement. Worcester, for example, likely could not expand beyond 9% because it is a district that ranks in the lowest 10% in terms of achievement, but is average with respect to student growth.

Charter school proponents do not claim that charter schools are a panacea. There is no body of evidence that all charter schools in all states nationwide are better than traditional public schools, but there has been evidence that charter schools in certain urban school districts have been able

⁵³ Ken Ardon, "Follow the Money: Charter School and District Funding in Massachusetts," Pioneer Institute White Paper, November 2009, http://www.pioneerinstitute.org/pdf/091105_follow_the_money.pdf.

⁵⁴ For discussions of the fairness of Massachusetts' charter-school funding formula relative to others states', see also Cara Stillings Candal, "Putting Children First: The History of Charter Public Schools in Massachusetts," p. 9-10, and Center for Education Reform, "Charter School Funding, Follow the Money," http://www.edreform.com/charter_schools/funding/.

to raise student achievement higher than the district schools from which the students came.⁵⁵ These same studies have also directly refuted the “skimming” argument by demonstrating how students who won the lottery and gained admission outperformed their peers who lost the lottery and attended traditional schools. Additional research has also suggested that charter schools do not harm student performance in traditional schools in their sending districts, and may even slightly improve them.⁵⁶

The Obama administration defines the policy priorities outlined in *Race to the Top* as an attempt to focus on “what works” in education. In this respect, the “Education Reform Act of 2009,” although explicitly proposed as an effort to strengthen Massachusetts’ chances in the competition, is unfaithful to the spirit of *Race to the Top*. Many of the most successful charter schools in the Commonwealth might not have had their charters granted under this proposal.

The debate over how this bill should be amended has ranged widely. The best approach, and also the one likeliest to improve Massachusetts’ chances in *Race to the Top*, would be for the Legislature simply to raise the cap on charter schools in under-performing districts.

The sections of the Education Reform Act of 2009 dealing with “innovation schools” are less objectionable. Innovation schools are explicitly a compromise between a charter school and a traditional public school and are not meant to undermine the current charter model in Massachusetts. Innovation schools are in-district charters: they would have more autonomy than regular district schools, but must be developed in collaboration with the school committee and unions. Any modifications to district collective bargaining agreements would require negotiations with the local union.

Innovation schools are similar to Horace Mann schools, which have existed since 1997, and have proved to be much less popular than Commonwealth charters. The main appeal of charter schools is independence from local districts, and the Horace Mann and innovation school models are less autonomous. One of the strongest features of Massachusetts’ charter law is the fact that the state Department of Elementary and Secondary Education is the sole authorizer, which has provided at the same time more rigor in the chartering process and also more independence for charter schools than in other states, where the districts are the chartering authority.

But the innovation-school model has met with some success in some of Boston’s pilot schools (on which the Horace Mann schools were originally modeled) and in Worcester’s University

⁵⁵ Caroline Hoxby, “Achievement in Charter Schools and Regular Public Schools in the United States: Understanding the Differences” Harvard University Program on Education Policy and Governance, December 2004, Caroline Hoxby, “How New York City Charter Schools Affect Student Achievement,” The New York City Charter School Evaluation Project, September 2009, and Atila Abdulkadiroglu et al., “Informing the Debate: Comparing Boston’s Charter, Pilot and Traditional Schools,” The Boston Foundation, http://www.masscharterschools.org/advocacy/HarvardStudy_54pg.pdf.

⁵⁶ Marcus Winters, “Everyone Wins: How Charter Schools Benefit All New York City Public School Students,” Manhattan Institute for Policy Research, Civic Report Number 60, October 2009, http://www.manhattan-institute.org/pdf/cr_60.pdf.

Park Campus School. UPCS is an in-district public school with a distinctive culture of high standards and expectations which its founding principal was able to shape, according to *Commonwealth* magazine,⁵⁷ through the influence she was able to exert over initial staffing decisions. It is the most successful and widely-acclaimed school in the district, and yet its model has barely been replicated. The proposed legislation could lead to the creation of more schools like it, although nothing prevents such schools from being developed without the proposed legislation.

The third part of the bill deals with Massachusetts' accountability framework and policies for addressing low-performing schools and districts. The bill empowers local authorities to suspend or break up collective bargaining agreements and would help them to close old schools and open new ones, especially in small districts. It would enable "restarts," wherein a given school is closed, its staff laid off, and then rehired on a more selective basis.⁵⁸ The benefits of closing schools and opening new ones over attempting to reform existing schools may be seen in comparing the success of the University Park Campus Schools and Claremont Academy in Worcester. The same school administrators who had achieved such success in a *new* school, UPCS, found it more difficult to do the same for an existing school (Claremont). As many observers of successful urban schools have noted, much depends on the ability of school administrators to create a distinct culture of habits and expectations, and it is much easier to create a culture anew than to transform an existing one.⁵⁹

The state Legislature should pass a law limiting seniority as a factor in determining retention and rehiring of teachers in local districts.

The Arizona Legislature recently passed such a law, and Rhode Island's Commissioner of Education recently ordered all superintendents to end teacher assignments based solely on seniority. According to members of the Arizona legislature, "[T]eachers need to be retained based on their achievement, not on how long they've been on a job."⁶⁰ As noted earlier in this report, tying teacher salaries to student achievement is one of the criteria of the Race to the Top grants. Despite being widespread and strongly defended by teachers' unions and their allies, seniority protection is not a common employment practice in the private sector. It prevents principals and administrators from designing and operating schools as they see fit and puts talented people looking to enter the teaching profession at an immense disadvantage when competing for open positions.

⁵⁷ Michelle Bates Deakin, "Worcester's Wonder," *Commonwealth*, Spring 2004, http://www.massinc.org/index.php?id=365&pub_id=1420&bypass=1. University Park campus School was also profiled in "Head of the Class: Characteristics of Higher Performing Urban High Schools in Massachusetts," The Center for Education Research and Policy at MassINC, Fall 2003, http://www.renniecenter.org/research_docs/0311_HeadofClass.pdf.

⁵⁸ Restarts are popular with the Obama administration, which has set aside an extra \$20 million in stimulus for the School Improvement grant program.

⁵⁹ For this same reason, some of the most successful charter organizations such as KIPP will not undertake turnarounds, but only new starts (Andrew Smarick, "The Turnaround Fallacy" *Education Next*, Winter 2010, <http://educationnext.org/the-turnaround-fallacy/>).

⁶⁰ Alex Bloom, "Law changes the way teachers contract with districts," *Arizona Republic*, November 23, 2009.

The WPS should institute some form of performance pay

The Race to the Top grant proposal promotes the case for performance pay in its initial requirements for eligibility and also the “Data to Support Instruction” and “Great Teachers and Leaders” categories. One of the primary uses of better evaluations systems is for “compensating, promoting, and retaining teachers and principals, including by providing opportunities for highly effective teachers and principals (both as defined in this notice) to obtain additional compensation.”

Current compensation schemes in Worcester, in Massachusetts,⁶¹ and across the nation,⁶² in the Obama Administration’s view, tend to overemphasize advanced degrees and seniority, and ignore a teacher’s classroom effectiveness.

One especially high-profile case of performance pay is the program Michelle Rhee, the Chancellor of the Washington DC public schools, has been attempting to institute in her ongoing negotiations with the DC teachers’ union. At the beginning of the negotiations for the teachers’ contract in the summer of 2008, Rhee proposed that all teachers receive a 28% raise over five years, with continued traditional tenure protections, in exchange for the right to offer some teachers an even more generous pay schedule if they are willing to give up some traditional tenure protection and have their compensation linked, in part, to student performance. In other words, teachers would have *the option* to accept greater professional accountability and less job security for higher pay. Teachers who did participate and succeed in this program would be among the highest paid teachers in the country, making well over \$100,000 a year. Negotiations are ongoing.⁶³

Pay for performance is a policy for which the WPS does not need any assistance from either the state or Federal government but could adopt on its own. There are many different forms of pay for performance. As is done with AP grants from MassInsight, it could mean rewards for superior performance, not punishment for poor performance. Participation for individual teachers could be voluntary. It could also be offered to teams of teachers or faculties within a particular school or department. (Different evaluation criteria would have to be used for teachers in subjects and grades for which there are no MCAS exams.)

A legitimate objection to pay for performance programs is that they are costlier, because in order to get unions to agree to them, management is often compelled to offer increased pay to all teachers, as with Chancellor Rhee’s proposal. However, a number of grant programs exist which can help local school districts fund performance pay programs, both from private foundations and the Federal government. Mass Insight and the Gates Foundation support an array of

⁶¹ Michael Jonas, “Teacher Test”

⁶² Daniel Weisberg et al., “The Widget Effect”

⁶³ Rhee has succeeded in implementing a new teacher evaluation system outside of collective bargaining through special approval from Congress. This system will be based on student test scores and five classroom observations per year. (June Kronholz, “DC’s Braveheart,” *Education Next*, Winter 2010, <http://educationnext.org/d-c-s-braveheart/>)

education reform initiatives including pay for performance. Perhaps funds from the Worcester Educational Development Foundation could be used to expand the MassInsight program to all district high schools. The Federal Government offers performance pay grants from its Teacher Incentive Fund and the American Recovery and Reinvestment Act's Investing in Innovation Fund, the other, smaller (\$650 million) part of the Innovation Fund of which Race to the Top is part.

Paying better teachers more money could help to keep them in the teaching profession; it may also encourage a greater number of talented and ambitious individuals to enter the profession. Attracting people with a genuine desire to excel and be rewarded for it would increase the quality of the average teacher. Pay for performance would also help bring practices in the teaching profession more in line with those of the private sector.

The WPS should explore closing the lowest-performing schools in the district and reopening new ones.

The district does not need to wait for Race to the Top funds or the state to pass the Education Reform Act of 2009 in order to pursue its own turnaround strategy. Closing failing schools and opening new schools is a strategy for improving student performance promoted by the Obama administration. It is also an integral part of Boston Superintendent Carol Johnson's recently announced "Acceleration Agenda," a five year strategic plan for reforming the Boston Public Schools, as well as her 2008 "Pathways to Excellence" initiative. The WPS has seen success in opening a new school: the University Park Campus School. Closing and opening schools is an extremely challenging administrative task, but from a managerial perspective, new schools have a number of advantages over old ones. It is much easier to create a new culture of high expectations for student achievement in a new school than to remake an old one. Part of the administrative burden could be lessened through the development of a partnership with one of Worcester's colleges, as University Park did with Clark University. These could be innovation schools which have greater authority over budgeting, hiring, and firing.⁶⁴

The WPS should enact a series of fiscal reforms.

Due to the loss of stimulus funding and increased costs, the WPS is facing a structural deficit of \$26 million in FY11. Any funds from Race to the Top could only minimize this deficit.

In order to begin to address this deficit, the WPS should enact the following fiscal reforms:

1. ***Health insurance premium contributions.*** As a result of the negotiations soon to be concluded between the City Manager and the police unions, all non-school employees will pay 25% of their health insurance premiums. In FY10, WPS saved \$250,000 from increasing

⁶⁴ For a discussion of successful innovation and charter schools in Massachusetts, see "Improving Student Performance Under Education Reform: Practices in Urban Schools," Research Bureau Report No. 07-01, May 14, 2007, <http://www.wrrb.org/documents/WRRB07-01.pdf>, and "Choosing a New Superintendent to Address Worcester's Challenges," Research Bureau Report No. 08-03, June 30, 2009, <http://www.wrrb.org/documents/WRRB08-03.pdf>.

the contribution rate for non-union employees from 20 to 25%. Had this change in contribution rate been adopted by all WPS employees in FY10, the school department would have saved \$3.3 million, \$2.2 million from teachers alone.

2. ***Zero wage increases.*** The City Manager negotiated zero wage increases in FY10 for all non-school employees, union and non-union alike. The School Committee should also negotiate zero-percent raises for all school employees in FY10.
3. ***Zero step and longevity increases.*** Even without raises, teacher salaries still increase every year through their contracted step and longevity pay increases (**Table 12** above). These raises amount to \$2 million of the \$10 million anticipated increased spending in FY11. (As mentioned at the outset, the \$26 million deficit is the result of the loss of \$16 million in stimulus funds and \$10 million in increased spending.) The School Committee should request that teachers forego step and longevity pay increases for FY11.
4. ***Privatization of custodial and cafeteria services.*** Last year, the City Manager privatized custodial services at City Hall. Other municipalities such as Springfield and Leominster have achieved significant savings through privatization. The Research Bureau has estimated that WPS could have saved \$2.2 million in salaries alone in FY10 from privatizing custodial services in the WPS.

OBSERVATIONS AND CONCLUSIONS

The Obama administration's original rhetoric regarding Race to the Top emphasized expanding the number of charter schools and evaluating teachers based on student performance. These worthwhile goals, however, which bear some connection to improved student achievement, seem to have been watered-down in the recently-released final regulations. The requirement to raise caps on charter schools has been eliminated in favor of caps that are not artificially low, or the existence of other "innovative" schools. And the requirement that states use student test data to evaluate teachers now allows states to use "multiple measures," including peer reviews, to evaluate teacher performance. It would be unfortunate for the students most in need of better teachers and schools that work to be denied these opportunities.

Regardless of the final regulations, however, Massachusetts, because of its strong record with regard to student achievement, standards and assessments, and the use of data to support instruction, has a strong case for Race to the Top funds. It will be even stronger if the state Legislature passes an amended version of "The Education Reform Act of 2009," with the changes discussed above. But regardless of what happens in the grant competition, the above recommendations should be acted upon by both the WPS and the Commonwealth because of their potential to improve student achievement.

Mission Statement:

The Research Bureau serves the public interest of the Greater Worcester region by conducting independent, non-partisan research and analysis of public policy issues to promote informed public debate and decision-making.



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