

**Written Testimony for the Little Hoover Commission Hearing on January 24, 2008**  
**Caitlin Scott, Consultant, Center on Education Policy**

Thank you for inviting me to present the Center on Education Policy's recent research on the state's role in school restructuring under the No Child Left Behind Act in California. Four themes have emerged from our research that relate directly to the key questions the Commission asked CEP to address:

1. Within the restructuring options in the federal law, states have considerable discretion to oversee improvement efforts at restructuring schools.
2. California and other states have interpreted their role in school restructuring in a variety of ways, with California taking a moderate approach.
3. No single restructuring option has been a foolproof way for schools to meet adequate yearly progress (AYP) targets; instead, successful schools use multiple strategies tailored to schools' needs.
4. State departments of education nationally, including the California Department of Education (CDE), lack capacity to intervene in restructuring schools in ways that are more aggressive than current approaches.

These findings are drawn from CEP studies of restructuring in California and Maryland over the past two years and Michigan over the past three years; I was the principal researcher for the California and Michigan work. In all three states, we interviewed a variety of state-level officials, as well as numerous principals, teachers, and other stakeholders in 12 school districts and 25 schools altogether. This testimony also draws from CEP's five-year study of NCLB, our annual report on Title I funding, and our 2007 study of state capacity. These and additional CEP reports are available at [www.cep-dc.org](http://www.cep-dc.org).

**Federal Guidance on Restructuring and State Approaches**

Restructuring is the controversial last consequence under NCLB for schools failing to make adequate yearly progress toward their state's student achievement targets for five or

more consecutive years. After five consecutive years of not making AYP, schools must plan for restructuring. After six consecutive years of not making AYP, they must implement their restructuring plans. In this last consequence for failure to make AYP, schools and districts must choose from a menu of options designed to completely revamp the school. By federal law, these options include the following:

- Entering into a contract to have an outside organization with a record of effectiveness operate the school
- Reopening the school as a charter school
- Replacing all or most of the school staff who are relevant to the failure to make AYP
- Turning operation of the school over to the state, if the state agrees
- Undertaking any other major restructuring of the school's governance that produces fundamental reform

The federal government has left states a great deal of discretion in overseeing turnaround efforts at schools facing restructuring. Federal guidance issued by the U.S. Department of Education in the summer of 2006 emphasized the need for schools to make large changes in response to restructuring but left much of the details of decision making and implementation to districts and schools. States must provide assistance to districts and schools in improvement, including schools in restructuring, but states have the latitude to determine the content and intensity of this assistance.

Perhaps as a result, states have taken a range of approaches. Most states, including the three we have studied in depth, do not allow districts to turn over operation of restructuring schools to the state. Some states, such as Michigan and Maryland, help schools design restructuring plans and explicitly sign off on those plans, but NCLB does not require states to collect any information on schools in restructuring beyond what they collect from other schools in improvement. CDE takes a moderate approach by providing tools that help schools make restructuring decisions and by collecting information about restructuring choices but not by dictating choices or providing on-site monitoring.

Another possible reason states' approaches have varied is that funding to assist schools in any stage of NCLB improvement, including restructuring, has varied by state. Beginning in fiscal year 2004, all states were required by federal law to set aside 4% of their total Title I district allocations to assist districts and schools in improvement, including schools in restructuring. However, states that did not receive sufficient increases in Title I allocations could not reserve the full 4% because of a "hold-harmless" provision in NCLB that prevent districts from losing funds due to the application of this set-aside. As a result, some states like California have flat or declining Title I set-aside funds available to assist schools.

The total amount of the 4% Title I set-aside in California for 2006-07 was \$68,939,318. This was about \$2 million short of the 2005-06 set-aside of about \$71 million. This came at a time when the percentage of schools in restructuring increased by about 49%. In states like California where the numbers of schools in restructuring are rising rapidly, declines in the Title I set-aside hamper what states can do to assist schools. In addition, states can choose to devote smaller or larger shares of that set-aside to schools in restructuring. The situation may change in the future, since the Congress provided increased funding for the school improvement program under another section of Title I of the Elementary and Secondary Education Act. For example, California received about \$16 million in new federal funds for school improvement in December of 2007. State officials said these funds would be awarded to districts late next spring after a competitive grant process. It might also be remedied by devoting additional state funding specifically to assisting schools in restructuring.

### **Three States' Interpretations of Their Roles in Restructuring**

CEP chose to focus its restructuring reports on California, Maryland, and Michigan because these states began implementing test-based accountability systems and calculating AYP under the Improving America's Schools Act (IASA) of 1994, the federal law that preceded NCLB. As a result, these three states had schools reach the restructuring phase of NCLB as early as 2003-04—sooner than most other states. As is

the case nationally, in all three states, schools in restructuring were disproportionately located in urban areas compared with suburban and rural areas.

California, Maryland, and Michigan have taken different approaches to restructuring, according to CEP's analyses. These differing approaches are no doubt influenced by differing histories of state education policy in general. However, the number of schools in restructuring and the funding available through the 4% set-aside have also undoubtedly influenced state's approaches to restructuring. **Table 1** shows the numbers of schools in restructuring in 2006-07 and the amount of the Title I set-aside available to assist schools in all phases of improvement. Among the three states, California had both the largest number of schools in restructuring and the largest percentage of school in restructuring; however, the Title I set-aside is not proportionally as large as in other states.

**Table 1: Funding, Number, and Percentage of Schools in Restructuring in Three States, 2006-07**

State	Number of Schools in Restructuring Planning or Implementation	Percentage of State's Schools in Restructuring Planning or Implementation	Approximate Title I 4% Set-aside for Schools in Improvement
California	701	8%	\$70 million
Maryland	73	5%	\$7 million
Michigan	46	2%	\$15 million

Source: CEP reports, *Beyond the Mountains: An Early Look at Restructuring in California (2006)*; *What's Next: Lessons from Michigan about Restructuring Schools and Next Steps under NCLB (2007)*; and *Making Mid-Course Corrections: School Restructuring in Maryland (2007)*.

**California** provides technical assistance to districts aimed at helping districts make good restructuring choices, but the state stops short of making suggestions about which federal options are best. For the past two years, guidance for schools in restructuring has been presented at an annual symposium and posted on the CDE website. State technical assistance also includes the tools to help schools and districts gather information to enable them make good decisions about restructuring: the District Assistance Survey, which analyzes the kinds of district-level support that schools need; the Academic Program Survey, which gauges how effectively the school has implemented nine

“essential program components” that state research has cited as being present at California schools with higher academic achievement; the Least Restrictive Environment Survey Self Assessment, which focuses on how schools and districts are serving students with disabilities; and the English Learner Subgroup Self Assessment, which focuses on how schools and districts are serving English language learners.

Given this approach, most districts (89%) chose the “any other” option in 2005-06. Preliminary analysis shows that the percentages of schools choosing each option did not change much in 2006-07. While California does not do on-site monitoring of schools in restructuring, our research shows that some districts have voluntarily used site visitors from the state’s accountability support systems to help monitor and improve schools.

**Maryland** does not hold an annual event about school improvement but has individual meetings with district officials on an annual basis. Maryland has also moved to shape schools’ options by further limiting the federal options. Districts may still choose any of the federal options except state takeover; however, in 2005-06 the Maryland Department of Education limited the federal “any other” option to very specific strategies, such as appointing a turnaround specialist which 73% of the 63 schools in restructuring chose. Then, in 2006-07 due to reports that turnaround specialists were not working in Maryland, the state barred any school entering restructuring from choosing this option. For 2006-07, however, most schools still use this option as part of their continued restructuring plan under a “grandfather” clause.

Other assistance offered by Maryland has included state-funded and federally-funded grants for school improvement. The federal grant program uses the Title I set-aside to offer grants to schools in improvement, while the state program offers grants to districts with schools in improvement. This state program actually has more funding than the federal, adding about \$9 million to the total amount of grant funding available. Schools and districts apply for both types of grants separately and both must be approved by the state education department, giving the state influence on what schools and districts say they will do for restructuring.

Maryland also offers a year-long professional development program for principals of schools in improvement and additional grants for schools identified for improvement based solely on the performance of students with disabilities. New in 2006-07, the state education department asked schools in restructuring planning to complete a Teacher Capacity Needs Assessment. This tool leads a school through a self-diagnosis and analysis of root causes that contribute to teachers' capacity to teach the state curriculum effectively and to assess student learning.

**Michigan**, of the three states, has elaborated the most on the federal options, allowing schools to choose 18 strategies that fall within the federal options. Since 2003-04, the Michigan Department of Education has used its Title I set-aside to offer grants of \$25,000 to \$45,000 to schools in various stages of NCLB improvement. In order to receive the grant, schools must write a detailed school improvement plan and the state education department must approve this plan. This process has allowed the state some control of the restructuring process at the school level. For example, in 2005-06, state officials said they guided some districts toward appointing a turnaround specialist, which 72% of schools reported using. Like California, Michigan also holds an annual conference that has sessions addressing restructuring.

In 2007-08, schools in restructuring were slated to undergo Comprehensive Audits by a regional team and three visits from a Process Mentor Team, which helps the school implement changes recommended in the audit; schools were also slated to receive support from a Leadership Coach, who spends 100 days assisting the principal in restructuring efforts. Principals of restructuring schools were trained in how to use these resources and how to lead restructuring schools in general during a week-long summer Principal Fellowship. Michigan has also created a School Improvement Framework and a needs assessment designed to guide all schools, including those in restructuring, to make good choices about school improvement strategies.

**Commonalities across states** were also revealed in our analysis. School-based staff in all three states said federal restructuring options were not the key to improving student achievement. Instead, school and state-based initiatives were seen as essential to transforming schools. Initiatives common in all states included increasing staff collaboration and leadership, improving the use of data to inform instruction, and extending learning time for struggling students.

For example, all California schools participating in CEP's case studies have instituted some type of teacher team-planning time, which allows teachers to use student achievement data to shape instruction, and have changed their schedules to allow more time for interventions for struggling students, among other strategies. In Maryland, as in the other two states, teachers use data to inform instructional decisions and target instructional supports to students who need extra help. In Michigan, for instance, all case study schools and districts reported an increase in teacher collaboration, especially around analyzing data, and shared decision making at the school rather than relying on the principal alone.

### **The Effectiveness of Individual Restructuring Strategies**

In all three states, our analysis showed no single restructuring option which ensured that a school would meet AYP targets. Instead, successful schools employed a variety of strategies. For example, in Michigan our analysis of state AYP data showed that schools reporting they implemented five or more of the 18 state restructuring strategies over the past two years were significantly more likely to exit restructuring in 2006-07 than schools using fewer strategies. All of the restructuring schools that made AYP in 2005-06 had implemented five or more strategies over the past two years, compared with only 49% of those implementing four or fewer options. Interviews with school-level participants confirmed the importance of multiple strategies.

In California, our preliminary analysis of 2006-07 data showed that no single strategy was associated with greater likelihood of a school making AYP overall or meeting AYP targets in English language arts or math separately. In addition, no combination of

strategies appeared more successful. Interview data and on-site visits at four districts and eight schools showed instead that schools attributed gains in academic achievement primarily to strategies other than the four NCLB strategies used in California.

Participants at the schools in our study that exited restructuring were cautious about attributing their success to any single strategy or claiming they had found the secret to restructuring success. Instead, they credited a combination of staff collaboration, data use, an extended school day, and sustained reform efforts over a number of years.

In California, Michigan, and Maryland, restructuring schools appeared to be meeting the requirements of NCLB in that states are carrying out their duties with regard to providing technical assistance to districts with schools in improvement. These requirements, however, appear to fall far short of ensuring that schools will make AYP and in some cases do not improve academic achievement at all. The strategies themselves need to be redesigned. To do this, state and federal officials need to investigate processes schools and districts already consider effective, such as instituting teacher collaboration time and training teachers in using data to tailor instruction to student's needs. The issue of funding also needs to be addressed. As more schools enter restructuring and the Title I set-aside for school improvement decreases or remains stagnant, creating and implementing more sophisticated restructuring strategies will be challenging.

### **The Capacity of State Departments of Education**

As discussed previously in this report, federal funding for schools in improvement through the Title I set-aside has not kept pace with the increasing number of schools in restructuring in many states, such as California. In addition, our research shows states face capacity challenges in a number of areas, including federal funding in general and the ability to provide technical assistance to districts with schools in improvement in particular.

Inadequate federal funding appears to be challenging states across the board, but implementation of some NCLB requirements are more hampered by a lack of funding than are others. Several of the findings from CEP's annual survey of 50 states are

pertinent to restructuring. First, 32 states reported that funds for the federal Title I program have been insufficient to improve student achievement in identified schools, while only 10 states reported that Title I funds were sufficient. Also, 41 states said that inadequate federal funds challenged, either “moderately” or “to a great extent,” their capacity to provide technical assistance to districts with schools in various phases of sanctions. Finally, states in which 26% or more schools missed AYP reported having more capacity challenges in implementing NCLB than states with lower percentages of schools missing AYP. While our research in California shows that the state is meeting the requirements of NCLB, California educators, like those around the country, report that federal funding is stretched thin and that more could be done with more funds.

In addition to federal funding issues, providing technical assistance to school districts with schools in improvement continues to be very challenging for most states, and many state officials are worried about the future. In our recent survey of all states, only 11 states reported they were able to provide technical assistance to districts with schools in improvement, corrective action, or restructuring “to a great extent.” Furthermore, survey data revealed that insufficient numbers of staff, lack of in-house expertise, and inadequate federal and state funding were the major impediments to implementing this requirement. California does provide technical assistance to districts with schools in improvement in a variety of ways, such as sponsoring workshops at an annual symposium and offering on-line tools for assessing schools’ needs. Staff at CDE is not, however, sufficient to implement an option like turning restructuring schools over to the state. Staffing may become even more challenging as more California schools enter restructuring. This challenge could be addressed in a number of ways. The state might appropriate funds for CDE to hire consultants to provide technical assistance. The state might also enlarge the permanent staff of either CDE or the regional Statewide System of Support or both.

### **Recommendations**

The Center on Education Policy has made several recommendations for federal policy changes that pertain to schools in restructuring in California. These recommendations are based on five years of research on the implementation of NCLB.

- ***Establish a grant program for states to rethink the mission and organization of state education agencies, including the state’s Statewide System of Support, to make these agencies more effective leaders of school improvement.*** Each state’s leadership—the governor, chief state school officer, and state board of education—should be eligible to receive an unrestricted grant allowing them to assess and rethink the role of state education agencies in improving elementary and secondary education. In particular, restructuring options, the process for choosing options, and the state role in monitoring restructuring should be reconsidered.
- ***Provide additional federal funding to state education agencies to enable them to effectively carry out NCLB.*** Increased federal funds could be used to support such activities as improving low-performing schools, developing better assessments for students with disabilities and English language learners, and improving data systems. This is especially important in California as the Title I set-aside for schools in improvement has actually decreased.
- ***Advocate an amendment to ESEA to help states assist schools more effectively by allowing differentiated levels of technical assistance based on the needs of an individual school.*** Resources and personnel could be better used if states can address the unique needs of a school instead of having to carry out a blanket set of actions for all schools in improvement. This is particularly true in California where large numbers of schools have entered restructuring.

CEP commends the Little Hoover Commission for taking on the important work of investigating California’s intervention practices with low-performing schools and appreciates this opportunity to share what we have learned.