

education
impact guide

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Welcome Message

Public schools support America's founding values of life, liberty, and the pursuit of happiness. They are critical to the health of our democracy. They directly drive the future economic health of our state, our nation, and our world.

Unfortunately, they also do not work as well as they should, or must. Can anything be done? What counts? How can a group of motivated citizens make a difference?

This Impact Guide explores the options.

How Do We Work?

We invest attention up front to understand the motivations of our members so that we can choose projects that match their interests. We carefully select grantees and/or projects that are in a position to deliver great results. We identify tasks of realistic scope, and form effective teams with strong leadership to deliver on them. Then we follow through on what we say we will do.

Across the various projects we undertake, a few ultimate goals remain constant:

- Improve the effectiveness of public schools in preparing children for college, work, and citizenship;
- We emphasize projects that improve the effectiveness of schools serving low-income and minority students that too often are "left behind";
- Although we identify ourselves mainly with the Bay Area, we are willing to tackle challenges that must be addressed beyond the local level; and
- We feel drawn to projects that enable us to advance our knowledge and experience. Our own learning is of long-term value.

This Impact Guide explores the many ideas that compete for support in the quest to improve student learning. I hope you will be inspired to join us in this important work!



Jeff Camp
Chair, Education Impact Circle
November, 2007



Full Circle Fund is an engaged philanthropy organization in the San Francisco Bay Area. Our members contribute their time and talents in support of social entrepreneurs and change agents in various categories of civic life.

Participating in Full Circle's Education Impact Circle enables us to contribute meaningfully to the improvement of our educational system. By giving in a way that connects financial resources with human resources, we multiply the impact of both. By working together in teams, we have a greater impact than we could individually. We also learn more along the way.

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Background

This document presents many options for helping schools and school systems. Before we delve into these options, however, it is constructive to confront a brutal fact: California’s public schools are among the weakest in America.

Are California’s Schools Broken?

Each year, a statistically rigorous sample of 4th and 8th graders take tests known as the “Nation’s Report Card” (more formally, the National Assessment of Educational Progress, or NAEP). The results, though imperfect, enable researchers and policymakers to compare student achievement between states, grades and subgroups.

California children score poorly on these tests.

In 2007, California’s 4th grade reading “scale score” was 209, versus a national average of 220. Our state is not dead last in these rankings – we’re about even with Mississippi, Louisiana, Washington, D.C., Arizona and Nevada. But we are 27 points behind Massachusetts, which scored 236.

Unfortunately, this is a big deal. Ten “scale score” points represent roughly an entire year of educational attainment.

Some object that these tests aren’t quite fair to California students, because the design differs from the California Standards Test, or because other states cheat a little, for example by providing extra testing time to English learners. This amounts to quibbling. The fourth grade reading assessment evaluates whether children can read short passages and understand them.

California’s children are not within quibbling distance of the skills of children elsewhere in the country. Our average fourth graders read approximately as well as the average

American third grader – or the average second grader in Massachusetts.

Does it matter if California children start off slowly, one might ask, so long as they catch up later? Unfortunately, they don’t. California’s 8th grade NAEP reading scores are among the worst in the nation, and 38% of students score “below basic.” Research suggests that children not reading at grade level by the end of third grade are at serious risk of never graduating from high school.¹

Could these awful results be explained by demographics, some ask? Before answering this question directly, it is worth asking another in return: should it matter? Are poor results somehow better for California if they can be “explained” by the state’s larger numbers of non-white children and children in poverty? The children in

our schools grow up to become the workers and leaders of our communities. If we want California to have a bright future, can we afford to accept demographic excuses for poor performance?

In any case, the data leave no room for denial. California’s children in poverty score behind those in other states. So do the children not in poverty. California’s Latino students score behind those in other states – and so do California’s white students, black students and Asian students.

Sometimes, people who work in California’s schools feel irritated by these findings. They wonder whether the comparisons are honest, and worry that they are being blamed for the failings of a broken system.

2007 State Ranks*		Lunch Program Eligible	Not Lunch Program Eligible	Asian (of 30)	Black (of 42)	Hispanic (of 44)*	White
(NAEP rank out of 50 unless noted)	All Students						
Grade 4 Reading							
Massachusetts	1	3	1	5	6	15	1
Florida	21	7	9	6	11	2	11
Texas	31	21	21	9	13	11	10
California	48	50	44	19	29	43	29
Grade 8 Reading							
Massachusetts	1	7	1	4	2	13	2
Texas	31	29	17	6	10	12	5
Florida	33	30	39	7	24	7	35
California	48	50	46	17	37	39	41
Grade 4 Math							
Massachusetts	1	2	1	8	2	16	1
Texas	20	6	13	2	3	3	3
Florida	21	10	16	14	10	2	11
California	47	49	43	18	35	43	24
Grade 8 Math							
Massachusetts	1	8	1	1	12	12	1
Texas	15	7	5	5	4	1	3
Florida	35	33	34	16	18	11	29
California	45	46	44	17	33	38	35

* Based on NAEP scores. Florida and Texas results for Hispanic students may be affected by differences in how those states administer the NAEP test to students learning English.

International Perspective

Some of California's best-known businesses are world leaders in technology innovation. Can we at least take solace in the quality of our state's schools relative to the rest of the world? The news on this front is grim.

In 1999, an international comparison of student proficiency in mathematics (PISA) revealed that America had slipped to the middle of the pack among developed nations. Many found things to question about the methodology of the study. Do other nations weed some students out of the testing? Are larger vocational programs some other nations skewing the results? Are these assessments really comparable? Nevertheless, the PISA study was widely touted as a "wake up call."

Through 2003, the US was apparently still pressing the snooze button, having slipped to 24th out of 29 OECD participants in the study.

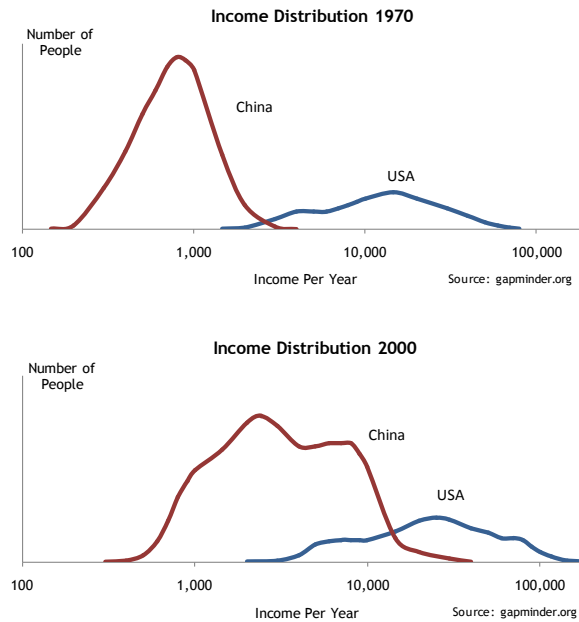
Today, the standing of America's public schools relative to OECD nations is no longer the international comparison of primary interest. A more pressing question is our nation's rapidly-changing standing relative to China and India.

In 1970 the economies of China and the US were dramatically different from one another. Today, these differences are decreasing rapidly.² As China's middle class grows wealthier, its expectations about employment, income, lifestyle, and educational attainment are increasingly comparable to American expectations. The story is similar in India.

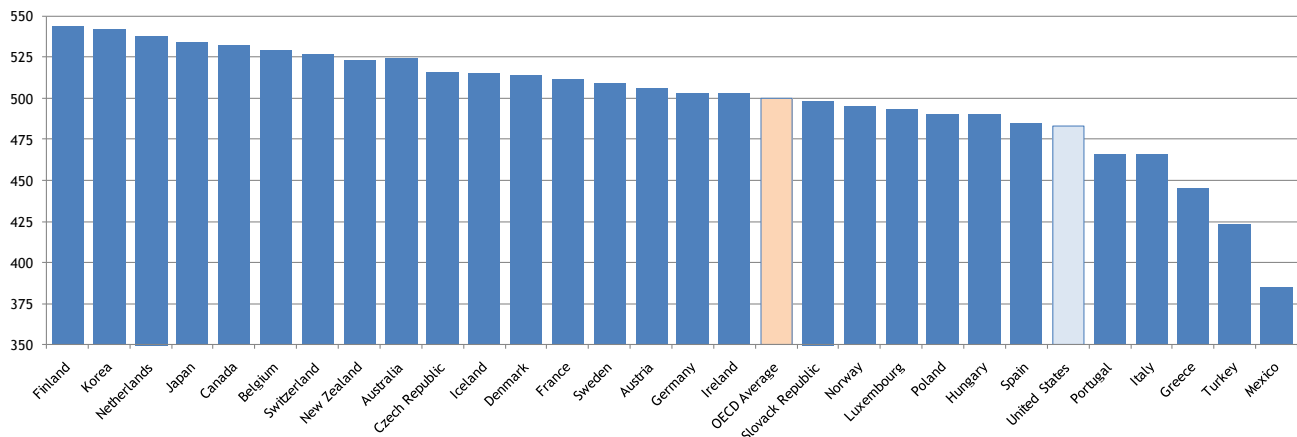
Each year, the US produces about 1.3 million new college graduates. China and India each produce more than 3 million, and the numbers are rising every year. Already, nearly 20% of China's 18-24 year olds enroll in higher education, a ratio that is rising fast.³ One of the sources of US economic strength is that its universities attract talent from all over the world. California has been a strong beneficiary of this mobility.

As the college-going population expands in China and India, however, pressures will mount for those countries

to develop research universities of global caliber in order to retain top talent. One day, America's best and brightest may contemplate moving to research universities in China and India, rather than the other way around.



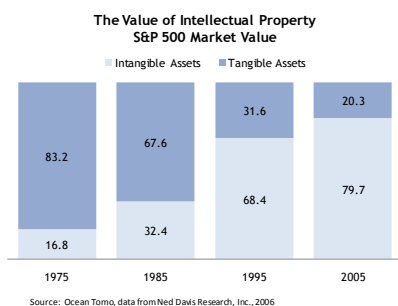
PISA 2003 Mathematics Scores



High Stakes

Creating intangible value is often called “knowledge work.” As the US has shifted to a knowledge economy, the earning potential of highly educated workers has exploded, while that of less educated workers has stagnated.

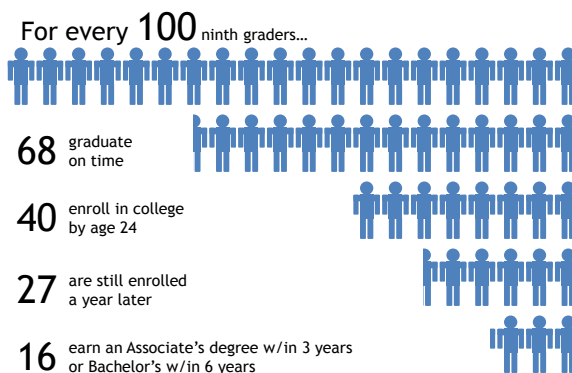
Nobel prize-winning economist Gary Becker estimates that the value of America’s human capital exceeds the value of its tangible capital assets at least threefold. This relatively recent shift can be quantified in the marketplace: In the mid-1970’s, more than 80% of the market value of the S&P 500 was based on tangible assets. By 2005, the ratio had flipped – 80% of the value was intangible.



As this “knowledge work” shift has occurred, the labor market has responded strongly. All over the world, increasing numbers of people are getting the educational preparation they need for jobs that pay well. California has many such jobs. More than 42.6% of the California workforce has at least a bachelor’s degree, versus 37.2% nationwide.

Unfortunately, few California children are being prepared for California jobs. Less than a fifth of California’s students earn a college degree on a timely basis after high school, and about a third fail to complete high school at all.

Averages are dangerous abstractions. The students that drop out are not average – they are disproportionately African American and Latino, and they disproportionately come from low-income families.



Source: Measuring Up 2006: The National Report Card on Higher Education (California report)

Low educational attainment is correlated with many social costs, including unemployment, homelessness, crime, and poor health. When children don’t get the education they need, everyone loses.

Two “Gaps”

The Achievement Gap: Learning achievement of low income, Latino and African American students lags that of middle class, white and Asian students, measured by test scores, graduation rates, and virtually any other measure.

The Competitiveness Gap: Learning achievement of American students consistently lags that of students in other nations, as measured by international test results.

The Reality Gap

In the abstract, most Californians know that our public schools are not good enough. Only 15% of survey respondents in a key annual poll by the Public Policy Institute of California say education in California is “not much of a problem.” Over half (52%) see it as a “big problem.”⁴

Unfortunately for school reform, however, a “Reality Gap” occurs when facts collide with wishful thinking. The same survey found that “although they are negative about K-12 education in California overall, a strong majority of state residents (80%) give their neighborhood schools passing grades of

A (16%), B (36%), or C (28%). Public school parents are even more favorable than are residents generally: Sixty-one percent give their neighborhood schools a grade of A or B.”

In other words: “The system is broken, but my school is fine.”

This Reality Gap is tragic when it comes to the life expectations of individuals. Less than 20% of African American and Latino students qualify to apply to a four year college when they finish high school. Fewer go on to do so, and fewer still actually complete their degree. In defiance of these odds, over 80% of African American and Latino parents say they expect their

children to attain at least a four-year degree.

In other words: “Other kids aren’t getting the education they need, but mine will be fine.”

This perplexing failure to perceive problems close to home does not seem to vary much with results. Communities whose schools have been chronically ineffective nevertheless give their schools passing grades when asked. Over half of students who have repeatedly failed the high school exit exam still say in surveys that they expect to go to college.

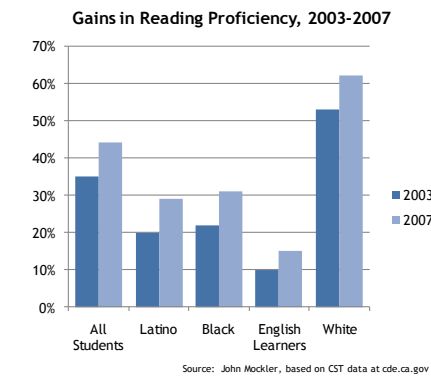
Hope is a great blessing, but wishful thinking is a terrible basis for decisions.

Is There Room For Hope?

Despite the scale of the challenges, there is also substantial good news. A decade ago, it was very difficult to credibly identify high-achievement schools in high-poverty and high-minority settings. Today, it is easy to identify them. These schools prove that children's destinies are not coldly predetermined by poverty and ethnicity. These schools even have an acronym in education reform speak: "Beating the Odds," or BTO schools.

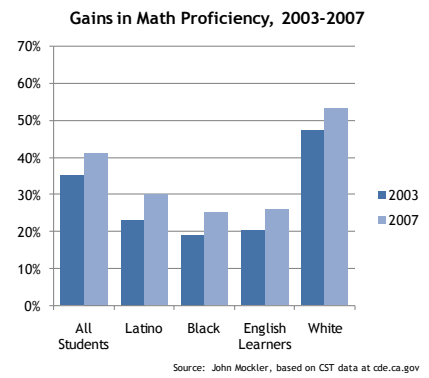
Each year it becomes harder to "beat the odds" for a very encouraging reason: educational achievement is steadily improving. California is at or near the bottom of the pile in national and international comparisons, but we are moving in the right direction.

The policy discourse about educating children in poverty has changed subtly in the last ten years or so. With the availability of BTO examples like the KIPP charter schools, where high-



poverty students consistently rack up high marks, naysayers no longer tend to claim that "those kids can't learn." Rather, they claim "those kids can't learn *unless...*" The difference is important.

BTO schools prove that poor and minority students can achieve at high levels. The test-score gains of the past few years show that progress can be made broadly. There are plenty of obstacles, but it can be done.



How? What are the ideas, approaches, programs, interventions, investments, and inspirations that can lift California's schools from the bottom of the developed world, and thereby make a crucial difference in children's lives?

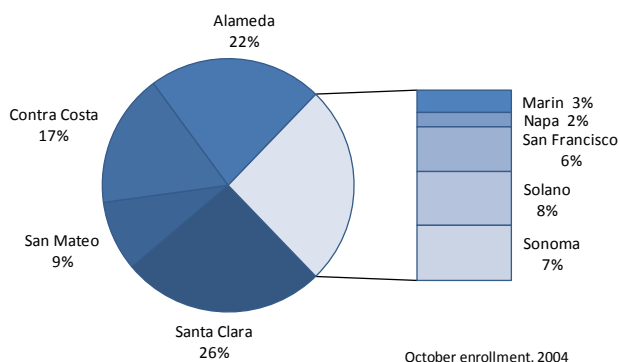
Answering that question is the focus of the remainder of this document.

California and the Bay Area

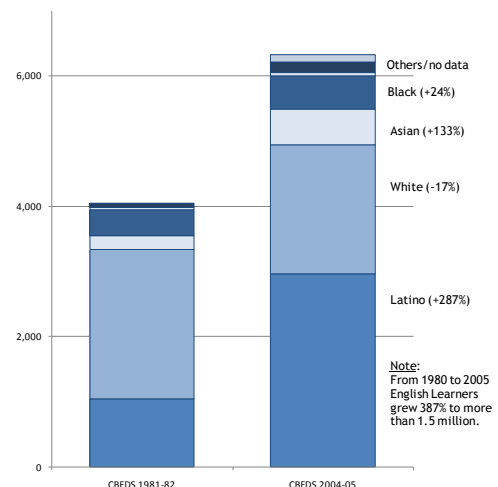
About 6.3 million students attend California public schools, and more than half a million go to private schools. More than 300,000 teachers work in about 9,000 schools in about 1,000 districts across the state. In rough terms, our state has about half a million students in each grade level.⁵

The Bay Area has about one million students. Of these, a third qualify for free or reduced price lunch (FRPL), a generally accepted standard for low income. About half of California's students are low-income by this measure.

Bay Area: ~1 Million K-12 Students



California Public K-12 Enrollment by Ethnicity 1981-82 vs. 2004-05



The state's K-12 schools have added more than 2 million Latino students in the last 25 years, accounting for virtually all of the growth in California enrollment. English learners account for 25% of the state's student population.

Theories of Change

What is Education? Students and Teachers spending time in a place for learning with the right stuff and a system that supports success.

This statement has proven useful as a scaffold. The sections that follow deconstruct this statement to summarize prominent education reform ideas.

A Dollop of Humility

Many people spend decades working earnestly to make schools effective for children. Pick an education reform idea, and there are likely to be several government and/or non-profit organizations earnestly pursuing it. There is no shortage of scholars, either; the annual conference of the American Educational Research Association attracts more than 10,000 attendees, all of them sporting at least a Master's degree.

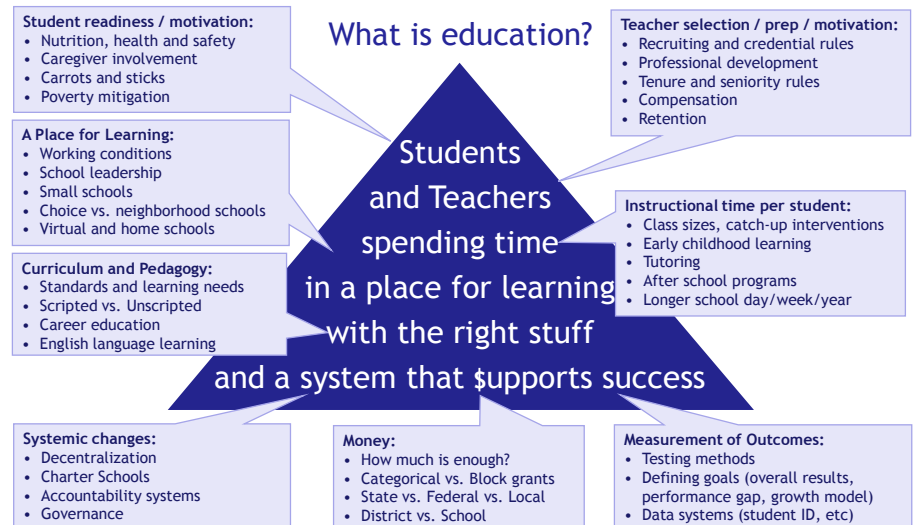
The education system is too big to work on all of it at once, especially on a volunteer basis! It's easy to become lost in the weeds.

A Scoop of Hubris

To address this challenge, in 2004 Full Circle Fund began developing a framework to simplify discussion of the many "Theories of Change" at play in efforts to reform or support public education. During our grant process we revisit this framework to ensure that we are taking a sufficiently high-level view of our options. Over time, our projects have allowed us to explore different approaches and ideas.

To be clear, we do not have a single "Theory of Change." This framework attempts to summarize many of the concepts that vie for attention, not just the "good" ones. Of course, there is a certain inevitable falseness to any model of this sort. In a system as complex and interconnected as education, is it really possible to squish complex ideas into eight little boxes? With apologies, we shall do just that.

Theories of Change



* Inspiration for this slide from John Mockler. MANY ideas for improving schools are not directly represented on this page.

A Sprinkle of Magic?

Any Theory of Change concept, stated alone, may seem like a magic answer: just do this, and all will be well! Educators, however, are generally quick to caution against magic. Learning is fundamentally human work, and humans are complicated. To improve learning requires getting multiple things right at once.

A Pinch of Salt

A "razor" for testing any idea meant to improve learning is to ask "will this idea change how kids and teachers use time?" Only changes that affect the behavior of students or teachers are likely, in the end, to change outcomes.

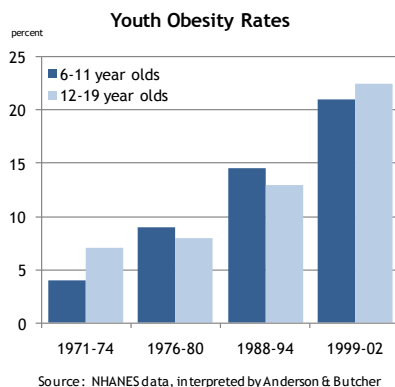
Students...

Answer quickly: where does learning happen?

It's a trick question, of course. Learning happens in the mind. One of the fundamental challenges of education is to maximize children's readiness and motivation to learn.

Nutrition, health and safety

Distractions and discomfort create tremendous obstacles to learning. Federal assistance for child nutrition is one of the oldest and most basic interventions in the public school system. More recent efforts in this general area include asthma and allergen mitigation, bans on high-sugar drinks and snacks, fitness campaigns to reduce obesity, and efforts to encourage better sleep (the simplest intervention is to start school later in the morning).



Full Circle Investment: Revolution Foods. The statistics on childhood obesity and fitness are moving in the wrong direction, especially in urban schools.

About half of California's children receive free or reduced-price meals at school. Could a systemic improvement in these services be part of a larger solution? In 2007, a Full Circle team began working with Revolution Foods, a fast-growing, Berkeley-based alternative provider of healthy school food service.

The project team decided to begin its work by supporting the development of an experimental nutrition education curriculum designed to complement the food service.

In order to increase overall family health and wellness, some communities outside California have had success using school sites to provide low-cost health services such as immunization and toddler wellness checks. Such programs have not taken off in California partly due to regulatory and insurance constraints.

Parent (or adult) involvement

Student *outcomes* (for example: test scores, graduation rates, college attainment and long-term earnings) correlate strongly with parental educational attainment. One category of reform intervention seeks to reduce this correlation for low-income children. Some programs supplement the parent relationship by providing alternatives, such as "big brothers / big sisters."

Other programs seek to change parent behaviors directly, by educating parents about actions they can take to support their children's education.

Full Circle Investment: PIQE. The Parent Institute for Quality Education (PIQE) was founded in the San Diego area to help Mexican immigrant families support their children effectively in American schools.

In 2005, a Full Circle project team supported the startup of PIQE's Bay Area branch. Full Circle helped make introductions to district and school personnel to help the organization get off the ground, and directly participated in an effort to re-craft the organization's curriculum and strategy to address African-American community needs for the first time.

Carrots and sticks

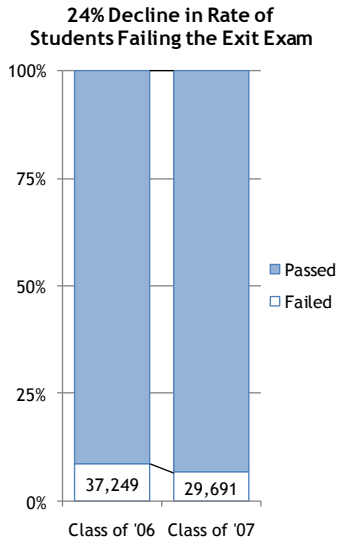
Much has been written about the differences between *intrinsic* and *extrinsic* motivation in education. Many things, from TV to friends' antics, compete with academics for a child's attention. Children don't grudge learning when they feel intrinsically motivated by interest in the subject at hand. Great teachers are masters at making learning interesting and relevant, especially when they are supported by compelling and relevant curricular materials.

Extrinsic motivation is always second-best, but it is also important. The classic extrinsic motivator is the letter grade: never mind if it's interesting, do your homework! Parent bribes fit in the same category.

The California High School Exit Exam (CAHSEE) is an extrinsic motivator. Beginning with the class of 2006, in order to earn a high school diploma, California students must get at least 55% of questions correct on a test of 8th grade math skills, and at least 60% of questions correct on a test of 10th grade reading skills. Students are given up to six opportunities to pass this test beginning in grade 10.

Opponents of CAHSEE argue that it is discriminatory, particularly for non-native English speakers. Opponents also point to some evidence that dropout rates may have increased when the test was enforced as a graduation requirement. Some kids gave up.

Supporters of CAHSEE hold it up as evidence that true consequences matter, because failure rates dropped sharply between the classes of 2006 and 2007. Schools and districts took action to help students at risk of failure learn enough to pass.



Some argue that test-based evaluation of student learning ought to meter other points in the education process as well. These advocates call age-based advancement of students through grades “social promotion,” and argue that students ought not to be advanced to the next grade if they are demonstrably unready for it.

Counseling and individual interventions

Many issues can interfere with a child’s learning, from disabilities to family tragedies to peer effects. These challenges must be addressed on an individual basis. This kind of help requires expertise, patience and sensitivity. California ranks last among the states in the ratio of counselors to students. As of 2004-05, the ratio stood at approximately one counselor per 1,000 students.

Poverty

Poverty correlates strongly with academic results. In 2004, for example, all but 11 of California’s wealthiest elementary schools (with fewer than 10% participation in the school lunch program) surpassed the state’s benchmark of 800 points on the Academic Performance Index (API). Among schools with 90% or more of students in the school lunch program, by contrast, only one school achieved this benchmark.⁶

Professor David Berliner calls poverty “the unexamined 600 pound gorilla in the classroom.”⁷ Is it realistic to expect schools in high-poverty settings to achieve strong academic results without a variety of non-school social support systems? Dr. Berliner suggests that education reform, standing alone, is fated always to fall short of true success.

From health to preschool to help with homework to availability of role models, there are real differences in the life experiences of poor children.

California’s school results for children in poverty are the worst in the USA according to the Nation’s Report

Card. If Dr. Berliner is correct, reversing this waste of human potential will require solutions that go beyond the schools alone.

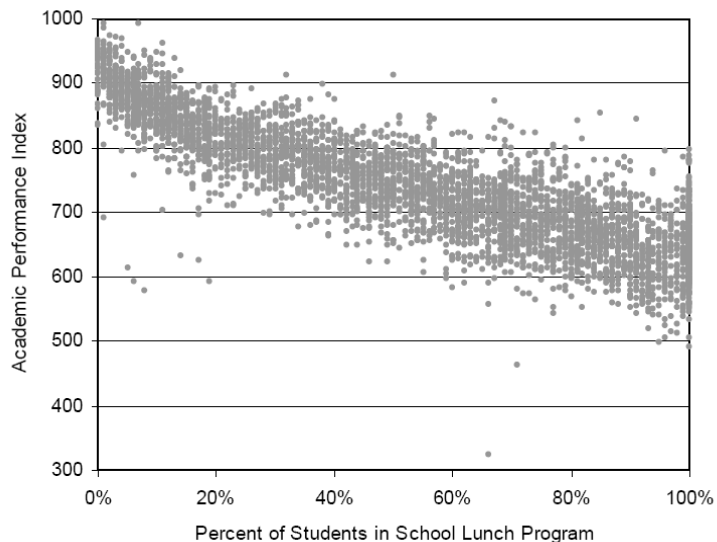
Race and Ethnicity

In late 2007, Superintendent of Public Instruction Jack O’Connell convened an “achievement gap summit” to invite discussion of a fact that often goes unmentioned: Race correlates with test scores and other “outcome” measures (e.g. high school completion, college completion) even more powerfully than poverty.

There are many theories about root causes of this correlation. Some of those most frequently cited include hidden underinvestment; variances in family “social capital”; cultural effects; and various effects of racism including race-based differences in expectations.

This conversation seems to have been begun in a hopeful and action-oriented vein. This stands in contrast to discussion about the connections between race and learning with the 1994 release of the book *The Bell Curve*, which argued unhelpfully that race is correlated with intelligence.

Percent of Students Participating in Subsidized School Lunch Program and API, K-5 and K-6 Schools, 2004



...and Teachers...

Teachers have enormous influence over student outcomes. This section discusses models of change related to improving the effectiveness of teachers and teaching.

Recruiting great talent to the classroom

Attracting talented people to the teaching profession in sufficient numbers has been a constant struggle in California. Many factors have driven teacher shortages, including population growth, reductions in class sizes, and major changes in professional options for college-educated women.

Women comprise over 2/3 of the teaching workforce, a ratio that has remained stable for generations. In 1964, over half of working women with college degrees were teachers. By 1996, the ranks of college-educated women had grown dramatically and teaching's share of educated women's work had fallen to 15%.⁸ With increased professional options for women, the teaching profession has struggled to attract the strongest candidates. In the 1960s, about a quarter of all female teachers had graduated in the top 10% of their college class. By the 1990's, only a tenth had done so.⁹

Unfortunately, teaching is very labor-intensive, and therefore expensive. Staff-related costs (wages and benefits) are by far the largest category of expense in the school system. As the productivity of the rest of the US economy has expanded, wages for jobs requiring a college degree have risen at about twice the rate of inflation.¹⁰ Teacher pay has roughly kept pace with this trend.

Ultimately, the supply of teachers depends strongly on the attractiveness of the profession. However, there are

many things that can be done to help fill the pipeline. Direct interventions to attract teachers identify pools of talent and take steps to attract new teachers from them. Examples include college-campus recruiting (Teach for America is the most noted example), community-based recruiting, and drives to encourage classroom aides to obtain teaching credentials. Relatively little work has been done to attract mid-career job moves into teaching, though programs promoting teaching as a post-career option for retirees have enjoyed some success.

Credentialing

California's teacher credentialing rules are set by a combination of legislation and policies of the Commission on Teacher Credentialing (CTC). Over half of teachers in California earn their credentials through the California State University (CSU) system.¹¹ Oversimplifying greatly, there are two schools of thought about teacher credentials: less is more, and more is more.

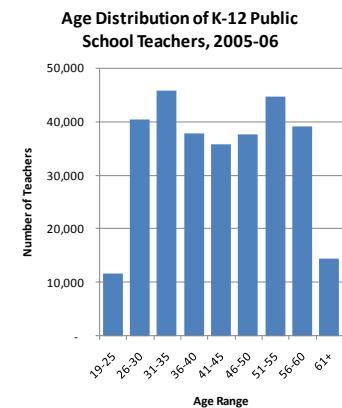
The "more is more" school has been generally ascendant in the first decade of the 21st century, partly driven by the requirement of the No Child Left Behind Act (NCLB) that every teacher be certified as "highly qualified." It takes several years to obtain a teaching credential through normal channels, and teacher credentials are increasingly subject-specific. The rationale for such credential requirements is to protect children from unqualified teachers.

The "less is more" reformers argue that complex credential requirements

deter good people from teaching. These reformers look to speed the path to a credential for people they believe have the right stuff.

Retention

Many reformers express concern about turnover in the teaching profession. On average, pre-retirement turnover at about 6%¹² is about the same as most employment, but averages conceal variations. Turnover tends to be much higher in high-poverty and high-minority schools where working conditions for teachers are worst. Nationally, about half of teachers depart the profession within five years.



Source: Center for the Future of Teaching and Learning

To make matters worse, teachers of the Baby Boom generation will soon reach retirement age, and the structure of the state teacher retirement system creates strong disincentives for teachers to work more than 37 years in the system.

Some question whether teacher retention is an appropriate goal on its own, however, since not all experienced teachers are equally effective with students.

Distribution

Schools with high concentrations of low income and minority students need effective and well-prepared teachers. However, these schools often have some of the toughest working conditions in the education system. Within a few years, teachers in many of these schools either leave the profession or move to a school where there are fewer distractions and more support. The Center for the Future of Teaching and Learning (CFTL) calls this phenomenon *maldistribution* of teaching talent.

Reformers interested redistribution of talent emphasize a combination of “push” or “pull” approaches. “Push” approaches assign teachers to schools, changing collective bargaining agreements where necessary to increase the power of the district plan the deployment of human resources centrally.

“Pull” approaches use incentives of various kinds to attract experienced or effective teachers to choose such assignments on their own. Such incentives include promises about working conditions, recruitment of a strong school leader, arrangements to move teachers as a group, reduced or flexible work assignments, and increased compensation.

Teacher development and collaboration

Professional development is a broad term that encompasses both training that teachers receive through their employers as well as other training-for-pay or training-for-credit. At its best, professional development helps prepare teachers to address the challenges of their work and the expectations of California’s educational standards. At its worst, it distracts from the real work of teaching children.

Teachers pay for some of their own professional development in the form of continuing education. Incentives for this education are built into the salary schedule; by earning additional credits, teachers qualify for additional pay.

Many have observed that successful schools have the feeling of “communities of learning,” where professional development and inquiry are integrated with the activities of teaching. Such collaboration is hard to put into practice for many reasons, beginning with the limitations of time. Collaboration, prep, staff development and meeting time are all negotiated elements of the teacher contract. When budgets are tight, districts and unions safeguard classroom time as their top priority. In those circumstances, time for non-instructional work tends to be squeezed.

Health Benefits

Like all employers, school districts are struggling to address spiraling health care costs. One reform option in this area would be to collectivize health benefits at the state level rather than leaving them to the discretion of local district negotiations. Another would be to include coverage for teachers in a larger health care reform solution.

Districts that were slow to drop the practice of offering lifetime health benefits are grappling with expanding liabilities that are gradually consuming funds that would otherwise go to the classroom. Across the state, the total unfunded liability for such contract-guaranteed benefits has been estimated to exceed \$20 billion (the vast majority of it in one district – Los Angeles Unified). The Bay Area does not have many districts with serious challenges in this area, but there is a long term

risk that these unfunded liabilities could become a state obligation.

Teacher preparation and induction

California’s teacher credentialing system does not have many passionate defenders. Few believe that the system produces large numbers of well-prepared beginning educators. New teachers arrive in school with little practical classroom experience, and a combination of “sink or swim” training and formal on-the-job training get them through the first few years.



Full Circle Investment:
New Teacher Center. In 2006 and 2007 Full Circle Fund supported the New Teacher Center, an organization that helps school districts to create effective mentorship programs for new teachers.

California’s Beginning Teacher Support and Assessment (BTSA) program is one of the strongest in the USA, and the work of organizations such as NTC have proved that direct support can reduce early-career turnover rates significantly. Among other work, the Full Circle Fund project team helped NTC initiate work to promote funding for new teacher mentorship in other states.

Changes in Pay Structure

Teachers in American public schools are overwhelmingly compensated according to a “single salary schedule” that applies to all teachers in a district. If you know the number of years a teacher has worked in a district (“step”) and the number of postgraduate credits the teacher has completed (“column”), you can determine his or her pay.

The good news is that this practice has erased discriminatory compensation disparities related to gender and ethnicity.

The bad news is that the system is blind to expertise, effectiveness, and market conditions. Reforms related to teacher pay revise the single salary schedule (or replace it altogether) in order to create incentives for desired outcomes.



Full Circle Investment: The Alt Comp Dialogue.

Alternative teacher compensation (Alt Comp) plans are gaining tremendous momentum in the United States - but not yet in California. In many instances, these plans have been based on collaborative efforts between districts and teachers unions to make pay-based incentives align with shared strategic objectives for enhancing the conditions for teaching and learning. It is too early to point to many conclusive findings, but there are reasons for optimism that this alignment could help advance both the appeal of the teaching profession and student learning.

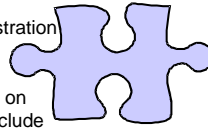
In 2006, Full Circle Fund initiated The Alt Comp Dialogue to foster such conversations in California. This project has a local and an advisory component. In 2007, this Full Circle Fund team developed a proposal for state funding to encourage locally negotiated alternative compensation implementations. At the time of this writing, the result of this work is not yet known.

What Is AltComp?

 Full Circle Fund

Skill-Based Pay

Pays teachers for demonstration of skill in specific areas, often using peer and/or mentor-based review built on clear rubrics. May also include incentives to continue education in specific areas of focus or shortage.



Job-Based Pay (1): Career ladder

Pays teachers to serve as a mentor, peer reviewer, trainer, etc. Part of the goal is to help ALL teachers improve their craft.

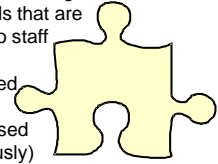


Performance-based Pay

Ties a portion of teacher pay to evaluation of effectiveness, including measuring gains in the learning of students in their care. Related ideas have been called “merit pay” and “performance pay.”

Job-Based Pay (2): Incentives

Increases pay for teaching in subjects or schools that are particularly hard to staff based on local conditions. Related ideas have been called “market-based pay” and (infamously) “combat pay.”



Changes in Tenure and Seniority Privileges

For their first two years, new teachers can be dismissed easily. After two years of employment, however, teachers in California enjoy strong due process protections commonly called “tenure.” A decline in student enrollment or funding can still create a flurry of springtime “pink slips,” but seniority is a key element for determining the pecking order, at minimum as a tie-breaker.

Reforms that affect “tenure” usually seek to delay the onset of strong due process requirements, or to streamline the steps involved in dismissing an underperforming teacher. Such dismissals are quite rare in California due to the complexity and expense of the required process.

In most places, teacher evaluations and dismissal processes are almost exclusively driven by principals. An alternative approach, called *Peer Assistance and Review* (PAR) supports principals in some California districts, most notably Poway, which has used PAR extensively. In this system,

experienced underperforming teachers are assigned a coach and evaluated by a teacher panel. There is some evidence that this approach is effective in raising teacher performance, as well as in providing the required documentation to support a formal dismissal when it is called for.

Rather than pursue a lengthy dismissal process, it is common for principals to use a more short-term solution: they give teachers they want out of their staff a satisfactory review in exchange for their commitment to go to another school. This practice is known as *the dance of the lemons*.

Pensions

California public school teachers do not pay Social Security taxes or earn Social Security benefits. Instead, they participate in the California State Teachers' Retirement System (STRS). Retirement benefits are a very important and significant element of teacher compensation.

Reform of teacher pensions is rarely proposed in California. When it comes up at all the two concerns most commonly voiced are: 1) reducing financial risks to the system; and 2) making teachers' total compensation (including pensions) easier to understand, so that people considering work in teaching will compare the compensation package more accurately to private sector jobs that rely on "defined contribution" models.

Teachers pay into the STRS system through an 8% withholding on gross wages. In return, in an average retirement lifetime of thirty years, STRS pays back about five or six times what they put in. Pension benefits can be complicated, and many teachers do not fully understand them. The graph below expresses the total financial compensation a hypothetical teacher in Oakland receives each year,

including each year's increase in promised lifetime STRS pension benefits.

In year ten, for example, the teacher receives gross pay of about \$59,000, from which 8% (about \$4,700) is withheld for contribution to the STRS system. The school district matches this contribution, plus an extra 0.25% contribution.

For completing his or her 10th year in the system, the teacher's defined pension benefit increases by \$100 per month, or about \$36,000 over the course of an average 30-year retirement.

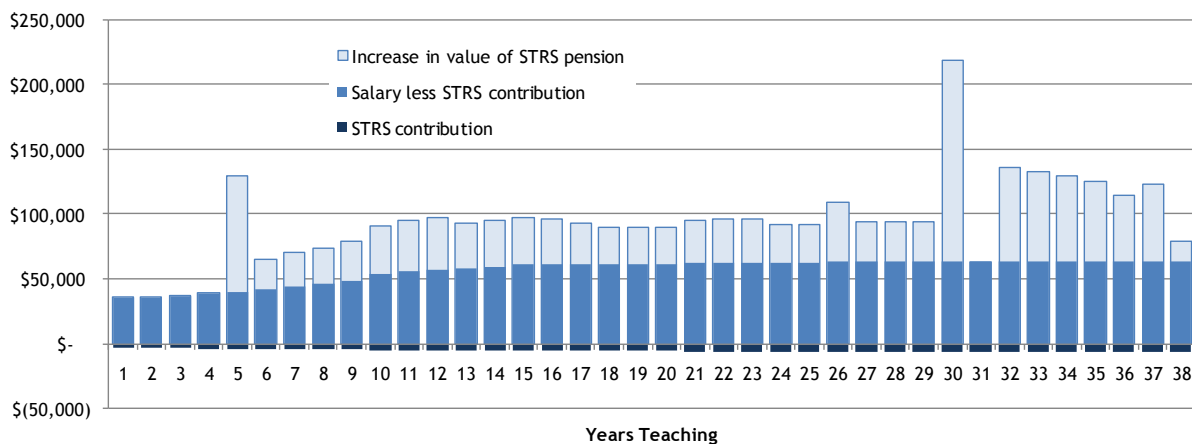
Most criticism of STRS is similar to criticism of other defined benefit pension systems. For example, critics point out that \$36,000 is a very strong return on a \$4,700 contribution. Strong stock market performance has bolstered the STRS fund, but critics point out that what the market gives it can also take away. Over the long term, the system depends on unending increases in California public school enrollment, which critics deride as a pyramid scheme.

Supporters generally acknowledge that the system depends on growth,

but point to studies that show CALSTRS is in better financial shape than other similar systems, including Social Security.

A person who works part of a career in STRS employment and part of a career in Social Security employment receives retirement benefits from both systems, but Social Security benefits, which are progressively indexed to favor initial earnings, are reduced by STRS receipts, which are indexed to favor end-of-career earnings. The complexity and interaction of these systems creates barriers to entry and exit from the teaching profession.

Total Teacher Pay: Annual Salary Plus Increase in STRS Pension Value



Sources: Salary schedule for Oakland Unified School District, 2006
CalSTRS retirement benefit calculator

...Spending Time...

The calendar for public schools evolved from the historical needs of an agricultural society. The framework of the school day developed from the efficiencies of clustering children of similar ability into classes to receive standardized instruction in fairly large groups. Like the QWERTY keyboard, there are many factors and pressures that keep the system the way it is, regardless of whether it is optimal. Reforms related to time challenge these established patterns.

Changes in Class Size

Decreasing class size delivers more teacher-time to each student. This is one of the most enduringly popular reform themes in California education. Among polls of both educators and voters in California, class size reduction remains one of the top concepts for improving schools.

In 1996, California increased school spending to implement a dramatic class size reduction policy for grades K-3, capping class size at twenty students. Research provided the impetus for this change – studies had shown that, all other things being equal, children in smaller classes learned more.

In implementation, all things were not equal. The policy change created a sudden shortage in K-3 teachers, and only the best schools were able to attract good staff. The poorest kids got rookies, many of them hired (and subsequently tenured) on an emergency basis. This is a cautionary tale for education reformers: beware of unintended consequences.

The unintended results of K-3 class size reduction have not eliminated this reform concept's appeal. They also do not prove that class size reduction is a bad idea. It matters a great deal whether the reduction in class size is part of a bigger plan to do things differently, or whether it is merely a plan to do the same things with fewer kids.

Longer school day/week/year

It is difficult to argue that children in California spend too much time in school. Most children attend public schools in California for 180 days per year, versus 195 days on average in OECD countries and 208 in East Asian countries.¹³ Most children spend on the order of six hours per day in school, not including after-school care programs.

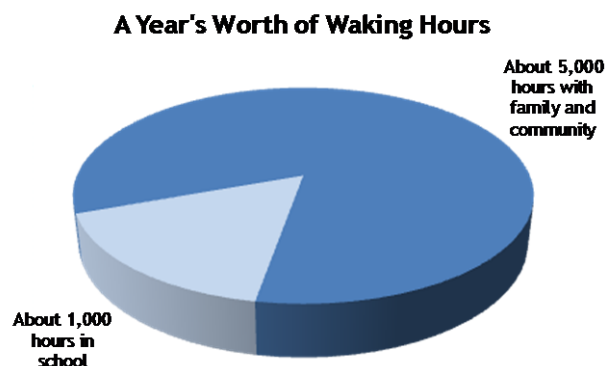
Some charter school operators (like KIPP) believe that a longer school day is vital to making school the central context for children's relationships, displacing distractions from less edifying sources.

Few would argue that additional instructional time is a bad idea, but many would caution that the expense of increasing instructional time is unlikely to result in changes in educational outcomes unless there is a clear plan to make good use of the time. To paraphrase one such critic, "a wasted eight-hour day might be even worse than a wasted six-hour day."

Tutoring

Tutoring is perhaps the ultimate time-related intervention, as it puts a student and instructor together one-on-one. A relatively little-used provision of the No Child Left Behind Act guarantees children in failing schools access to tutoring services.

The two greatest challenges for tutoring programs are scalability (where will all the tutors come from?) and cost. Many targeted tutoring programs exist in the non-profit arena. These programs are generally small and poorly measured – but they can be crucial for the children that benefit from them.



Early Childhood Learning

Strong evidence and common sense suggest that effective, education-oriented preschool programs improve children's readiness for school and academic success. California does less to educate young children than most states in America.

Kindergarten, which is not mandatory in California, remains a mere three hours in length in many California schools despite strong evidence that five-hour programs are far more effective. Across the US, about 60% of kindergarten programs are "full day" (about 5 or 6 hours), versus about 30% in California. In most cases, facilities limitations are the greatest barrier to catching up with national practice in Kindergarten programs. Two 3-hour programs can take turns in the same classroom space.

The school system in many states includes voluntary pre-K programs, but attempts to create such programs in California have largely failed. A portion of California's lowest-income families can get access to preschool through Headstart, a federal program, or First Five, a limited state program.

California education leaders have struggled for years to identify ways to expand low-income access to quality preschool programs, mostly without success due to the sheer expense and complexity of the challenge. In 2006, voters soundly rejected Proposition 82, a measure that proposed to tax the state's wealthiest taxpayers to create a universal preschool system.



Full Circle Investment: Jumpstart. Jumpstart trains college students and pairs them with preschoolers in one-to-one partnerships designed to develop literacy, language and social skills.

In 2006, Full Circle Fund partnered with the San Francisco chapter of Jumpstart to pilot a Senior Citizen Corps, an experiment to reach beyond college communities.

Summer School

There are many summer programs for children. Most require tuition, so participation is very sensitive to family income.

After School Programs

After-school programs are usually, but not always, aimed at providing children with safe alternatives to unsupervised time. Proposition 49, passed in 2002 but not funded until 2006-07, provides modest financial support to daily after-school programs on a competitive matching grant basis.

Program evaluation is a requirement of these Prop 49 grants, so over time information should become available to evaluate and compare the effectiveness of these programs.

Truancy Reduction

School is compulsory for children in California, and enforcement of attendance through truancy reduction programs is a common area of cooperation between municipalities and school districts.

The school finance system in California funds school districts on the basis of *Average Daily Attendance* (ADA), so investments that increase school attendance can generate a positive return even when measured on narrow economic terms. For example, effective attendance-management systems enable school office staff to call parents of absent students by lunchtime. These systems can pay for themselves rapidly.

...in a Place for Learning...

The tangible and intangible qualities that make up a school are collectively known as “teaching and learning conditions.” Education reform efforts that relate to the “place for learning” either seek to enhance those conditions or to change the paradigm for where learning takes place.

The Center for Teaching Quality (CTQ) has researched the impact of various “teaching and learning conditions” on student learning, particularly in a series of surveys conducted in North Carolina. The conditions researched include: facilities and resources, professional development, and school leadership. According to their research, teaching and learning conditions correlate with student learning, sometimes powerfully.

Leadership

According to the CTQ research, the effectiveness of a school’s leader is the largest variable in the quality of that school’s conditions for teaching and learning. No other variable has as powerful an effect on student learning.

This is very bad news for California, because the state is approaching a tidal wave of principal retirements with no clear pipeline in place to replace them. In a 2000 survey, the Association of California School Administrators (ACSA) found that 40% of principals hired statewide had less than two years of experience, and over half of school districts reported difficulty finding candidates they wanted to hire.

In California, it is uncommonly difficult to entice candidates to apply for positions as principals. Under the best of circumstances, principals have a difficult job, and in California, the circumstances are far from ideal. The National Center on Education Statistics (NCES) reports that California schools have about 2.1 principals and assistant principals per

1,000 students, versus a national average of 3.4.

As a practical matter, principals in California must do their job with one fewer administrative leader in the office to help. The school district cannot fill the gap, either –districts in California have 69% less staff per student than those in other states. To top it off, California’s high salaries for teachers are not matched with similarly high salaries for principals.¹⁴

There are a few bright spots. For more than five years, San Diego has been developing principals from within its teaching workforce. San Francisco Unified began a leadership initiative in 2006.

Some nonprofit organizations focus on leadership development and placement, often recruiting from unconventional pools of talent. Oakland Unified has benefited from the support of two such organizations, the Broad Residency (which emphasizes recruitment and training of school district leadership) and New Leaders for New Schools (which recruits and trains principals).

Overcrowding reduction

In 1978, Proposition 13 raised the threshold for passage of school facility bonds from a simple majority to 2/3, which dramatically decreased school facility investment during a period of rapid population growth. Schools filled to overflowing, and “portables” filled the former playground areas in many schools. Class size reduction policies increased the pressure. Some

communities (especially wealthier ones) mustered the votes to pass school construction bonds, but others failed to do so.

In some such overcrowded areas, schools implemented “year-round” school calendars, enabling facilities to be used more evenly throughout the year. In some instances the instructional school year was shortened in order to implement such a system, which may be a contributing factor to low academic achievement in year-round schools.

In 2000, voters approved Proposition 39, which lowered the requirement to pass a school facility bond to 55%. The combination of this measure and a pair of statewide general obligation bonds for school construction has led to a boom in school construction and repair.

Better facilities

The deplorable conditions in some schools contributed to the filing of the *Williams* case, which argued that California has a responsibility to provide every child a school where he or she has a reasonable opportunity to learn. The plaintiffs in this case championed measurement of distractions (such as vermin or broken toilets) and disadvantages (such as missing textbooks and inexperienced teachers) in order to increase the odds that children in every school can apply their energies to learning. Other facilities-related reforms focus on efforts to upgrade libraries, provide computers, add science labs, and the like.

School choice

Middle class families have always enjoyed the benefits of school “choice” in the sense that they can afford to move to a home within the attendance boundary of a school they prefer. Residential property values are sensitive to differences in school reputation.

Charter schools are public schools with loosely-defined attendance areas; anyone who lives within the sponsoring district may apply to these schools, which generally use a lottery process to govern admissions. Increasingly, districts are softening or discarding attendance boundaries, implementing “school choice” lotteries that include more and more of their schools.

The No Child Left Behind Act requires that families living in the attendance area of a “failing school” be given the right to enroll their children in other schools. This right has rarely been used, for a variety of reasons including ineffective communication, apathy, lack of transportation, and a scarcity of

	Equity Arguments	Market Arguments
School Choice	Equity-minded advocates of school choice models argue that attendance boundaries are a form of de facto segregation. Is it fair to make the best schools off-limits to low income children by virtue of their home address?	Market-based advocates of choice models (including <i>vouchers</i>) often express the hope that over time the power of families “voting with their feet” will lead to closure of failing schools and the growth of effective ones.
Neighborhood Schools	Equity-minded skeptics of school choice (they would call themselves advocates for “neighborhood schools”) argue that every neighborhood should be served by a good school, and that choice models undermine the commitment to local schools in every community.	Market-minded skeptics of school choice express concern that lottery-based placement systems over time drive the middle class out of cities. If such families cannot choose where their children will go to school, is it irrational for them to “vote with their feet” by moving to another district or leaving the public system entirely?

compelling school alternatives with enough room to expand enrollment.

Small schools

The largest schools in California enroll thousands of children. At their best, these large schools offer diverse course options, robust athletic programs and specialized arts programs. For some students, these large schools work well.

However, research suggests that – as usual, all other things being equal – large schools have been less effective

than small ones, perhaps because in large schools it is easy for individual children to get “lost” when they fall behind or have special learning needs. “Small-schools” reformers, with strong backing from the Gates Foundation, have created thousands of small schools all over America (“small” is usually defined as a school with about 100 students per grade level). Most charter schools are small schools.



Full Circle Investments: Leadership High School, Aim High, and June Jordan School for Equity.

In 2004, Full Circle created project teams in support of several small schools in San Francisco. Leadership High School, one of the first charter high schools in California, established a reputation as an independent school delivering a great education to a diverse student body. However, its early success involved significant private funding. After the internet bubble burst, the school needed to come to grips with how to operate on a California-style budget. Full Circle helped the leadership in three ways:

- 1) We ran a process to validate and tune the school’s mission statement (so that they could scale back in a manner consistent with the school’s core values);
- 2) We developed a multi-year model to show the financial impact of different options; and
- 3) We studied the staffing and finances of other successful charter schools to provide examples and ideas.

Both Aim High and the June Jordan School were established as charter-like schools of choice within the San Francisco school district. Using our learning from the Leadership High School project, we provided leaders of these schools with financial advice to help them negotiate with the school district for better contract terms.

A key learning from these projects was that small standalone schools are very fragile organizations, deeply dependent on a few committed souls with rare skills. Turnover of key staff is harrowing. A few months of poor financial management can literally jeopardize the entire operation, and put children at risk of losing their school. Charter Management Organizations (CMOs) mitigate this risk by pooling operations for a group of charter schools.

Uniforms

In the early 1990s, California's Long Beach Unified became America's first public school district to require uniforms for its students. The students' strong improvement in academic performance drew national attention.

Were uniforms a magic answer to urban school improvement? Subsequent research burst the bubble. There does not appear to be an automatic correlation between uniforms and learning. Implementing uniforms can create a sudden and visible change in a school environment, but it is up to the school's leaders to create the less visible changes that drive student learning.

Virtual schools and home schools

A small but growing fraction of California students do not attend any school at all, in a conventional sense. "Home school" children participate in an education program that is coordinated by their parents and that increasingly makes use of computer-based instruction and online resources.

Integration

California's ethnic diversity looks most impressive when viewed from a distance, or on paper. Many communities – especially poor ones – are not very ethnically diverse at all. The combination of community-based clustering and rigid attendance boundaries smacks of segregation.

Over the past 30 years, many districts in the state of California have operated under court orders to integrate their schools. Forced busing is now largely a thing of the past all over the United States, but less coercive strategies to encourage integration remain an important thread of reform thought.

There is no clear consensus about what strategies for integration are desirable or even permissible under law. Court cases on the subject are working their way through the legal system.

Perhaps the only non-controversial integration strategy is the "magnet school" concept, which (at least in theory) provides financial advantages and attendance boundary flexibility to a school located in a neighborhood that would not otherwise attract inflow.

Selectivity and segregation

A countervailing line of thinking holds that diversity is bad for student learning. The primary examples of intentional homogeneity are test-in academies and single-gender schools. Oversimplifying greatly, the available evidence suggests that girls may learn more without boys around.

...With the Right Stuff...

Decisions about curriculum affect the professional life of thousands of people, and reflect expectations about both teachers and learners.

Scholarly disagreement usually involves highfalutin vocabulary, and this area certainly has its share. Here are a few of the more important buzzwords:

- *Content standards* describe what students are expected to learn in a given grade or course of study.
- *Pedagogy* means, more or less, “teaching method.”
- *Curriculum* is an overloaded term that includes both the materials and methods used to convey knowledge.

Standards

The development of meaningful statewide educational standards was one of the most important reform movements of the late 20th century. For every major subject, at each grade level, California has a published set of expectations for all students in the state.¹⁵ Standardized tests that assess student learning are aligned with these standards.

California’s standards, established prior to the No Child Left Behind Act, are relatively rigorous in comparison with other states’ standards. Some believe they are too rigorous and that the state should lower the bar in order to make failure less commonplace. Others believe that, in practice, the standards are too narrowly focused on reading and math, and that standards should be introduced for “life skill” learning such as time management, personal finance, and teamwork.

Scripted curriculum

As standardized testing revealed the extent of the learning gap between different groups and social classes, however, school districts began to look for ways to ensure that all children would receive instruction in the content described by the content standards.

Scripted curricula provide teachers with lesson plans, teaching materials, and a day-by-day instructional calendar. Advocates of these systems (the best-known is called Open Court) can point to considerable evidence that test scores improve when scripted curricula are used. Some districts have strongly enforced the use of these materials.

These advocates say that such systems reduce the disadvantage of having an inexperienced or ineffective teacher. (They have even been called “teacher-proof.”)

Most teachers strongly dislike scripted curricula, which greatly restrict the teacher’s flexibility to engage creatively with students. Real learning is more than just test performance, they argue. If narrowly implemented, scripted curricula decrease the pleasures of learning and the attractiveness of teaching. Such curricula also favor lowest-common-denominator instruction at the expense of excellence.

Language learning curriculum

About 40% of California’s public school children speak a language other than English as their “first” language,

a ratio that is steadily increasing. Public education provides the primary means for these children to learn English.

Some reformers propose that specific, separate learning materials and classes are essential to success in this effort. Some also propose that a multi-lingual educational system should embrace and expand these students’ proficiency in their primary language.

Unsurprisingly, political considerations electrify discussion of these matters. In 1998, voters passed proposition 227, which requires that all California public school instruction be conducted in English.

Computer-based instruction

A market is gradually emerging for computer-based learning systems. Promoters claim that these systems engage children effectively, especially children who have different learning needs from the average students in a class. There is some data to back up these claims, but at this point very little experimentation has been done to incorporate these systems into instruction.

There are significant differences in the availability, capabilities, and usage of computers among schools and in students’ homes. It is common for new schools to be created with significant technology assets that are not maintained or updated.

Making Learning Relevant

Great teachers are masters at persuading students of the relevance of their lessons – but this is very individual work. Reformers have experimented with various ways to support teachers at scale in this work by designing programs and frameworks that appeal to students.

Art, Music, Sports, and Field Trips. Reformers who support art, music, sports and field trips frequently emphasize the learning value that students gain directly from these activities. They also note that these expressive and experience-based activities often make school “worth it” for students who find the basics dreary.

Career technical education (CTE for short, also known as *vocational education*) takes many forms, but the example that CTE boosters love to hate is wood shop. Great CTE programs provide a practical context for academic learning, so that students see a reason to apply themselves. These programs aim to retain kids in school by providing students with useful skills that lead more or less directly to employment.

Skeptics of CTE programs question whether schools can operate these programs equitably or rigorously. If CTE is an excuse for failing to provide minority students with the academic preparation they need to advance to college, then it may be harming students’ ultimate career prospects rather than enhancing them. Skeptics also question whether CTE programs can be sufficiently forward-looking to prepare students for jobs that are not in decline.

Internships, which are sometimes an element of CTE programs, place students into local businesses in a manner that relates to their school experience. This can take the form of

summer or holiday positions, after school work, or a combination.

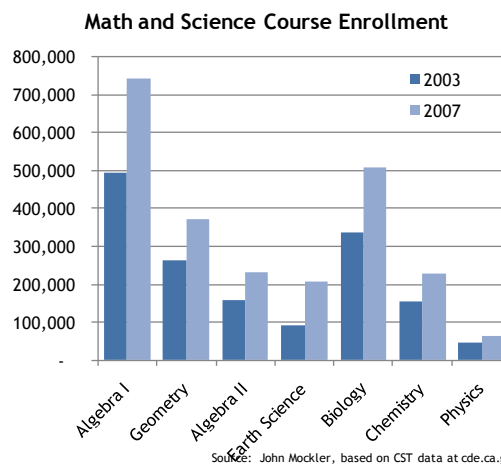
Service learning incorporates academic work into a plan of study that involves some kind of public service project that children find worthwhile and motivating. Examples include environmental research, social services, animal welfare, and sociology projects.

Portfolios are the high school equivalent of a multidisciplinary “thesis” project. The state of Vermont has gone the farthest in implementing portfolios; students in that state must complete such a project to graduate from high school.

Rigorous coursework

Reformers are paying increasing attention to the courses that students are taking, as there is a huge gap between the instructional content that students receive in a college-preparatory setting compared to a setting where college is not the norm. In order to gain entry to the UC or CSU college system in California, students must pass a set of courses called the *A through G requirements* with a grade of C+ or better. There is great variation in the availability of these courses in California high schools.

There are reasons for modest optimism in this area. Enrollment in key math and science courses is moving in the right direction, and proficiency rates as measured on standards tests are generally keeping pace with enrollment growth. The very high level of enrollment in Algebra I suggests that many students are taking the course more than once.



...and a System...

A huge number of reform ideas begin with the premise that the public school system itself stands in the way of good results.

Charter schools

Charter schools are publicly funded schools that operate separately from the normal school system under a contract (“charter”) with an authorizing agency (usually the school district) to deliver specific educational services and results.

Unlike regular schools, students are not compelled to attend charter schools; if a charter school fails to attract students in sufficient numbers, it closes. Furthermore, charter schools that fail to deliver promised results can lose their right to operate, if their charter is enforced.

In return for these risks, charter schools operate under greatly reduced regulation. For example, most charter schools are not unionized, and charter schools may deviate from the local district’s pay structure and work rules for teachers. The vast majority of charter schools have been created with a mission to provide high quality educational options for communities that are underserved by traditional schools.

Charter schools (about 600 as of mid-2006) educate less than 3% of California’s public school students. Statistics have not shown charter schools to be broadly better than non-charter schools. There are great charter schools, good charter schools, and mediocre ones.

Charter advocates put forward two main theories for how charter schools have the potential to improve educational outcomes broadly. First, because they have increased freedom to innovate (and the mission to do so), charter schools can be a laboratory of

change. Second, because charter schools offer families an alternative to the school down the street they create pressure for “regular” schools to improve in order to compete for enrollment.



Full Circle Investment: Leadership Public Schools. Charter Management Organizations (CMOs) operate multiple charter schools, thereby overcoming some of the inefficiencies and mitigating some of the risks of standalone charter schools. These organizations are struggling to avoid recreating some of the drawbacks of the school district bureaucracies they are replacing.

In 2004, a Full Circle project team supported Leadership Public Schools (LPS), a Bay Area CMO. The Full Circle team helped LPS think through the question of how much the CMO identity should be reflected as a brand in its school operations.

Decentralization

Over time, for a variety of reasons, principals have lost influence over hiring, staffing, standards, and even budget decisions in their schools. School districts, originally created to support schools, now control almost all of the funds used in education.

School leaders must learn to “work the bureaucracy” to get what they need out of the system. Decentralization reforms put increased power at the school site (whether in the hands of the principal, a site council, or some other power structure) in order to decrease the bureaucratic weight of the system and put school leaders in a better position to deploy resources for student learning. (Note: for more information, see “Where Does the Money Go” in the “Success” section.)



Full Circle Investment: Oakland Unified School District (OUSD).

In 2005, Full Circle Fund created a project team to support “Expect Success,” a plan to decentralize Oakland Unified School District.

This district, which was under state administration due to financial mismanagement, was embarking on a decentralization strategy of unprecedented scope. Changing from a centralized budgeting and control model (that is, where a powerful central district office makes most of the decisions) to a decentralized one involves profound changes that require one-time costs for staff changes, modifications to information technology systems, and the like.

The plan enjoyed considerable support from national foundations (Gates, Broad, Dell), but the district lacked a fundraising team to generate local support. Full Circle served that function on a temporary basis, helping to develop the funding “pitch,” a strategy for local fundraising, and a partnership with the East Bay Community Foundation to provide fiduciary services.

Full Circle efforts contributed to more than \$26 million in privately raised funds, as well as Federal support.

State governance

In theory, the chief executive officer of California’s school system is the *Superintendent of Public Instruction*, an independently elected nonpartisan office. Policy decisions that govern the Department of Education, however, are set by the *State Board of Education*, whose members are appointed by the Governor. The Governor may also appoint a *Secretary of Education*, an office with no statutory role but who may enjoy access to the Governor. Some reformers believe that the pace of school improvement could be improved by making the lines of authority (and accountability) clearer.

Governance changes: School Boards

Some reformers view local school boards as agents for change. In some cities (for example, Houston and San Diego), citizen groups have invested enormous energy to field and support candidates that share a particular reform agenda. In California, where school boards no longer have the power to set tax rates, most school board elections are relatively sleepy affairs with low voter turnout.



Full Circle Investment: SchoolBoardMatters.org.

In 2004, the always-fractious San Francisco School Board had descended to new lows. With an election looming for four of the board's seven open seats, 12 candidates-at-large were throwing rhetorical mudballs to compete for attention.

A team of Full Circle members determined to raise the profile of real issues in the election. In partnership with Parents for Public Schools and GreatSchools.net, we hosted four candidate forum events in various communities, involving about 400 voters. We also created SchoolBoardMatters.org, a new (and, if we do say so ourselves, rather cool) web site that attracted over 4000 unique visitors to view candidates' answers to ten issue questions.

Overall, this investment was a tremendous learning opportunity, but it is difficult to argue that it led to any major change in voter behavior.

Mayoral control

Some reformers question whether school boards are necessary. Voters are usually surprised to learn that mayors and city councils have virtually no direct influence on what happens in schools in their city. The voters of several large US cities (New York and Chicago are the examples most often cited) have made political changes to put their mayors in substantial control of the schools, either directly or through power to appoint members to the school board.

Few mayors in California have expressed interest in this sort of change, perhaps in part because state

policy is more constraining in California than in other states. In 2007, the mayor of Los Angeles aimed to prove otherwise by enlisting the state legislature in an attempt to take over the 750,000-student Los Angeles Unified School District.

School governance

School site budgets are subject in many places to review by a *site council*. Site councils, where they exist, usually consist of teachers and parents, sometimes with student participation.

The powers of site councils vary considerably, and there is no consensus about whether these organizations are effective.

At their best, site councils encourage fiduciary rigor and provide a framework for parents, teachers and school leaders to work together toward a shared mission. At their worst, they consume morale and waste time and energy. Most often, they simply don't do very much.

Interventions

The federal No Child Left Behind act (NCLB) requires states to set standards for grade-level proficiency in each subject. It also requires states to assess student learning against these standards and to take corrective action if these standards are consistently not being met by the subgroups in a school over a sustained period. Schools that do not redeem themselves within five years, under federal law, must be closed or deeply restructured. Districts themselves are theoretically subject to similar accountability and sanctions. These are noble concepts – especially if the corrective actions are helpful.

Unfortunately, it is not at all clear how to help. Hundreds of schools in California, and dozens of districts, are slated for sanctions. However, the

state has not developed effective strategies to intervene. The largest school intervention programs in the state, HPSGP and II/USP (never mind what they stand for), brought additional resources to struggling schools – but were deemed ineffective by independent reviews.

School turnarounds in California may require a dramatic infusion of resources. California's largest-ever test of this school turnaround theory is the Quality Education Investment Act of 2006 (QEIA). This legislation, which settled a budget dispute between the California Teachers Association and Governor Schwarzenegger, provides roughly \$1,000 per student in additional funding for a period of seven years to low-performing schools. The act requires that the bulk of the money be spent on class size reduction.

Successful leaders of high-poverty schools and districts have begun to cry foul – is it appropriate to add resources to a school when it fails, they ask, only to remove those supports when it succeeds?

Teacher Unions

Teachers' unions have tremendous influence over America's public schools, especially in California. This section provides information about the major functions of these unions, and summarizes varying points of view about their role in efforts to improve student learning.

There are two main teachers unions in the USA: the National Education Association (NEA) and the American Federation of Teachers (AFT). Most California K-12 teachers are organized by the NEA-affiliated California Teachers Association (CTA).

Teacher contracts in California districts are negotiated between the school board (represented at the

bargaining table by the district leadership) and the teachers (represented by their union leadership). The negotiation process is called *collective bargaining*.

In California, virtually every school district (Clovis is the largest exception) uses collective bargaining. Teacher contracts can be complex agreements that address not only pay, but also a broad range of issues related to working conditions. In tough times, both sides rely on state organizations for technical support. The state CTA provides negotiating support to its affiliates, while school districts seek advice from consultancies such as School Services, Inc.

Negotiating support is one of many services that the CTA state organization provides to its affiliates. Another notable service is the CTA's role in state education policy.

The CTA is the strongest player in the "Education Coalition," a group of education-related organizations. This coalition lobbies for education spending in the annual zero-sum budget battle with other budget priorities from prisons to health care to transportation. This is important work, particularly in California, which spends less of its tax dollars on education than most states do.

There is great sound and fury in education reform discussions about whether unions are "good" or "bad" for public education. Obviously, this is a false dichotomy.

"Unions are Good"

Supporters point out that there is little question that states with strong unions, such as California, pay teachers more than those with weaker unions. Teachers in strong-union states have also largely been protected from the erosion of health care benefits, though the pressures are becoming enormous.

Supporters also argue that unions head off a great deal of potential mischief. As the state has taken on more of the responsibility for funding schools in California, state government has increasingly set rules for how local schools and districts should operate. CTA lobbyists generally oppose bills that would add to these rules, further limiting the dwindling scope of authority that districts and unions share through local collective bargaining.

"Unions are Bad"

Among critics of unionism in education, perhaps the most vocal figure is Terry Moe, who argues that unions' interests are poorly aligned with those of students and taxpayers.

At the local level, critics argue that the union's power to call a strike is unmatched by any equivalent power from the district side. Critics also note that unions make unapologetic use of the democratic process to influence the other side of the bargaining table by using their resources to support or oppose candidates for school boards.

At the state level, critics object to teacher unions' capacity to raise funds for political action. A typical full-time teacher in a CTA-affiliated district pays close to \$1,000 in union dues annually. Of this amount, about 15% goes to the NEA, about 20% goes to the local affiliate, and the remainder goes to the CTA state organization. An important fraction of these resources support the unions' political efforts.

Pragmatists

Most education reformers view the "good union/bad union" conversation as a waste of breath. The unions aren't going anywhere, they have tremendous power, and anyway there isn't persuasive evidence that absence of a union is any more of a magic

answer than any other one-shot education reform wish.

It is worth noting that the leadership of teachers unions is usually stable over time. School board members have limited terms. Administrative careers may involve changing districts. Teachers, by contrast, work in a system that directly rewards seniority within a district. Teachers involved in union leadership generally stay involved for many years.

The long experience and steady perspective of union leadership creates an opportunity for teacher unions to play a strong role in education change, if a consensus for change can emerge. The Teacher Union Reform Network (TURN) is an ad-hoc organization of union leaders that meet regularly to compare ideas for change.

Change is not a simple matter for an organization with more than 300,000 members. The CTA grapples with the operational challenges of any large organization. Its governing body is the 800-member *State Council*, a regionally elected body that meets quarterly.

Like Congress (for perspective, a policymaking body about half its size), the State Council uses a highly structured deliberative process that includes standing committees, speechmaking, and internal politics. Decisions are brought to the full 800 delegates for a vote.

CTA staff and executive leadership are guided in their actions by a policy manual that the organization takes quite seriously. Changes to CTA policy must go through the State Council, a process that takes time. Many points of view exist within the organization, but it can take quite a while for ideas to bubble to the surface in the form of policy changes.

...that Supports...

Schools are our society's largest and most established investment in social mobility. How large is this investment? In a word: enormous. Total US annual investment in public K-12 education – about half a trillion dollars including federal, state and local spending – rivals the defense budget. This investment is far from evenly distributed.

California's Investment Gap

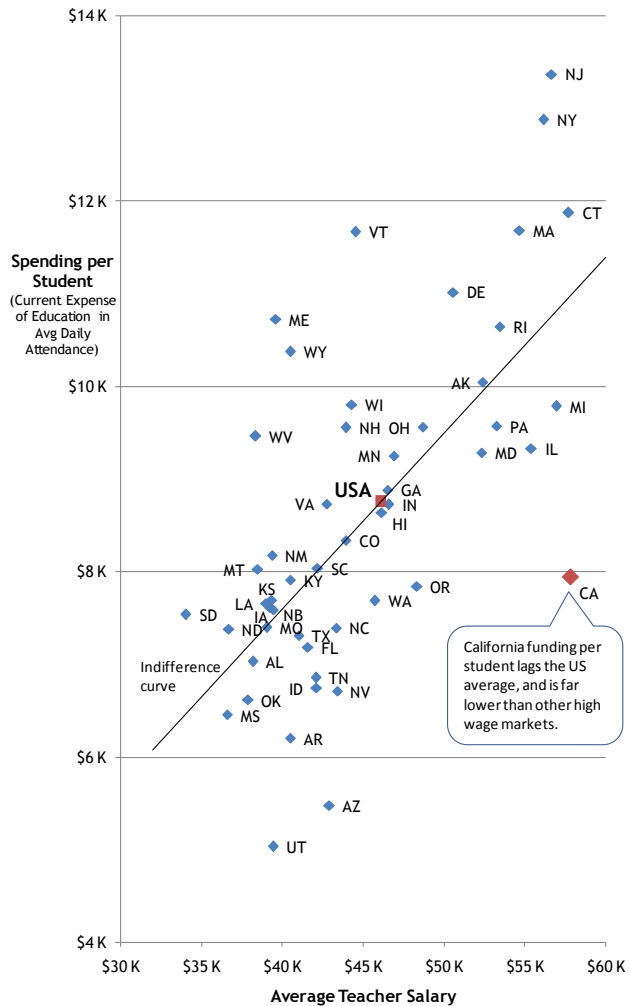
In 2004-05, average education spending in America was close to \$9,000 per student. In California, the average was lower – a bit under \$8,000.¹⁶

How can it be that California – by reputation, at least, a high-tax state – spends less per student than other states? The Public Policy Institute of California shed light on this question in an analysis of 1999-2000 spending on public education. They found that while California generated 9% higher overall state and local government revenue per capita than other states did, this state devoted less of its resources toward public education (22% vs. 25% in the rest of the USA). Further, California had 8% more public school students per capita than the average of the rest of the US.

In other words, *California has more students than the rest of the US, but puts less of its taxes toward schools.*

Perhaps more important, as a high-wage state, education dollars in California don't go as far as they do in Montana, South Dakota, or Kentucky, which fund students comparably to California. Other high-wage states

Education Spending Per Student Compared To Average Teacher Salary, 2004-2005



Source: NEA, 2004-05 tables C-11 and H-16

such as New York, Connecticut, New Jersey and Massachusetts invest considerably more dollars per student than does California.

There is no escaping the pinch: Below-average spending per student, combined with high wages, result in real investment gaps. California ranks last or next-to-last in the nation in

terms of teachers per student, librarians per student, counselors per student, and administrators per student. California schools have 31% fewer grownups per student than schools have in the rest of the US. Our schools make do with 25% fewer teachers per student than the US average, 35% fewer school principals and support staff, 50% fewer counselors and 69% fewer district staff.¹⁷

Philanthropy cannot plug an operating gap of this magnitude. Nationally, donations to schools and to education-related non-profit organizations add up to a fraction of 1% of educational spending. Even in the wealthiest suburban communities, donations and fundraising only account for 5-10% of school budgets.

Why Does California Skimp On Its Schools?

In 1972, California committed 5.6% of personal income (a common measure of funding effort relative to taxation capacity) to public K-12 education. By 2005, this ratio had withered to 4.4%. Between these two dates, the mechanisms that fund California's schools changed utterly.

Today, funding for California's schools is determined almost entirely by legal mandates at the state level. It was not always so; until the late 1970's, schools were funded by local property taxes, and the most basic function of a school board was to set the local property tax rate. Rates varied among districts, and receipts varied according to both the rate and the assessed value of homes and commercial properties.

This arrangement was great for property-rich districts, but communities with low assessed values had to set very high property tax rates in order to fund their schools. The *Serrano v. Priest* case successfully challenged this arrangement. Is it really fair, the case asked, that some districts enjoy more funding per student than others? The case led to court-mandated "revenue limits" at 1972 spending levels to equalize funding per student at the district level.

The unintended consequence of *Serrano* is that it removed money from schools. As the state took over the role of determining the level of funding for schools, California "equalized downward."

Proposition 13, passed in 1978, locked the property tax rate in stone and insulated property owners from higher taxes if their property increases in value. As the costs of providing education have outrun property tax receipts in the past three decades, school funding has been under steady

pressure. Property taxes now account for just a fifth of school funds, and income taxes have had to climb to fill the gap.

In 1984, California voters created a state lottery partly to raise money for education. It was sold to voters as a pain-free answer to the state's education funding woes, but in truth contributes less than 2% of the state's total education budget.

In 1988, California's voters, annoyed at the legislature's failure to make a priority out of school funding, passed Proposition 98, which mandates that the state must spend at least 40% of its budget on education, and must increase education spending each year according to a complex formula. Because the legislature anyway must pass budgets by a 2/3 vote in both houses, it can and has set aside Prop 98 requirements in difficult years. Nevertheless, interpretation of Proposition 98 now dominates annual education budget discussions, rather than discussion of educational needs.

Should California Spend More?

Too little gas in the tank almost certainly contributes to California's weak school results. Some assert that the poor "outcomes" failings of California's schools can be remedied by fixing the "input" problem: add money, and the problems will gradually go away.

If only it were that easy. States and locales that have increased spending have not typically seen dramatic return for the money invested. At the margin it is unclear how to turn additional money into student learning results. Across a broad array of education reform thinkers and practitioners, there is a growing sense that the core issues are harder than mere money. The highest value of new money may

be its potential to open doors to change.

The courts have played a strong role in school finance over the last forty years, and may do so again. In the past few years, state-level litigation efforts across the USA have shifted from equity to "adequacy." These cases argue that states have a constitutional obligation to provide adequate public education, and they use litigation to define a minimum funding "floor" for doing so. So far, no adequacy suit has been filed in California, but the specter of such litigation contributes urgency to education reform efforts in 2008.

Re-engagement of Local Funding

There is considerable support in California for increasing public school funding. However, public mistrust of state government is profound, and the California state legislative system requires a 2/3 supermajority in both houses to passing any bill involving money. If California's downward drift in education investment effort is to be reversed, it may require re-engagement of local districts in the funding of their schools.

Proposition 13 permits communities to raise funds for schools locally if they can muster a 2/3 vote. Parcel taxes add a local surcharge to property taxes based on the size of the property parcel rather than on the assessed valuation. Few districts in the state have passed such taxes, however, and some reformers propose that the passage requirements should be eased. Advocates suggest that this would add resources, overcome objections about redirection of state funds toward high-need schools, and facilitate increased community commitment to local schools.

Any serious proposal to mitigate the unintended consequences of

Proposition 13 on school funding must address the equity issues that drove the *Serrano* decision. For example, one way to protect students in districts with low property values would be to implement a system of variable state matching funds. In order to preserve equity in effective local funding power, state matching funds would augment local revenues in inverse relationship to local assessed property values.

Where Does The Money Go?

Currently, school districts manage virtually all school dollars. Regardless of whether funding comes from the state, the federal government, or a local funding source, the budget is held and managed by the district.

Some districts, such as Edmonton (in Alberta, Canada) and Oakland, California have shifted budget control away from the district, putting schools in charge of more spending decisions. This is sometimes called having the “dollars follow the student” because school budgets are set based on the students in attendance. Another version of this approach (implemented to an extent in San Francisco) is *Weighted Student Funding*, under which schools receive different amounts of money for students with different attributes that make them more costly to educate, such as special education needs or non-native English skills.

These school-based budgets usually include only non-staff-related money, because school leaders are generally not responsible for staff decisions. To the extent that school budgets do include staff expenses, they are almost always presented on the basis of district-wide average costs.

Oakland, California, is the first district to take the step of giving schools financial responsibility for their staff costs. Oakland’s leadership

noted that the most disadvantaged schools in the district tended to be staffed by large numbers of beginning teachers. Because these teachers earn less than experienced ones, changing the accounting rules redirected dollars to the district’s neediest schools. Most of these schools have used the money to provide training to inexperienced teachers.

Categorical vs. Block Grant funding

Funding arrives in school districts through many programs and allocations, with various strings attached and varying governance requirements at the local, county, state and federal levels. The least complicated money is simply based on student Average Daily Attendance (ADA). Remember sick notes and excused absences? These are a thing of the past in California. A district’s ADA is calculated based on the number of students actually in school. Absences for any reason, including illness, reduce ADA-derived revenues.

More complex funding is associated with specific programs. These revenues, called categorical funds, must be used in ways that comply with program requirements. For example, districts that accept class-size reduction funds must keep their K-3 class sizes to 20 students or less.¹⁸ Districts that qualify for categorical funds for transportation assistance must in fact provide the bus services that are required by the program. Districts must use funds received under the Instructional Materials Funding Realignment Program (IMFRP) to buy textbooks and other approved instructional materials.

Education finance reform discussions always include proposals to simplify, consolidate, and eliminate categorical funding. Restricted-use funds make school accounting

complex, and school leaders can always point to other ways they would use the money, if only they had the freedom to do so. Why doesn’t California just do away with these categorical limitations and allocate more money in an unrestricted fashion? There are three reasons.

First, many categorical programs sound good. Participants in the political process want to feel that they are doing something useful for schools, and allocating money for a purpose sounds better than simply writing checks.

Second, there is a real concern that districts might not spend money on some things unless they are required to do so. Categorical funds for textbooks were created as a response to scandalous scarcities.

Third, in candid moments many policymakers will admit to worrying that unrestricted funds would disappear into teacher salaries through the collective bargaining process. Categorical funds may be inefficient, they would say, but at least they are off the negotiating table.

Wanted: Breakthrough

Adding money is no more magic than any other get-smart-quick notion of how to “fix” California’s schools. However, California’s school spending is dramatically lower than other states.

We may simply be getting what we pay for.

Adjusting accounting rules and changing how money is used might be helpful, but significantly improving school results in California will probably require an infusion of new money. Making improvements sustainable may require changes that rebuild community-based will to invest in schools.

...Success

“What Gets Measured Gets Managed”

What is Education For?

By age five or six, American children begin an education process that will consume a large fraction of their waking hours through adulthood. Taxpayers commit enormous sums to the support of this system. Families organize their lives around the bell schedule. Why do we do it?

At an individual level, of course, this question is almost meaningless. School is compulsory. Also, schooling correlates strongly with future earnings.

The personal stakes of educational attainment have never been higher. According to year after year of data from the US Census Bureau, economic prospects improve dramatically with educational attainment. In 2001, a four-year college graduate could expect to earn about \$1.9 million in his or her lifetime, versus \$1.2 million for a high school graduate. No diploma? Your expected lifetime earnings in 2001

were about \$800k to \$900k, with substantial unemployment risk.¹⁹ That’s the equivalent of lifetime average earnings of about \$10 per hour.

A deeper question is what we should want from schools.

The high level goals are easiest to agree on: we all want our children to emerge from their educational experience prepared for college, work, and citizenship.²⁰ We want schools to help our children to realize their potential. We expect students to emerge from school proficient with certain fundamental knowledge and skills, such as literacy and math.

The vast majority of parents and students also expect their K-12 education to prepare them for success in college. As discussed in the Background section of this Guide, this is too often a flawed assumption, even for students that appear on paper to be prepared. Programs like AVID and College Summit directly and practically

promote college-going by supporting students in the application process. Some school reform advocates argue that college application rates, acceptance rates and retention rates should be included among the measures of success for evaluating high schools.

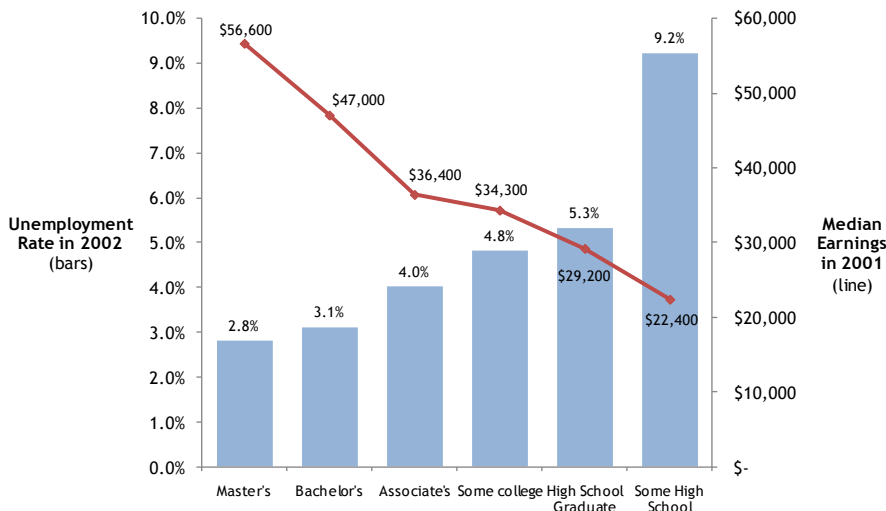
Beyond the practical matters, we also expect schools to help transform children into flexible and broadly capable adults. In a rapidly evolving job market, we cannot pretend to know exactly what skills a child really needs.

This idea is far from new:

At school you are not engaged so much in acquiring knowledge as in making mental efforts under criticism... you go to...school not so much for knowledge as for arts and habits; for the habit of attention, for the art of expression, for the art of assuming at a moment's notice, a new intellectual position, for the art of entering quickly into another person's thoughts, for the habit of submitting to censure and refutation, for the art of indicating assent or dissent in graduated terms, for the habit of regarding minute points of accuracy, for the art of working out what is possible in a given time; for taste, for discrimination, for mental courage and mental soberness.

*William Johnson Cory,
19th Century Headmaster at Eton*

Education Pays in the United States



Can We Tell If Schools Are Working?

School-related data can measure either *inputs* or *outputs* (sometimes called *outcomes*). Econometrically-minded social scientists scrutinize these data in the hope of understanding how input factors (especially controllable ones) influence outputs.

Test results measure demonstrated knowledge and skills, which are outputs. Other output metrics include dropout rates, Advanced Placement (AP) test pass rates, expulsion ratios, employment statistics, college completion rates, and countless others.

Input metrics come in many flavors, as well. Factors such as poverty ratios, native English fluency rates, and ethnicity are all depressingly powerful predictors of test results. In the past few years, there has been intensifying interest in unpacking these and other factors to discover deeper truths.

Test-related Jargon

The CST. California's *content standards* define *proficiency* in each major subject area at each grade level. The California Standards Tests (CST) assess students against these standards.

Norm- vs. Criterion-referenced. Because the CST compares test takers to a standard of proficiency, they are called *criterion-referenced tests*. The CAT/6 tests, by contrast, are *norm-referenced* (that is, they compare test takers to one another rather than to a standard of performance).

Disaggregation. Test results for schools and student subgroups (by grade, gender, socioeconomic status and ethnicity) are published through the State Testing and Reporting (STAR) system. Subgroup scores are often called *disaggregated* results.

The API. Test scores are combined at the district, school and subgroup levels to calculate a single "grade point average" known as the *Academic Performance Index* (API). Schools are stack-ranked by API score, and given two grades on a scale of 1 to 10. The first such grade is a California decile ranking. A school that receives a score of 10 on this ranking is in the top 10% of California's schools, according to the API.

Similar Schools. The second score is a *similar schools* rating. A school that receives a 10 on this scale is in the top 10% of "similar schools," based on socioeconomic and demographic indicators.

Tests

Tests (more formally known as *assessments*) have become an important part of the school experience in America. There are two extreme responses to this trend: some supporters view these tests as the key to improving schools because they create clarity about standards in core academic areas and strip away excuses.

Studies show that a common feature of stand-out schools is that they make strong and consistent use of assessment data at all levels, from teacher to principal to district. In these schools, assessment data are used to direct attention and resources to help specific students.

Critics view the tests as a degrading intrusion that consume precious class time and squeeze the soul out of learning and teaching. They also point to evidence that the curriculum of America's schools has narrowed, sacrificing art, music, and even science at the expense of more math and reading.

Critics also point out that these tests do nothing to measure or encourage student achievement beyond grade-level proficiency. The state assessment systems are only designed to help families, teachers, schools and districts bring their students up to grade level. Some critics fear that long-term American competitiveness is at risk if challenging kids at the "top of the curve" isn't encouraged as a part of a school's mission.

No Child Left Behind

The *No Child Left Behind Act* (NCLB) established 2014 as the deadline for every student subgroup in every school in America to demonstrate proficiency at the level of state standards. Every school must make a certain amount of progress toward that goal for every subgroup every year. Glossing over a lot of fine print, if a school is not on schedule for every subgroup, then it has failed to make *Adequate Yearly Progress* (AYP).

Test scores are rising in California, especially in the early grades. However, the improvement is not on a trajectory that suggests success on NCLB terms. As 2014 approaches, ever-increasing numbers of schools are falling short of the required progress. One school at a time, it is increasingly clear that America will fail to achieve the 2014 goal of proficiency for all.

California's definition of proficiency is among the most demanding in America. Some critics argue that California cannot afford these high standards, and should lower its expectations. These suggestions are usually greeted with jeers, but must be taken seriously: several states have improved their NCLB standing without improving their schools by weakening standards.

Growth Models

Reformers in increasing numbers are pressing for an adjustment to NCLB's approach: the *Growth Model*. Several versions of this idea differ in their details, but the gist is to shift the focus from a single, fixed-in-time benchmark to a concept of progress.²¹ Under a growth model, schools that are behind schedule are still viewed as successful if the students in their care are individually (and by subgroups) making strong annual progress. In 2006, the Federal Department of Education permitted Tennessee and

North Carolina to implement this concept on a pilot basis.

California cannot implement a growth model on a statewide basis until it develops the ability to track individual student test scores from year to year. A data system that includes a *Student ID* is essential to implementation of a growth model. This functionality may be available within a few years if the CALPADS system is delivered on time.

Value Added analysis takes individual student learning growth data a step further by attempting to discover patterns. Which students make strong progress and which do not? Value added analysis has been used to quantify and compare teacher effectiveness in conveying testable knowledge, for example, as well as to evaluate curricular materials.

Non-test data

Tests are not the only outcomes that matter, and dollars are not the only input variable that matters.

Foundations and policymakers are increasingly providing researchers with support to evaluate what schools are doing, and whether it works.



**Full Circle Investment:
Use Your Voice survey.**
In 2006, Full Circle Fund supported Oakland Unified

School District in its first-ever survey of all constituents. Students, teachers, staff, parents and administration were all included. The purpose of the survey was to cultivate informed, open discussion at the school level about how to address problems and advance the goals of each school.

The Full Circle Fund team helped the district develop a practical plan to successfully execute the survey, and created tools to present the findings graphically in PowerPoint presentations that were customized for each of the more than 100 schools involved.

There is significant controversy about one measurable outcome: satisfaction. Models of education improvement that depend on school

choice as a driver of excellence expect families to spurn ineffective schools and choose effective ones.

Unfortunately, students and parents often report that they are “satisfied” with their school, even when it delivers terrible results by objective measurements.

Data systems

In 2006, four major foundations (Gates, Irvine, Hewlett and Stuart) jointly invested about \$3 million to fund “Getting Down to Facts,” a coordinated set of research studies to inform discussions of California education reform options.

One of the clearest top-line findings of this research was that the systems associated with public education data in California are notoriously behind the times. The official 8-page summary of the studies put it bluntly. “California is incapable of effective system learning and continuous improvement... It is almost impossible to think of systemic performance improvement in California without dramatic changes in the state’s approach to information.”²²

One example of the state’s inept approach to data is the *School Accountability Report Card* (SARC). Schools in California must report a wide variety of information in their SARC, including both input and output metrics, as well as explanatory text. Some information, such as the actual spending per student in each school using true salary costs, is *only* available through the SARC.

SARC reports can be a useful source of information, if you can find them. Each school can publish its SARC using its own format and make it available to the public in any manner it chooses. The state does not summarize SARC reports; indeed, it does not even collect them.

Conclusion

Humanity faces grave perils as well as great opportunities. Education has never faced greater competition for public investment and priority, but its role has never been more vital. The challenges of America’s future will not be solved in a single generation.

Brilliant people work hard every day to provide children with a bright future through education. Although their efforts are showing some progress, it is plain that California’s schools do not work as well as they should.

This Impact Guide summarized different ways in which people are working to make schools effective for children. In Full Circle Fund, we have used this model to keep a big-picture perspective while focusing our energies on projects that enable us to have a strong impact.

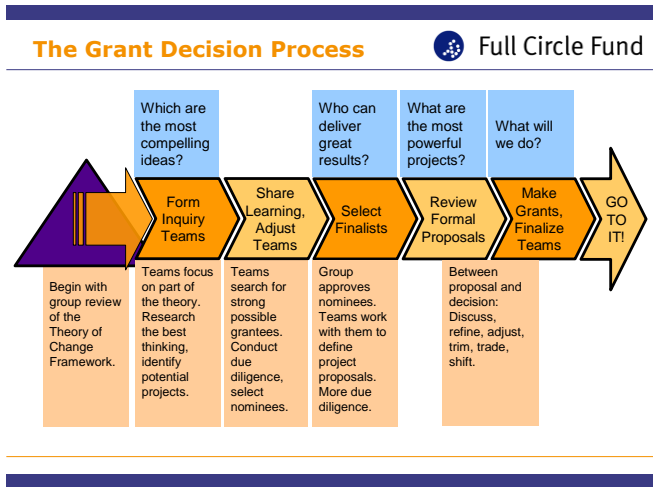
Teaching, learning and leading are human work. There are no magic answers. There is, however, plenty of opportunity for motivated and capable citizens to help.

How We Select Grantees

The Education Impact Circle operates on an annual grant cycle. Most grantee relationships span two cycles, often involving two or more distinct projects. Each year, therefore, a portion of the team’s efforts are directed to renewals.

At the outset of a grant cycle, we review the Theory of Change Framework explained in this Impact Guide. There are many ideas for how to make education more effective; this framework helps us organize those ideas and focus our energies.

Clusters of members with shared interests form *Inquiry Teams*. This is the hit-the-books phase of the grant cycle, when we focus on research. Inquiry teams often arrange meetings or voice conferences with noted experts in the field they are investigating. The output of this phase of the process is a presentation refining and narrowing each Inquiry Team’s field of inquiry. Based on these presentations, members shift among inquiry teams for the next phase: searching for grantee candidates, assessing them for “fit” with our grant criteria, and carefully (some would say ruthlessly) selecting a handful of strong nominees for the final round.



Full Circle Fund Grant Criteria	
Aligned with FCF Issue Analysis	The venture fits within Full Circle’s understanding of necessary steps towards creating measurable systemic change.
Strong leadership	The venture has effective management with relevant experience in the community.
Definable Needs and Willingness to Partner	The venture has clear needs for value-added investment and will take advantage of strategic support, networking and advocacy assistance Full Circle can provide.
Marketable	The venture has a positive impact on Full Circle Fund’s image through association with the grantee. It has good PR value, builds our credibility as a grantmaker, and differentiates us from other funders.
Transformational	The venture has a clear vision for how it measurably enhances the lives of individuals and improves the community.
Scalable	The venture has the ability to grow to serve more people or to have its model and central ideas replicated.
Sustainable	The venture has a plan for continuing its operations through an earned income and/or sustainable funding strategy.
Inflection Point	The venture is early-stage, undergoing significant change, or at critical strategic juncture.
Integrated	The venture is a hub for community activities and is aggressively collaborating with other agencies with similar goals.
Strong FCF Team	The Full Circle project team identified is appropriate to the project, and will execute its work in a manner that builds Full Circle’s reputation.

We only put candidate organizations through the formal proposal process if they stand a serious chance of becoming a grantee. In the formal proposal process, each candidate organization is directly supported by a Full Circle Fund member advocate.

The process concludes with two meetings separated by “caucus time.” At the first meeting, organizations (including renewals) present proposals. We conduct a straw poll to determine which members might work on each project presented. We also identify who would *lead* each project. At the final meeting, we only consider projects that have an identified Full Circle team leader.

This process delivers committed leaders, clear teams, great partners, informed project objectives, and plenty of forward momentum!

Useful Links

There are literally hundreds of education-related organizations. Here is a small sample.

www.EdSource.org	EdSource is the premier non-partisan, independent think-tank on California's education system. If you want to learn more about many of the issues described here, this is the place to start.
www.ed-data.k12.ca.us	If you want data about a California school, district, or county, look here. The site includes basic test results, demographic information, detailed financial data and more. It also offers reports that allow you to compare schools.
www.cde.ca.gov	The web site of the California Department of Education is thick with jargon, but if you know what you are looking for it is quite useful. For instance, this is the place to go for information about grade level content standards. For information about tests and results, look for the part called "Dataquest."
www.jftk-ca.org	Just For The Kids helps school leaders set relevant benchmarks for progress at every grade level and in every subject area. The site design is worth the trouble if you are trying to convince a group of faculty or parents to raise their expectations.
www.edvoice.org	Join the mailing list of this California education policy advocacy organization and you will receive occasional emails with information about high-priority education-related legislation.
www.greatschools.net	San Francisco-based GreatSchools.net provides well-presented summaries of school data, including schools beyond California.
www.ccsso.org	The Council of Chief State School Officers is a treasure trove of well-written documents on policy issues such as Growth Models.
www.hiddengap.org	This site, a product of Ed Trust West, explains and quantifies the unequal distribution of funding among schools in California.
www.cftl.org	The Center for the Future of Teaching and Learning is the best California-specific source for information about policy issues related to teaching, teacher training, and teacher workforce development.
www.nces.ed.gov	The National Center for Education Statistics is the federal repository of educational data. It is a crucial resource for serious inquiry, but unapologetic about its use of education industry jargon.
www.nea.org	The web site of the National Education Association is by far the timeliest resource for state-level comparisons. Watch out, though – the data are often significantly restated when NCES data are at last released.
www.aera.net	The American Educational Research Association is a huge membership organization. Its divisions and interest groups help members wade through the huge piles of new scholarship churned out each year.
www.edexcellence.net	The Fordham Foundation produces consistently articulate defenses of charter and choice-based reforms. They are also a watchdog for state content standards.
www.fullcirclefund.org	If you find these ideas compelling, I hope that you will join us or support us. -- Jeff Camp, Chairman, Education Impact Circle.

End Notes

This Impact Guide was created to support the 2008 grant process for Full Circle Fund members. If you have specific suggestions for other audiences that would benefit from this document, we would be interested in thoughts about how to reach them.

For information about how to join or support Full Circle Fund, please contact us at www.fullcirclefund.org.

¹ Dee Norman Lloyd, Prediction of School Failure From Third-Grade Data, 1978.

² Graphs from www.gapminder.org

³ For comparison, the ratio in California is 40%. From <http://measuringup/highereducation.org>, 2006.

⁴ <http://www.ppic.org/main/pressrelease.asp?i=686> April 25, 2007

⁵ A convenient and authoritative resource for top-line information about California education is www.edsource.org. More detailed data such as Bay Area enrollment figures can be found at www.ed-data.k12.ca.us.

⁶ Jon Sonstelie, [http://irepp.stanford.edu/documents/GDF/STUDIES/20-Sonstelie/20-Sonstelie\(3-07\).pdf](http://irepp.stanford.edu/documents/GDF/STUDIES/20-Sonstelie/20-Sonstelie(3-07).pdf). This study was one of the “Getting Down to Facts” reports released in early 2007.

⁷ David Berliner, <http://www.educationanddemocracy.org/Resources/Berliner.pdf>

⁸ Susanna Loeb in Getting Down To Facts research, Dec 2006.

⁹ Corcoran, Evans and Schwab (2002) quoted in Loeb and Miller, 2006 “A Review Of State Teacher Policies: What Are They, What Are Their Effects, And What Are Their Implications For School Finance?”

¹⁰ On average, wages in college-educated employment increased at twice the rate of inflation from 1997-2004. <http://nces.ed.gov/pubs2006/2006865.pdf>

¹¹ <http://www.calstate.edu/teachered/>

¹² Ken Futernick, A Possible Dream. http://www.calstate.edu/teacherquality/documents/possible_dream.pdf

¹³ <http://www.cid.harvard.edu/hiid/659.pdf> Table 2, part B. 1990 data. Jong-Wha Lee and Robert J. Barro “Schooling Quality in a Cross Section of Countries,” October 1998.

¹⁴ [http://irepp.stanford.edu/documents/GDF/STUDIES/13-Fuller/13-Fuller\(3-07\).pdf](http://irepp.stanford.edu/documents/GDF/STUDIES/13-Fuller/13-Fuller(3-07).pdf) page 18.

¹⁵ <http://www.cde.ca.gov/be/st/ss/>

¹⁶ For excellent, readable information about school finance in California, see www.edsource.org.

¹⁷ EdSource 2007 Resource Card #7.

¹⁸ Some fine print allows for exceptions.

¹⁹ Chart by Rene Cantu based on Census bureau and BLS data. http://www.tracer2.com/admin/uploadedpublications/1042_tlmr0312art.pdf

²⁰ The goals of “college, work and citizenship” are a consistent theme in the writings and work of the Bill and Melinda Gates Foundation, the largest philanthropy in the field of education.

²¹ See <http://www.ccsso.org/publications/details.cfm?PublicationID=287> for a well-written explanation.

²² <http://irepp.stanford.edu/documents/GDF/summary-paper-final.pdf> Susanna Loeb, Anthony Bryk, and Eric Hanushek. “Getting Down to Facts: School Finance and Governance in California.” September 2007.