

Department of Education
INNOVATION AND INSTRUCTIONAL TEAMS
Fiscal Year 2013 Request

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INNOVATION AND [IMPROVEMENT] INSTRUCTIONAL TEAMS¹

[For carrying out activities authorized by part G of title I, subpart 5 of part A and parts C and D of title II, parts B, C, and D of title V of the ESEA, and sections 14006 and 14007 of division A of the American Recovery and Reinvestment Act of 2009, as amended, \$1,530,429,000:² *Provided*, That the Secretary may use up to \$550,000,000, which shall remain available for obligation through December 31, 2012, for section 14006 of division A of Public Law 111-5, as amended, to make awards (including on the basis of previously submitted applications) to States or to local educational agencies, or both, in accordance with the applicable requirements of that section, as determined by the Secretary, and may use up to 5 percent of such funds for technical assistance and evaluation of the activities carried out under that section:³ *Provided further*, That up to \$149,700,000 shall be available for obligation through December 31, 2012 for section 14007 of division A of Public Law 111-5, and up to 5 percent of such funds may be used for technical assistance and the evaluation of activities carried out under such section:⁴ *Provided further*, That \$300,000,000 of the funds for subpart 1 of part D of title V of the ESEA shall be for competitive grants to local educational agencies, including charter schools that are local educational agencies, or States, or partnerships of: (1) a local educational agency, a State, or both; and (2) at least one nonprofit organization to develop and implement performance-based compensation systems for teachers, principals, and other personnel in high-need schools: *Provided further*, That such performance-based compensation systems must consider gains in student academic achievement as well as classroom evaluations conducted multiple times during each school year among other factors and provide educators with incentives to take on additional responsibilities and leadership roles: *Provided further*, That recipients of such grants shall demonstrate that such performance-based compensation systems are developed with the input of teachers and school leaders in the schools and local educational agencies to be served by the grant: *Provided further*, That

recipients of such grants may use such funds to develop or improve systems and tools (which may be developed and used for the entire local educational agency or only for schools served under the grant) that would enhance the quality and success of the compensation system, such as high-quality teacher evaluations and tools to measure growth in student achievement:

Provided further, That applications for such grants shall include a plan to sustain financially the activities conducted and systems developed under the grant once the grant period has expired:⁵

Provided further, That up to 5 percent of such funds for competitive grants shall be available for technical assistance, training, peer review of applications, program outreach, and evaluation activities:⁶

Provided further, That of the funds available for part B of title V of the ESEA, the Secretary shall use not less than \$23,000,000 to carry out activities under section 5205(b) and under subpart 2:⁷

Provided further, That of the funds available for subpart 1 of part B of title V of the ESEA, and notwithstanding section 5205(a), the Secretary may reserve up to \$55,000,000 to make multiple awards to non-profit charter management organizations and other entities that are not for-profit entities for the replication and expansion of successful charter school models⁸

and shall reserve up to \$11,000,000 to carry out the activities described in section 5205(a), including improving quality and oversight of charter schools and providing technical assistance and grants to authorized public chartering agencies in order to increase the number of high-performing charter schools:⁹

Provided further, That each application submitted pursuant to section 5203(a) shall describe a plan to monitor and hold accountable authorized public chartering agencies through such activities as providing technical assistance or establishing a professional development program, which may include evaluation, planning, training, and systems development for staff of authorized public chartering agencies to improve the capacity of such agencies in the State to authorize, monitor, and hold accountable charter schools:

Provided further, That each application submitted pursuant to section 5203(a) shall contain assurances that State law, regulations, or other policies require that: (1) each authorized

charter school in the State operate under a legally binding charter or performance contract between itself and the school's authorized public chartering agency that describes the obligations and responsibilities of the school and the public chartering agency; conduct annual, timely, and independent audits of the school's financial statements that are filed with the school's authorized public chartering agency; and demonstrate improved student academic achievement; and (2) authorized public chartering agencies use increases in student academic achievement for all groups of students described in section 1111(b)(2)(C)(v) of the ESEA as the most important factor when determining to renew or revoke a school's charter.^{10]} *Department of Education Appropriations Act, 2012.*

NOTES

No new language is included for this account. All programs are authorized under the expired Elementary and Secondary Education Act; when new authorizing legislation for the Elementary and Secondary Education Act is enacted, a budget request for these programs will be proposed.

Each language provision that is followed by a footnote reference is explained in the Analysis of Language Provisions and Changes document, which follows the appropriations language.

INNOVATION AND INSTRUCTIONAL TEAMS

Analysis of Language Provisions and Changes

Language Provision	Explanation
¹ <u>INNOVATION AND [IMPROVEMENT] INSTRUCTIONAL TEAMS</u>	The Administration proposes to rename this account.
² [For carrying out activities authorized by part G of title I, subpart 5 of part A and parts C and D of title II, parts B, C, and D of title V of the ESEA, and sections 14006 and 14007 of division A of the American Recovery and Reinvestment Act of 2009, as amended, \$1,530,429,000:]	This language appropriates funds for the following programs: Advanced Placement, School Leadership, Transition to Teaching, Ready-to-Learn Television, Charter Schools Grants, Magnet Schools Assistance, Teacher Incentive Fund, Fund for the Improvement of Education: Programs of National Significance, Arts in Education, Race to the Top, and Investing in Innovation.
³ [<i>Provided</i> , That the Secretary may use up to \$550,000,000, which shall remain available for obligation through December 31, 2012, for section 14006 of division A of Public Law 111-5, as amended, to make awards (including on the basis of previously submitted applications) to States or to local educational agencies, or both, in accordance with the applicable requirements of that section, as determined by the Secretary, and may use up to 5 percent of such funds for technical assistance and evaluation of the activities carried out under that section:]	This language allows the Secretary to use, through December 31, 2012, up to \$550,000,000 for Race to the Top; authorizes the Secretary to make Race to the Top grants to States, local educational agencies, or both, including on the basis of previously submitted applications; and allows the Secretary to use a portion of Race to the Top funds for technical assistance and evaluation.
⁴ [<i>Provided further</i> , That up to \$149,700,000 shall be available for obligation through December 31, 2012 for section 14007 of division A of Public Law 111-5, and up to 5 percent of such funds may be used for technical assistance and the evaluation of activities carried out under such section:]	This language allows the Secretary to use, through December 31, 2012, up to \$550,000,000 for Investing in Innovation and allows the Secretary to use a portion of Investing in Innovation funds for technical assistance and evaluation.

INNOVATION AND INSTRUCTIONAL TEAMS

Analysis of Language Provisions and Changes—continued

Language Provision	Explanation
<p>⁵ [<i>Provided further</i>, That \$300,000,000 of the funds for subpart 1 of part D of title V of the ESEA shall be for competitive grants to local educational agencies, including charter schools that are local educational agencies, or States, or partnerships of: (1) a local educational agency, a State, or both; and (2) at least one nonprofit organization to develop and implement performance-based compensation systems for teachers, principals, and other personnel in high-need schools: <i>Provided further</i>, That such performance-based compensation systems must consider gains in student academic achievement as well as classroom evaluations conducted multiple times during each school year among other factors and provide educators with incentives to take on additional responsibilities and leadership roles: <i>Provided further</i>, That recipients of such grants shall demonstrate that such performance-based compensation systems are developed with the input of teachers and school leaders in the schools and local educational agencies to be served by the grant: <i>Provided further</i>, That recipients of such grants may use such funds to develop or improve systems and tools (which may be developed and used for the entire local educational agency or only for schools served under the grant) that would enhance the quality and success of the compensation system, such as high-quality teacher evaluations and tools to measure growth in student achievement: <i>Provided further</i>, That applications for such grants shall include a plan to sustain financially the activities conducted and systems developed under the grant once the grant period has expired:]</p>	<p>This language provides, within the Fund for the Improvement of Education appropriation, \$300,000,000 for the Teacher Incentive Fund and describes eligibility and other requirements for the program.</p>

INNOVATION AND INSTRUCTIONAL TEAMS

Analysis of Language Provisions and Changes—continued

Language Provision	Explanation
<p>⁶ [Provided further, That up to 5 percent of such funds for competitive grants shall be available for technical assistance, training, peer review of applications, program outreach, and evaluation activities:]</p>	<p>This language allows the Secretary to use a portion of funds for the Teacher Incentive Fund for technical assistance, training, peer review of applications, program outreach, and evaluation activities.</p>
<p>⁷ [Provided further, That of the funds available for part B of title V of the ESEA, the Secretary shall use not less than \$23,000,000 to carry out activities under section 5205(b) and under subpart 2:]</p>	<p>This language requires the Secretary to use not less than \$23,000,000 of the amount appropriated for Charter Schools Grants for the State Facilities Incentive and Credit Enhancement for Charter School Facilities programs and allows the Secretary to allocate funds between the two programs.</p>
<p>⁸ [Provided further, That of the funds available for subpart 1 of part B of title V of the ESEA, and notwithstanding section 5205(a), the Secretary may reserve up to \$55,000,000 to make multiple awards to non-profit charter management organizations and other entities that are not for-profit entities for the replication and expansion of successful charter school models]...</p>	<p>This language allows the Secretary to reserve up to \$55,000,000 of the funds appropriated for Charter Schools Grants to make awards to charter management organizations and other entities for the replication and expansion of successful charter school models.</p>
<p>⁹ ...[and shall reserve up to \$11,000,000 to carry out the activities described in section 5205(a), including improving quality and oversight of charter schools and providing technical assistance and grants to authorized public chartering agencies in order to increase the number of high-performing charter schools:]</p>	<p>This language requires that the Secretary reserve up to \$11,000,000 of the funds appropriated for Charter Schools Grants for national activities, and thereby overrides the statutory national activities maximum of the greater of \$5,000,000 or 5 percent of the appropriation, not to exceed \$8,000,000. The language also provides for the Secretary to use national activities funds to improve the quality and oversight of charter schools and provide technical assistance and grants to authorized public chartering agencies in order to increase the number of high-performing charter schools.</p>

INNOVATION AND INSTRUCTIONAL TEAMS

Analysis of Language Provisions and Changes—continued

Language Provision	Explanation
<p>¹⁰ [<i>Provided further</i>, That each application submitted pursuant to section 5203(a) shall describe a plan to monitor and hold accountable authorized public chartering agencies through such activities as providing technical assistance or establishing a professional development program, which may include evaluation, planning, training, and systems development for staff of authorized public chartering agencies to improve the capacity of such agencies in the State to authorize, monitor, and hold accountable charter schools: <i>Provided further</i>, That each application submitted pursuant to section 5203(a) shall contain assurances that State law, regulations, or other policies require that: (1) each authorized charter school in the State operate under a legally binding charter or performance contract between itself and the school's authorized public chartering agency that describes the obligations and responsibilities of the school and the public chartering agency; conduct annual, timely, and independent audits of the school's financial statements that are filed with the school's authorized public chartering agency; and demonstrate improved student academic achievement; and (2) authorized public chartering agencies use increases in student academic achievement for all groups of students described in section 1111(b)(2)(C)(v) of the ESEA as the most important factor when determining to renew or revoke a school's charter.]</p>	<p>This language establishes application requirements for grants to State educational agencies under the Charter Schools Program that go beyond the requirements in the authorizing statute.</p>

INNOVATION AND INSTRUCTIONAL TEAMS

Amounts Available for Obligation (dollars in thousands)

Appropriation and Adjustments	2011	2012	2013
Discretionary appropriation:			
Appropriation	\$1,859,899	\$1,530,429	\$4,332,166
Across-the-board reduction (P.L. 112- 10)	-3,720	0	0
Across-the-board reduction (P.L. 112-74)	<u>0</u>	<u>-2,893</u>	<u>0</u>
Subtotal, appropriation	1,856,179	1,527,536	4,332,166
Comparative transfers to <u>Education Improvement Programs</u> for:			
Teaching American History	-45,908	0	0
Advanced placement	-43,253	-26,949	0
Ready-to-learn television	-27,245	-27,193	0
Excellence in economic education	-1,444	0	0
Arts in education	-27,447	-24,953	0
Comparative transfer from <u>Education Improvement Programs</u> for:			
Improving teacher quality State grants	2,464,876	2,466,567	0
Comparative transfer from <u>Higher Education</u> for:			
Teacher quality partnership	<u>42,914</u>	<u>42,833</u>	<u>0</u>
Subtotal, comparable discretionary appropriation	4,218,672	3,957,841	4,332,166
Comparative transfer from <u>Education Improvement Programs</u> for:			
Improving teacher quality State grants			
Advance for succeeding fiscal year	-1,678,263	-1,681,441	0
Advance from prior year	<u>1,681,441</u>	<u>1,678,263</u>	<u>1,681,441</u>
Subtotal, comparable budget authority	4,221,850	3,954,663	6,013,607
Unobligated balance, start of year	0	845,143	657,512
Unobligated balance, expiring	-9	-283	0

INNOVATION AND INSTRUCTIONAL TEAMS

Amounts Available for Obligation—continued
(dollars in thousands)

Appropriation and Adjustments	2011	2012	2013
Unobligated balance, end of year	-\$845,143	-\$657,512	-\$30,000
Comparative transfers:			
Unobligated balance, start of year from <u>Education Improvement Programs</u>	31,865	36,832	30,000
Unobligated balance, start of year from <u>Career, Technical and Adult Education</u>	74,451	0	0
Unobligated balance, end of year from <u>Education Improvement Programs</u>	<u>-36,832</u>	<u>-30,000</u>	<u>0</u>
Total, direct obligations	3,483,014	4,146,842	6,671,119

INNOVATION AND INSTRUCTIONAL TEAMS

Obligations by Object Classification
(dollars in thousands)

Object Class	2011	2012	2013
Personnel compensation and benefits:			
Civilian personnel benefits	\$4	0	0
Benefits of former personnel	<u>50</u>	<u>0</u>	<u>0</u>
Subtotal	54	0	0
Contractual services and supplies:			
Advisory and assistance services	18,156	\$56,243	\$149,634
Peer review.....	617	8,372	14,116
Other services	31,335	13,772	5,000
Research and development contracts.....	1,000	523	0
Operation and maintenance of equipment	<u>959</u>	<u>0</u>	<u>0</u>
Subtotal.....	52,067	78,910	168,750
Grants, subsidies, and contributions.....	<u>3,430,893</u>	<u>4,067,932</u>	<u>6,502,369</u>
Total, direct obligations	3,483,014	4,146,842	6,671,119

INNOVATION AND INSTRUCTIONAL TEAMS

Summary of Changes (dollars in thousands)

2012.....	\$3,957,841	
2013.....	<u>4,332,166</u>	
Net change.....	+374,325	

Increases:	<u>2012 base</u>	<u>Change from base</u>
<u>Program:</u>		
Increase for a reauthorized Race to the Top program to support and create incentives for State and local reforms designed to lead to significant improvements in student achievement, high school graduation rates, and college enrollment rates, and to significant reductions in achievement gaps.	\$548,960	+\$301,040
Increase for a reauthorized Investing in Innovation program to expand innovative strategies and practices that have been shown to be effective in improving educational outcomes for students and to test and evaluate promising strategies and practices whose efficacy has not yet been systematically studied.	149,417	+583
Initial funding for the new Effective Teachers and Leaders State Grants program to provide formula grants to States and LEAs to improve the effectiveness and equitable distribution of effective and highly effective teachers and leaders and, through an expanded set-aside of funds, to support efforts to build evidence on how best to best recruit, prepare, and support effective teachers and school leaders; recruit and prepare effective teachers in science, technology, engineering, and mathematics; and enhance the teaching and leadership professions.	0	+2,466,567
Initial funding for the new Teacher and Leader Innovation Fund to support the development and implementation of innovative teacher and leader policies.	0	+400,000
Initial funding for the Teacher and Leader Pathways program to pay continuation costs under antecedent programs.	0	+74,676

INNOVATION AND INSTRUCTIONAL TEAMS

Authorizing Legislation

(dollars in thousands)

Activity	2012 Authorized	2012 Estimate	2013 Authorized	2013 Request
Race to the Top (<i>proposed legislation</i>)	--	\$548,960	To be determined	\$850,000
Investing in Innovation (<i>proposed legislation</i>)	--	149,417	To be determined	150,000
Excellent instructional teams:				
Effective teachers and leaders:				
Effective teacher and leaders State grants (<i>proposed legislation</i>)	--	--	To be determined	2,466,567
Improving teacher quality State grants (<i>ESEA II-A</i>)	0 ¹	2,466,567	0 ¹	0
Teacher and leader innovation fund:				
Teacher and leader innovation fund (<i>proposed legislation</i>)	--	--	To be determined	400,000
Teacher incentive fund (<i>ESEA V-D-1</i>)	0 ¹	299,433	0 ¹	0
Teacher and leader pathways:				
Teacher and leader pathways (<i>proposed legislation</i>)	--	--	To be determined	74,676
Transition to teaching (<i>ESEA II-C-1-B</i>)	0 ¹	26,054	0 ¹	0
Teacher quality partnership (<i>HEA II-A</i>)	Indefinite ²	42,833	Indefinite ²	0
School leadership (<i>ESEA II-A-5-2151(b)</i>)	0 ¹	29,107	0 ¹	0
Expanding educational options:				
Expanding educational options (<i>proposed legislation</i>)	--	--	To be determined	255,036
Charter schools grants (<i>ESEA V-B-1</i>)	0 ¹	255,036 ³	0 ¹	0
Credit enhancement for charter school facilities (<i>ESEA V-B-2</i>)	0 ⁴	0 ³	0 ⁴	0
Magnet schools assistance (<i>ESEA V-C</i>)	0 ⁵	99,611	To be determined ⁵	99,611

INNOVATION AND INSTRUCTIONAL TEAMS

Authorizing Legislation—continued

(dollars in thousands)

Activity	2012 Authorized	2012 Estimate	2013 Authorized	2013 Request
FIE programs of national significance (<i>ESEA V-D-1</i>)	0 ⁵	\$40,823	To be determined ⁵	\$36,276
<u>Unfunded authorizations:</u>				
Advanced credentialing (<i>ESEA II-A-5-2521(c)</i>)	0 ¹	0	0 ¹	0
Voluntary public school choice (<i>ESEA V-B-3</i>)	0 ¹	0	0 ¹	0
Advanced placement and international baccalaureate programs (<i>America COMPETES Act VI-A-II</i>)	0 ⁶	0	0 ⁶	0
Ready to teach (<i>ESEA V-D-8</i>)	0 ¹	0	0 ¹	0
Exchanges with historic whaling and trading partners (<i>ESEA V-D-12</i>)	0 ⁷	0	0 ⁷	0
Parental information and resource centers (<i>ESEA V-D-16</i>)	0 ¹	0	0 ¹	0
Women's educational equity (<i>ESEA V-D-21</i>)	0 ⁷	<u>0</u>	0 ⁷	<u>0</u>
Total definite authorization	0		0	
Total appropriation		3,957,841		4,332,166
Portion of request subject to reauthorization				4,332,166

¹ The GEPA extension expired September 30, 2008. The program is proposed for consolidation in FY 2013 under new legislation.

² The program is proposed for consolidation in FY 2013 under new legislation.

³ From the amount appropriated for Charter Schools, the fiscal year 2012 appropriations act required the Secretary to use not less than \$22,957 thousand for State Facilities Incentive grants and Credit Enhancement for Charter School Facilities grants.

⁴ The GEPA extension expired September 30, 2004. The program is proposed for consolidation in FY 2013 under new legislation.

⁵ The GEPA extension expired September 30, 2008. Reauthorizing legislation is sought for FY 2013.

⁶ The GEPA extension expired September 30, 2011. No appropriations language or reauthorizing legislation is sought.

⁷ The GEPA extension expired September 30, 2008. No appropriations language or reauthorizing legislation is sought.

INNOVATION AND INSTRUCTIONAL TEAMS

Appropriations History (dollars in thousands)

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2004	\$807,400	\$807,959	\$782,133	\$1,102,628
2005	885,161	669,936	1,154,894	1,092,642
2006	1,307,871	708,522	1,308,785	936,488
2007	850,966	N/A ¹	N/A ¹	837,686
2008	922,018	982,354	962,889	985,517
2009	867,517	976,846 ²	944,314 ²	996,425
Recovery Act Supplemental (PL 111-5)	0	225,000	0	200,000
2010 Rescission (PL 111-226)	1,489,949	1,347,363	1,234,787 ³	1,389,065 -10,700
2011	6,330,000	1,870,123 ⁴	2,224,843 ³	1,856,179
2012	4,995,000	821,411 ⁵	1,740,212 ⁵	1,527,536
2013	4,332,166			

¹ This account operated under a full-year continuing resolution (P.L. 110-5). House and Senate Allowance amounts are shown as N/A (Not Available) because neither body passed an appropriations bill.

² The levels for the House and Senate allowances reflect action on the regular annual 2009 appropriations bill, which proceeded in the 110th Congress only through the House Subcommittee and the Senate Committee.

³ The level for the Senate allowance reflects Committee action only.

⁴ The level for the House allowance reflects the House-passed full-year continuing resolution.

⁵ The level for the House allowance reflects an introduced bill; the level for the Senate allowance reflects Senate Committee action only.

INNOVATION AND INSTRUCTIONAL TEAMS

Significant Items in FY 2012 Appropriations Reports

Race to the Top

Senate: Report 112-84. The appropriations act permits the Department to use up to 5 percent of the Race to the Top appropriation for technical assistance and evaluation. The Senate report states that the Committee expects to be notified in advance of the proposed uses of the technical assistance and evaluation funds.

Response: The Department will notify the Committee prior to using FY 2012 funds on technical assistance and evaluation activities.

Conference: Report 112-331. The conference report states that the conferees expect that the Secretary will include a robust early childhood education component in administering the Race to the Top competition.

Response: The Department will use FY 2012 Race to the Top funds to support efforts to improve early learning.

Conference: Report 112-331. The appropriations act amends the authorizing statute to permit States receiving Race to the Top-Early Learning Challenge grants to make subgrants to public or private agencies and organizations. The amendment took effect upon enactment of the appropriations act. The report directs the Department to provide, within 60 days of enactment, a briefing on expected outcomes of grantees awarded funds from the 2011 Race to the Top competition, specifically on how subgranting authority will contribute to successful implementation of State plans.

Response: The Department will provide the Committee with the requested briefing.

Investing in Innovation

Senate: Report 112-84. The appropriations act permits the Department to use up to 5 percent of the Investing in Innovation appropriation for technical assistance and evaluation. The Senate report states that the Committee expects to be notified in advance of the proposed uses of the technical assistance and evaluation funds.

Response: The Department will notify the committee of its plans for the technical assistance and evaluation funds before carrying out activities with those funds.

Senate: Report 112-84. The Senate report states that the Committee expects the Department to distribute Investing in Innovation grants equally among the absolute priority categories unless there is an insufficient number of qualified grants in a priority category.

INNOVATION AND INSTRUCTIONAL TEAMS

Significant Items in FY 2012 Appropriations Reports—continued

Response: The Department intends to provide awards in all absolute priority categories for which applications of sufficient quality are received and for which funding is available. However, the final number of grants made under each absolute priority category will depend on several factors, including the number and quality of applications received under each absolute priority, and the total amount of funding requested by applicants.

Charter Schools Grants

Senate: Report 112-84. The appropriations act authorizes the Department to use up to \$11.0 million for national activities. The Senate report states that the Committee is particularly interested in the Department using a portion of the national activities funding to address issues related to students with disabilities and on efforts to strengthen charter school authorizing practices.

Response: Fiscal year 2012 national activities funds will be used by the National Charter Schools Resource Center to, among other things, implement a national charter school authorizer database to measure and analyze authorizer and school performance; evaluate charter school authorizers through site visits; and implement a Development Institute designed to provide new charter school authorizers with high-quality information about authorizing practices.

With respect to students with disabilities, the Department intends to include a priority for eligible applicants serving these students in the fiscal year 2012 competition for Replication and Expansion grants. In addition, the Department would continue to make technical assistance on serving students with disabilities available to interested stakeholders through the Resource Center.

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U.S. DEPARTMENT OF EDUCATION FISCAL YEAR 2013 PRESIDENT'S BUDGET

(in thousands of dollars)

Account, Program and Activity	Category Code	2011 Appropriation	2012 Appropriation	2013 President's Budget	2013 President's Budget Compared to 2012 Appropriation	
					Amount	Percent
Innovation and Instructional Teams						
1. Race to the Top (proposed legislation) ¹	D	698,600	548,960	850,000	301,040	54.838%
2. Investing in innovation (proposed legislation) ¹	D	149,700	149,417	150,000	583	0.390%
3. Excellent instructional teams:						
(a) Effective teachers and leaders:						
(1) Effective teachers and leaders State grants (proposed legislation)	D	0	0	2,466,567	2,466,567	---
(2) Improving teacher quality State grants (ESEA II-A)						
Annual appropriation	D	786,613	785,126	0	(785,126)	-100.000%
Advance for succeeding fiscal year ²	D	1,678,263	1,681,441	0	(1,681,441)	-100.000%
Subtotal		2,464,876	2,466,567	2,466,567	0	0.000%
(b) Teacher and leader innovation fund:						
(1) Teacher and leader innovation fund (proposed legislation)	D	0	0	400,000	400,000	---
(2) Teacher incentive fund (ESEA V-D-1)	D	399,200	299,433	0	(299,433)	-100.000%
Subtotal	D	399,200	299,433	400,000	100,567	33.586%
(c) Teacher and leader pathways:						
(1) Teacher and leader pathways (proposed legislation)	D	0	0	74,676	74,676	---
(2) Transition to teaching (ESEA II-C-1-B)	D	41,125	26,054	0	(26,054)	-100.000%
(3) Teacher quality partnership (HEA II-A)	D	42,914	42,833	0	(42,833)	-100.000%
(4) School leadership (ESEA section 2151(b))	D	29,162	29,107	0	(29,107)	-100.000%
Subtotal	D	113,201	97,994	74,676	(23,318)	-23.795%
Subtotal	D	2,977,277	2,863,994	2,941,243	77,249	2.697%

NOTES: -Category Codes are as follows: D = discretionary program; M = mandatory program.
 -Programs authorized by the Elementary and Secondary Education Act for which funds are requested in 2013 or that are shown as consolidated in 2013 are proposed under new authorizing legislation.
 -Multiple programs affected by the proposed ESEA reauthorization have been renamed and moved among accounts, some of which have also been renamed.
 -Account totals and programs shown within accounts for fiscal years 2011 and 2012 have been adjusted to be comparable to the fiscal year 2013 request.
 -Detail may not add to totals due to rounding.

¹ Prior to FY 2011, appropriations for this program were provided by the American Recovery and Reinvestment Act.

² Under the terms of the FY 2012 appropriations bill, a 0.189 percent across-the-board rescission is applied to budget authority available in FY 2012. As a result, FY 2011 advance appropriations available in FY 2012 have been reduced by \$3,178 thousand.

U.S. DEPARTMENT OF EDUCATION FISCAL YEAR 2013 PRESIDENT'S BUDGET

(in thousands of dollars)						
Account, Program and Activity	Category Code	2011 Appropriation	2012 Appropriation	2013 President's Budget	2013 President's Budget Compared to 2012 Appropriation Amount	Percent
Innovation and Instructional Teams (continued)						
4. Expanding educational options:						
(a) Expanding educational options (proposed legislation)	D	0	0	255,036	255,036	---
(b) Charter schools grants (ESEA V-B-1) ¹	D	255,519	255,036	0	(255,036)	-100.000%
(c) Credit enhancement for charter school facilities (ESEA Title V-B-2) ¹	D	0	0	0	0	---
(d) Voluntary public school choice (ESEA V-B-3)	D	25,767	0	0	0	---
Subtotal	D	281,286	255,036	255,036	0	0.000%
5. Magnet schools assistance (ESEA V-C)	D	99,800	99,611	99,611	0	0.000%
6. Fund for the improvement of education: Programs of national significance (ESEA V-D-1)	D	12,009	40,823	36,276	(4,547)	-11.138%
Total, Appropriation ²		4,218,672	3,957,841	4,332,166	374,325	9.458%
Total, Budget authority		4,221,850	3,954,663	6,013,607	2,058,944	52.064%
Current ³		2,540,409	2,276,400	4,332,166	2,055,766	90.308%
Prior year's advance		1,681,441	1,678,263	1,681,441	3,178	0.189%

NOTES: -Category Codes are as follows: D = discretionary program; M = mandatory program.

-Programs authorized by the Elementary and Secondary Education Act for which funds are requested in 2013 or that are shown as consolidated in 2013 are proposed under new authorizing legislation.

-Multiple programs affected by the proposed ESEA reauthorization have been renamed and moved among accounts, some of which have also been renamed.

-Account totals and programs shown within accounts for fiscal years 2011 and 2012 have been adjusted to be comparable to the fiscal year 2013 request.

-Detail may not add to totals due to rounding.

¹ From the amount appropriated for Charter Schools, appropriations language required that up to \$23,036 thousand in FY 2011 and no less than \$22,957 thousand in FY 2012 be provided for State Facilities Incentive Grants and Credit Enhancement for Charter School Facilities.

² Adjusted for comparability. Includes Teacher Quality Partnership that was appropriated in the Higher Education account in fiscal years 2011 and 2012.

³ Adjusted for comparability. Includes advance appropriations of \$1,678,263 thousand in FY 2011 and \$1,684,441 thousand in FY 2012 that become available on October 1 of the following fiscal year. Advance appropriations shown in this account are associated with Improving Teacher Quality State grants and were appropriated in the School Improvement Programs account (proposed in FY 2013 as the Education Improvement Programs account).

INNOVATION AND INSTRUCTIONAL TEAMS

Summary of Request

Programs in the Innovation and Instructional Teams account support the goal of improving student achievement in three key ways: providing incentives for States and local educational agencies (LEAs) to implement comprehensive educational reforms and to test, evaluate, and expand innovative educational strategies and practices; increasing the supply of effective teachers and principals; and providing parents with expanded options for the education of their children. The Administration requests a total of \$4.3 billion for programs in this account.

The new structure of this account, named “Innovation and Improvement” since fiscal year 2004, reflects the framework of the Administration’s proposal for reauthorization of the Elementary and Secondary Education Act of 1965. A key objective of this proposal is to increase efficiency by consolidating currently authorized programs with similar purposes. In fiscal year 2011, for example, the Department’s appropriation contained several programs focused on teaching and school leadership issues with different purposes, requirements, and authorized activities.

While each of these programs has worthy goals, the result of these fragmented funding streams has been inefficiencies at the Federal, State, and local levels; grantees have had to deal with numerous small grant competitions with different applications and requirements rather than focusing on improving outcomes for students, and the Department has had to focus on running separate grant competitions and monitoring compliance with different programs rather than on providing strong support and directing funding to the most proven or promising practices. The Administration expects that the new structure for programs in this account will allow States and LEAs to identify how to best meet the needs of their students and teachers, and allow the Department to focus funding on programs that improve student achievement, especially for students in high-need schools.

System-wide Reform and Innovation

The Administration requests \$1.0 billion to support efforts to drive State and local reform and innovation. Specifically, the request includes:

- \$850.0 million for the **Race to the Top** program to create incentives for State and local reforms designed to lead to significant improvements in student achievement, high school graduation rates, and college enrollment rates, and to significant reductions in achievement gaps. Race to the Top would continue to support implementation of reforms both in elementary and secondary education and in early childhood care and education.
- \$150.0 million for the **Investing in Innovation** program to expand innovative strategies and practices that have been shown to be effective in improving educational outcomes for students and to test and evaluate promising practices, strategies, or programs whose efficacy has not yet been systematically studied. Funds would also support the Advanced Research Projects Agency-Education (ARPA-ED), a new entity modeled after similar agencies in the Department of Defense and Department of Energy. The mission of ARPA-ED would be to pursue development of educational technology and learning systems; support systems for educators; and tools that result in improvements for all students (but especially those from low-income backgrounds) by increasing educational achievement and attainment for students in both traditional and non-traditional learning environments.

INNOVATION AND INSTRUCTIONAL TEAMS

Summary of Request—continued

- \$36.3 million for the **Fund for the Improvement of Education: Programs of National Significance** (FIE) to support nationally significant projects to improve the quality of elementary and secondary education, including continuation of a data quality initiative that helps improve the quality, analysis, and reporting of Department of Education elementary and secondary education data. Of the amount requested, the Department would use \$30.0 million to run an evidence-based grant competition focused on developing, evaluating, and scaling proven practices that can help increase student achievement in mathematics. The Department would also use \$5.0 million to support activities to strengthen services provided to disconnected youth.

Excellent Instructional Teams

The budget includes \$2.9 billion for the new **Excellent Instructional Teams** programs, which would help States and LEAs improve the effectiveness and equitable distribution of effective and highly effective teachers and school leaders and develop and implement innovative teacher and leader policies. These programs would also support efforts to help build evidence on how best to recruit, prepare, and support effective teachers and school leaders; recruit and prepare science, technology, engineering, and mathematics teachers; and enhance the teaching and leadership professions.

The new programs would replace an array of current activities that address teaching and school leadership issues: **Improving Teacher Quality State Grants**, the **Teacher Incentive Fund**, **Transition to Teaching**, **Teacher Quality Partnership**, and **School Leadership**.

Expanding Educational Options

The Administration requests \$255.0 million for the new **Expanding Educational Options** program to support competitive grants to State educational agencies (SEAs), charter school authorizers, charter management organizations, local educational agencies and other nonprofit organizations to start or expand high-performing charter schools and other autonomous public schools. The Department would also be authorized to make competitive grants to high-need LEAs, and to SEAs in partnership with one or more high-need LEAs, for the development and implementation of comprehensive programs of public school choice that increase the range of high-quality educational options available to students and help improve the academic achievement of students attending low-performing schools. All grantees would also be required to fund or operate parent information and outreach programs to make families and students aware of their options.

This new program would replace currently or recently funded programs that aim to increase public school options and family involvement in education, including **Charter Schools Grants**, **Credit Enhancement for Charter School Facilities**, **Voluntary Public School Choice**, **Parental Information and Resource Centers**, and **Smaller Learning Communities**.

In addition, the request includes \$100.0 million for **Magnet Schools Assistance** to LEAs to establish and operate magnet schools that are part of an approved desegregation plan.

INNOVATION AND INSTRUCTIONAL TEAMS

Race to the top

(Proposed legislation)

(dollars in thousands)

FY 2013 Authorization: To be determined

Budget Authority:

<u>2012</u>	<u>2013</u>	<u>Change</u>
\$548,960	\$850,000	\$301,040

PROGRAM DESCRIPTION

The Race to the Top program creates incentives for comprehensive State and local reforms and innovations designed to lead to significant improvements in student achievement, high school graduation rates, college enrollment rates, and rates of college persistence, and to significant reductions in achievement gaps, including for students with disabilities and English learners.

The program supports the implementation of ambitious plans in five core reform areas:

(1) adopting standards and assessments that measure the progress of the educational system in preparing students to succeed in college and the workplace and to compete in the global economy; (2) building data systems that measure student growth and success and inform teachers and principals about how they can improve instruction; (3) recruiting, developing, rewarding, and retaining effective teachers and principals, especially where they are needed most; (4) turning around the lowest-achieving schools; and (5) improving State and local systems of early learning. In addition, the program encourages the broad identification, dissemination, adoption, and use of effective State and local policies and practices that lead to significant improvement in outcomes for all children and youth and the elimination of those policies and practices that are not effective in improving student outcomes.

With funds provided by the American Recovery and Reinvestment Act (Recovery Act), the Department invested a total of over \$4 billion in the plans of 12 States based on applicants' recent record of improving student outcomes and on their record of and commitment to putting in place conditions for innovation and reform. Applications were also evaluated based on the quality and likelihood of success of the applicants' comprehensive and coherent plans for improving student achievement and attaining the other objectives of the program, including the level of support from relevant stakeholders. In addition, the Department made awards to two consortia of States under the Race to the Top Assessment program. The consortia are working to develop assessments that are valid, support and inform instruction, provide accurate information about what students know and can do, and measure student achievement against standards designed to ensure that all students gain the knowledge and skills needed to succeed in college and the workplace.

INNOVATION AND INSTRUCTIONAL TEAMS

Race to the top

The 2011 Appropriations Act provided additional funding, included language that allowed the Secretary to award grants based on applications already submitted under section 14006 of the Recovery Act, and amended the Recovery Act to permit the Secretary to make grants to States committed to improving early learning. Using the flexibility provided in that Act, the Department granted approximately \$200 million to seven of the highest-ranked but unfunded finalist States from the second Recovery-Act-funded competition and used approximately \$500 million for the Race to the Top – Early Learning Challenge competition. The seven States that received portions of the \$200 million will use grant funds to carry out activities included in their original applications, including activities to improve science, technology, engineering, and mathematics (STEM) education. The priorities and selection criteria for the Race to the Top – Early Learning Challenge aimed at encouraging State efforts to better coordinate, develop, implement, and evaluate their systems of early learning to improve the quality of programs and services for children birth to age five and close the school readiness gap between children with high needs and their peers. Nine States won Race to the Top – Early Learning Challenge grants.

As authorized under the 2012 Appropriations Act, the Department this year will use program funds to support and encourage district-level comprehensive reform and innovation through a Race to the Top competition for local educational agencies (LEAs). This competition will focus on the reforms that are best executed at the local level and will align with the four reforms promoted in the Recovery Act. In addition, the program will support efforts to improve early learning.

Recognizing the unique needs of rural communities, the Department will structure the district-level competition to ensure that rural districts are able to compete for funding in a manner that reflects their needs and priorities. As provided for in the appropriations language, the Department will obligate all FY 2012 funds by December 31, 2012, and will reserve up to 5 percent of the appropriation to support technical assistance and evaluation activities.

Funding levels for the past 5 fiscal years were as follows:

	(dollars in thousands)
2008	0
2009	\$4,350,000
2010	0
2011	698,600
2012	548,960

FY 2013 BUDGET REQUEST

The Administration requests \$850.0 million in fiscal year 2013 funding for Race to the Top, an increase of \$301.0 million over fiscal year 2012. The request assumes that the program will be implemented in fiscal year 2013 under reauthorized legislation and is based on the Administration's reauthorization proposal.

INNOVATION AND INSTRUCTIONAL TEAMS

Race to the top

Under this proposal, the Department would make Race to the Top awards on a competitive basis to States, LEAs, or a combination thereof, based on applicants' recent record of improving student outcomes and on their record of and commitment to putting in place conditions for innovation and reform. Applications would also be evaluated based on the quality and likelihood of success of the applicants' comprehensive and coherent plans for improving student achievement and attaining the other objectives of the program. The Department would award Race to the Top grants for up to 4 years. To receive continuation grants, a grantee would be required to demonstrate that it is meeting the performance targets specified in its application and approved by the Secretary. The Department would reserve up to 10 percent of the appropriated funds for technical assistance, outreach, dissemination, and prize awards.

The Department's implementation of the Race to the Top program to date has spurred considerable educational reform across the Nation, with States rethinking long-standing policies and demonstrating a renewed focus on effective practice and improved student achievement. In 2009 and 2010, numerous States changed State laws and policies to put in place conditions for reform consistent with the Race to the Top criteria. Over these first two phases of the competition, 46 States and the District of Columbia applied for Race to the Top funding, and 11 of these States and the District of Columbia received grants. Those grantees are now implementing their high-quality plans to reform their approaches to recruiting, rewarding, and retaining effective teachers and principals; turning around low-achieving schools; encouraging the use of data to improve instruction; and supporting high-quality charter schools. Seven additional States awarded grants in December 2011 are implementing reforms aligned with at least one of the four reform areas. In addition, the nine States that were awarded Race to the Top – Early Learning Challenge grants are engaged in implementing ambitious yet achievable plans to build statewide systems of high-quality early learning intended to close the school readiness gap. Interest in the Race to the Top – Early Learning Challenge competition was very high; 35 States, the District of Columbia, and Puerto Rico submitted applications for a grant.

In 2013, Race to the Top will be poised to deepen the Administration's investments in the five core reform areas, and address the unmet demand of States and districts that have demonstrated a commitment to implementing comprehensive and ambitious plans in these areas. Additional resources will be provided for the Race to the Top – Early Learning Challenge, to be paired with new investments by the Department of Health and Human Services in improving child care quality and preparing children for success in school.

To assist the Department in providing support to all States, the Department awarded a contract in 2010 to run the Race to the Top Technical Assistance Network. This effort is guided by the first two cohorts of grantee States' needs and requests and includes completion of reports that will be broadly available and other technical assistance to both grantee and non-grantee States. The first such report, *Great Teachers and Leaders: State Considerations on Building Systems of Educator Effectiveness*, Spring 2011, can be accessed at <http://www2.ed.gov/programs/racetothetop/great-teachers.doc>.

Given the extraordinary response generated by these efforts, and the unmet demand across the country, we expect a similarly strong response to the program moving forward. Continuation of the Race to the Top program should, thus, result in major benefits through the broad identification, dissemination, adoption, and use of effective policies and practices, and the

INNOVATION AND INSTRUCTIONAL TEAMS

Race to the top

cessation of ineffective ones. These factors argue clearly for building on the momentum created by the initial competitions and providing funding at the requested level. Continuation of the Race to the Top program will also complement the continuation of the Investing in Innovation program, which promotes the development and expansion of innovative practices for which there is evidence of effectiveness.

PROGRAM OUTPUT MEASURES (dollars in thousands)

<u>Measures</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Amount for new awards	\$696,794	\$516,512	\$760,000
Technical assistance, outreach, dissemination, and prize awards	0	27,448	85,000
Peer review of applications	1,806	5,000	5,000

PROGRAM PERFORMANCE INFORMATION

The Department has established eight performance measures for the first cohort of 12 Race to the Top State grantees. The first four measures, designed to gauge grantee States' achievement on the implementation of their Race to the Top plans, are: (1) the number of teachers and principals in participating LEAs with qualifying evaluation systems;¹ (2) the number of teachers and principals in participating LEAs with qualifying evaluation systems who were evaluated as effective or highly effective in the prior academic year; (3) the percentage of teachers in schools that are high-poverty, high-minority, or both who were evaluated as highly effective in the prior academic year; and (4) the percentage of principals leading schools that are high-poverty, high-minority, or both who were evaluated as highly effective in the prior academic year. The remaining four measures, which seek to determine the program's effect on student outcomes, are: (1) the number of States that achieve greater than the 75th percentile in overall score gains across all States in at least 3 of the 4 subject-grade combinations (grade 4 reading, grade 4 math, grade 8 reading, and grade 8 math) on the National Assessment of Educational Progress (NAEP) and have no statistically significant increase in exclusion rates for students with disabilities or English learners; (2) the number of States that meet their Title I high school graduation rate target; (3) the number of States that report an increase in the percentage of students graduating from high school who enroll in an institution of higher education; and (4) the number of States that report an increase in the number of students who complete at least 1 year's worth of college credit that is applicable to a degree within 2 years of enrollment in an institution of higher education.

¹ "Qualifying evaluation systems" are those teacher and principal evaluation systems that (a) differentiate effectiveness using multiple rating categories that take into account data on student growth as a significant factor, and (b) are designed and developed with teacher and principal involvement, and are rigorous, transparent, and fair.

INNOVATION AND INSTRUCTIONAL TEAMS

Race to the top

The first two cohorts of State grantees submitted performance data for all of the measures in fall 2011. As States are just beginning to pilot and implement their evaluation systems in alignment with their plans, grantee States did not have data to report for measures 1-4 for the 2010-11 school year. The Department expects that States will begin to report data on educator effectiveness in fall 2012.

The Department will begin reporting data related to NAEP gains, graduation rates, college enrollment, and attainment of credit applicable toward a degree in early 2012. However, to provide time for States to implement reforms to drive improvements in student outcomes, the Department will not begin to use data on the third and fourth student outcome measures to assess the effect of Race to the Top reforms until 2013. The Department will determine whether these performance measures are appropriate for 2011 Race to the Top grantees based on what those States proposed in their grant applications and, if so, will establish a reporting timeline for the data.

In addition, the Department established five measures for the Comprehensive Assessment Systems Grants awarded under the Race to the Top Assessment program in 2010. Those measures are: (1) the number of States that have formally adopted a common set of college- and career-ready standards in mathematics and English language arts; (2) the number of States that have fully implemented the summative assessment components of the assessment systems; (3) the number of institutions of higher education that are working with grantees to design and develop the final high school summative assessments in mathematics and English language arts; (4) the number of IHEs that have implemented policies that exempt from remedial courses and place into credit-bearing college courses students who meet the achievement standard for the final high school summative assessments in mathematics and English language arts and any other placement requirements; and (5) the percentage of direct matriculation students in public IHEs who are enrolled in IHEs that are working with grantees to design and develop the final high school summative assessments in mathematics and English language arts and/or have implemented policies that exempt from remedial courses and place into credit-bearing college courses students who meet the achievement standard for the final high school summative assessments in mathematics and English language arts.

The Department will develop separate performance measures for the Race to the Top – Early Learning Challenge competition. At a minimum, the implementation measures will be based on the performance measures included in the application, including: the number and percentage of early learning and development programs participating in a statewide tiered quality rating and improvement system; the number of early learning and development programs in the top tiers of the tiered quality rating and improvement system; and the number and percentage of children with high needs who are enrolled in early learning and development programs that are in the top tiers of the tiered quality rating and improvement system. In addition, the Department will develop appropriate outcome measures for the program.

The Department will also establish separate program performance measures for district grantees to ensure the collection of high-quality, comparable data that will inform the assessment of the effectiveness of the program.

INNOVATION AND INSTRUCTIONAL TEAMS

Investing in innovation

(Legislation sought)

(dollars in thousands)

FY 2013 Authorization: To be determined

	<u>2012</u>	<u>2013</u>	<u>Change</u>
	\$149,417	\$150,000	+\$583

PROGRAM DESCRIPTION

The Investing in Innovation (i3) program promotes the development and expansion of innovative practices for which there is evidence of effectiveness. The program is currently authorized under Section 14007 of the American Reinvestment and Recovery Act of 2009 (the Recovery Act), and the Department has run competitions under this authority in fiscal years 2010 and 2011.

Under the program, the Department makes awards on a competitive basis to local educational agencies (LEAs) that have demonstrated success in improving student achievement and closed achievement gaps, or to nonprofit organizations, in consortium with one or more schools or LEAs, that have helped LEAs or schools improve achievement and close gaps.

The i3 program employs a rigorous framework that directs the highest level of funding to projects with the strongest evidence base, but also provides significant support for promising projects that are willing to undergo rigorous evaluation. Grantees use funds to: (1) scale up practices, strategies, or programs for which there is strong evidence that the proposed activity has had a significant and positive effect on improving student achievement, closing achievement gaps, decreasing dropout rates, or increasing high school graduation rates; (2) validate and expand practices, strategies, or programs for which there is moderate evidence that the proposed activity has had a significant and positive effect on those same outcomes; or (3) develop and test promising practices, strategies, or programs for which there is potential and some research-based findings, but whose efficacy has not yet been systematically studied. Each grantee is required to conduct an independent evaluation of its project and to identify strategies for expanding the project, if effective, after the grant period expires. In addition, each grantee is required to obtain a specified amount of matching funds from the private sector. Grantees use the funds to develop or expand strategies to improve the performance of high-need students.

For the 2013 competition, the Department would reserve a portion of the appropriated funds for technical assistance, dissemination, prize awards, and other national activities. The purpose of the prize authority would be to provide incentives that induce breakthrough innovations (for example, technology solutions in the form of mobile device-based games that help early learners from low-income families develop vocabulary) from entities that might not otherwise apply for Federal funding.

INNOVATION AND INSTRUCTIONAL TEAMS

Investing in innovation

The Department would also reserve a portion of funds to support the Advanced Research Projects Agency-Education (ARPA-ED), a new entity modeled after similar agencies in the Department of Defense and Department of Energy. The mission of ARPA-ED would be to pursue development of educational technology and learning systems; support systems for educators; and tools that result in improvements for all students (but especially those from low-income backgrounds) by increasing educational achievement and attainment for students in both traditional and non-traditional learning environments.

Funding levels for the past 5 fiscal years were as follows:

	(dollars in thousands)
2008	0
2009	\$650,000
2010	0
2011	149,700
2012	149,417

FY 2013 BUDGET REQUEST

For 2013, the Administration requests \$150.0 million for the Investing in Innovation (i3) program. The request would build on the Department's success in using funds appropriated for the program to help ensure that schools and districts have access to innovative strategies and practices that have been shown to be effective in improving educational outcomes for students.

The Department's implementation of the Investing in Innovation Fund under the Recovery Act has generated excitement and interest across the Nation. Almost 1,700 school districts, colleges and universities, and nonprofit organizations applied for the \$650.0 million available in 2010, and the Department received almost 600 applications for the \$149.7 million available in 2011. These competitions have encouraged the field to focus on expanding the implementation of practices that are proven and evaluating practices that are promising. In addition, the program has attracted attention from the private sector, leading to the establishment of the Foundation Registry through which 55 private foundations (a significant increase from the 12 foundations that originally established the registry) have made funding available to support innovative educational projects. The Registry provides a simple avenue, through an online application, for i3 applicants to request private funding in order to meet the program's matching requirement. Continuing this program would allow the Department to build off successes from the first two competitions and should result in major benefits to American education, as more innovations are tested, validated, and scaled up, and as private-sector investment continues to complement the Federal investment.

The ultimate goal of the Investing in Innovation program is to improve educational outcomes for students by developing, identifying, and scaling up effective practices; consequently, the program would continue to focus on both innovation and evidence. The emphasis on supporting projects with evidence of effectiveness, or projects with a strong research-based framework but less empirical evidence, increases the likelihood that funded projects succeed and that we learn more about what works. The focus on strong evidence and the requirement

INNOVATION AND INSTRUCTIONAL TEAMS

Investing in innovation

for rigorous program evaluations also helps expand local capacity to properly evaluate implementation and impact and to determine whether educational interventions are effective.

The Department would continue to award multiple types of grants. Under Scale-Up grants, applicants would receive grants to scale up practices, strategies, or programs for which there is strong evidence that the proposed activity has had a significant effect on improving student achievement, closing achievement gaps, decreasing dropout rates, or increasing high school graduation rates. Under Validation grants, the Department would continue to make grants to validate and expand practices, strategies, or programs for which there is moderate evidence that the proposed activity has had a significant effect on those same outcomes. Finally, under Development grants, the grantees would receive support to develop and test promising practices, strategies, or programs for which there is potential and some research-based findings, but whose efficacy has not yet been systematically studied.

The Department is considering priorities for the 2013 grant competition. The priorities under consideration include funding for projects that propose to improve early learning outcomes; improve student attainment in science, technology, engineering, and science (STEM) subjects; and improve productivity by improving student learning or other educational outcomes while increasing significantly efficiency in the use of time, staff, money, or other resources.

The potential priority for improving early learning outcomes reflects the Department's commitment to investing in activities that improve the school readiness of young children across a range of domains and lay the foundation for success for children in kindergarten through third grade. The STEM priority would be part of the Administration's government-wide effort, developed in partnership with the National Science Foundation and other Federal agencies, to support and improve STEM education.

In the 2011 competition, the Department provided an absolute priority for projects that proposed to improve outcomes for students in rural areas. This absolute priority allowed the Department to better match reviewers with rural expertise with applicants proposing to serve students in rural areas and also ensured that highest-rated rural applications were selected for funding. For the 2013 grant competition, the Department intends to maintain this absolute priority.

In addition, the Department would reserve a portion of the appropriation to carry out activities of national significance. This would include funds for technical assistance to help grantees develop evaluation plans, among other activities. In addition, under the reauthorization proposal the Department could use some national activities funding to award prizes using the authority provided in the America COMPETES Reauthorization Act of 2010. Such prizes could include awards for innovations that, for example, successfully reduce the vocabulary gap faced by early learners from low-income families or for technological solutions that reduce low-income students' summer learning loss.

For fiscal year 2013, the Department is considering reserving up to \$3 million for competitions for prizes and up to \$4.5 million for other national activities. The Department is considering using up to \$10 million to carry out "pay-for-success" projects that, for example, make use of performance-based contracts or social impact bonds, to incentivize service providers to achieve better results in a cost-effective manner that ensures that public funds are used efficiently. In

INNOVATION AND INSTRUCTIONAL TEAMS

Investing in innovation

addition, the Department would use a portion of i3 funds to support the proposed Advanced Research Projects Agency-Education (ARPA-ED). The Administration proposes that the funds for prizes and ARPA-ED be appropriated on a no-year basis to remain available for obligation until expended.

PROGRAM OUTPUT MEASURES (dollars in thousands)

<u>Measures:</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Amount for new awards	\$148,300	\$140,452	\$141,000
Number of new awards	23	17-23	17-23
Range of awards	\$3,000-25,000	\$1,000-25,000	\$1,000-25,000
Peer review of applications	\$1,400	\$1,400	\$1,500
National activities	0	\$7,471	\$ 7,500

PROGRAM PERFORMANCE INFORMATION

The Department has developed short-term and long-term performance measures for each type of grant category funded under the program. Baseline data will be available late in 2012.

The short-term measures for Scale-Up grants are: (1) the percentage of grantees that reach their annual target number of students as specified in the application; (2) the percentage of programs, practices, or strategies supported by a Scale-Up grant that have ongoing, well-designed, and independent evaluations that will provide evidence of their effectiveness in improving student outcomes at scale; (3) the percentage of programs, practices, or strategies supported by a Scale-Up grant that have ongoing evaluations that are providing high-quality implementation data and performance feedback that allow for periodic assessment of progress toward achieving intended outcomes; and (4) the cost per student served by the grant.

The long-term performance measures for Scale-Up grants are: (1) the percentage of grantees that reach the targeted number of students specified in the application; (2) the percentage of programs, practices, or strategies supported by a Scale-Up grant that implement a completed, well-designed, well-implemented, and independent evaluation that provides evidence of their effectiveness in improving student outcomes at scale; (3) the percentage of programs, practices, or strategies supported by a Scale-up grant that complete a well-designed, well-implemented, and independent evaluation that provides information about the key elements and the approach of the project so as to facilitate replication or testing in other settings; and (4) the cost per student for programs, practices, or strategies that are proven to be effective at improving educational outcomes for students.

The short-term performance measures for Validation grants are: (1) the percentage of grantees that reach their annual target number of students as specified in the application; (2) the percentage of programs, practices, or strategies supported by a Validation grant that have ongoing, well-designed, and independent evaluations that will provide evidence of their

INNOVATION AND INSTRUCTIONAL TEAMS

Investing in innovation

effectiveness at improving student outcomes; (3) the percentage of programs, practices, or strategies supported by a Validation grant that have ongoing evaluations that are providing high-quality implementation data and performance feedback that allow for periodic assessment of progress toward achieving intended outcomes; and (4) the cost per student served by the grant.

The long-term performance measures for Validation grants are: (1) the percentage of grantees that reach the targeted number of students specified in the application; (2) the percentage of programs, practices, or strategies supported by a Validation grant that implement a completed, well-designed, well-implemented, and independent evaluation that provides evidence of their effectiveness at improving student outcomes; (3) the percentage of programs, practices, or strategies supported by a Validation grant that complete a well-designed, well-implemented and independent evaluation that provides information about the key elements and the approach of the project so as to facilitate replication or testing in other settings; and (4) the cost per student for programs, practices, or strategies that are proven to be effective at improving educational outcomes for students.

The short-term performance measures for Development grants are: (1) the percentage of grantees whose projects are being implemented with fidelity to the approved design; (2) the percentage of programs, practices, or strategies supported by a Development grant that have ongoing evaluations that provide evidence of their promise for improving student outcomes; (3) the percentage of programs, practices, or strategies supported by a Development grant that have ongoing evaluations that are providing high-quality implementation data and performance feedback that allow for periodic assessment of progress toward achieving intended outcomes; and (4) the cost per student served by the grant.

The long-term performance measures for Development grants are: (1) the percentage of programs, practices, or strategies supported by a Development grant that complete an evaluation that provides evidence of their promise for improving student outcomes; (2) the percentage of programs, practices, or strategies supported by a Development grant that complete an evaluation that provides information about the key elements and approach of the project so as to facilitate further development, replication, or testing in other settings; and (3) the cost per student for programs, practices, or strategies that were proven promising at improving educational outcomes for students.

INNOVATION AND INSTRUCTIONAL TEAMS

Excellent instructional teams

(Proposed legislation)

(dollars in thousands)

FY 2013 Authorization: To be determined

Budget Authority:

	<u>2012</u>	<u>2013</u>	<u>Change</u>
Effective teachers and leaders			
State grants	0	\$2,466,567	+\$2,466,567
Teacher and leader innovation fund	0	400,000	+400,000
Teacher and leader pathways		74,676	+74,676
Total	0	2,941,243	+2,941,243

PROGRAM OVERVIEW

Through the proposed Excellent Instructional Teams programs, the Administration recognizes that States and local educational agencies (LEAs) are facing new challenges and will require significant Federal support in order to promote and enhance the education profession and improve teacher and principal effectiveness. Funds would be used to foster teacher collaboration and the creation of excellent instructional teams by recruiting, preparing, supporting, and retaining effective and highly effective teachers, principals, and other school leaders, especially in high-need LEAs, schools, fields, and subjects. These programs would also help States and LEAs ensure the equitable distribution of effective and highly effective teachers and principals across schools.

The Excellent Instructional Teams programs would have two components: Effective Teachers and Leaders State Grants, a formula program with a 25-percent set-aside dedicated to improving and expanding high-quality teacher and leader pathways with evidence of effectiveness, and the Teacher and Leader Innovation Fund. In addition, the Department requests funding for continuation costs of currently authorized programs in the Teacher and Leader Pathways program. Together, these new initiatives would provide formula grants to States and districts to improve the effectiveness and make more equitable the distribution of effective and highly effective teachers and leaders and competitive grants to States and districts to support the development and implementation of innovative teacher and leader policies.

This approach would support State and local efforts to: (1) promote and enhance the teaching profession; (2) recruit, prepare, develop, reward, and retain effective and highly effective teachers, principals, and other school leaders and foster excellent instructional teams, especially in high-need local educational agencies, schools, fields, and subjects; (3) ensure the equitable distribution of effective and highly effective teachers and principals; (4) increase the

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effectiveness of teachers and principals; (5) improve the preparation of teachers and principals by developing, supporting, and expanding high-performing pathways to becoming a teacher or principal; (6) strengthen teacher and principal evaluation systems; (7) ensure that teachers have the knowledge, skills, data, support, and collaborative opportunities needed to be effective in the classroom; and (8) improve the management of the education workforce in States and local educational agencies.

The Administration is also proposing a larger initiative—\$5.0 billion under the American Jobs Act—to help States and districts dramatically reshape the teaching profession. Funds under this initiative could be used to address all aspects of the profession, including reforming teacher training programs, and making these programs more selective and accountable for results; developing career ladders and leadership roles for teachers; ensuring that compensation is tied to performance; improving professional development; providing time for collaboration; expanding teachers’ autonomy in the classroom in exchange for greater accountability; developing comprehensive teacher and school leader evaluation systems; and re-shaping tenure to raise the bar, protect good teachers, and promote accountability. This proposal builds on existing reforms initiated through Race to the Top, the Teacher Incentive Fund, and “Elementary and Secondary Education Act (ESEA) Flexibility.”

Effective Teachers and Leaders State Grants

PROGRAM DESCRIPTION

Effective Teachers and Leaders State Grants would be distributed by formula to States based 35 percent on each State’s relative share of the population aged 5 to 17 and 65 percent on each State’s relative share of low-income children aged 5 to 17, consistent with the current ESEA Title II, Part A (Improving Teacher Quality State Grants) formula. The Department of the Interior/Bureau of Indian Education and the Outlying Areas would each receive one-half of 1 percent of the total appropriation. States would use at least 90 percent of their formula grants to make subgrants to LEAs.

States could use their State-level funds for a variety of activities, including those designed to support the creation of effective teacher career ladders, reform certification and licensure requirements, increase the effectiveness of professional development, and reform teacher and school leader compensation. States would be required to take steps to strengthen teacher and principal evaluation systems within the State, to develop definitions of effective teachers and principals, to design and implement plans to ensure that low-income and minority students have equitable access to effective teachers and leaders, and to report on the effectiveness of their teacher and principal preparation programs, as measured, in part, by the performance of their graduates in the classroom. In addition, some State-level funds would be focused on improving the effectiveness of the State’s principals.

In order to receive an award, an LEA would be required to develop and implement high-quality teacher and principal evaluation systems that, among other things, differentiate teachers across multiple performance levels, based in significant part on student academic growth as well as other measures. LEAs would also be required to conduct an assessment of local needs and

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use program funds, along with other local, State, and Federal funds, to meet those needs and to ensure the equitable distribution of effective and highly effective teachers and principals within the LEA. LEAs would use program funds to carry out a broad range of activities, including those designed to recruit, prepare, support, and retain effective and highly effective teachers and principals, particularly for high-need and low-performing schools.

Within the Effective Teachers and Leaders State Grants appropriation, the Department would reserve up to 25 percent to make direct awards for teacher and leader preparation activities. Activities carried out under the proposed set-aside would play a key role in helping to create or expand high-quality pathways into the teaching profession and other innovative approaches for recruiting, training, and placing mid-career professionals and recent college graduates whose knowledge and experience can help them become successful teachers in high-need schools. It would support the essential elements of preparing new teachers to enter the classroom, supporting them during their first years in the profession, and addressing inequities in the distribution of effective and highly effective teachers. Over the next 10 years, 1.6 million teachers will retire, and 1.6 million new teachers will be needed to take their place. This poses both an enormous challenge and an extraordinary opportunity for our education system; if we succeed in recruiting, preparing, supporting, and retaining great teaching talent, we can transform public education in this country and begin to deliver an excellent education for every child.

The proposed set-aside would also support the recruitment, preparation, and retention of effective principals and school leadership teams who are able to turn around low-performing schools. A growing body of research indicates that the quality of a school's leadership has a substantial effect on student achievement. Good school leaders are able to create cultures focused on learning, with high expectations for all students, as well as recruit and retain highly effective teachers. Moreover, the impact of strong leadership may be greatest in high-need and low-performing schools. These schools need serious, systematic change, requiring effective leaders. Federal investments in the recruitment, preparation, and retention of effective principals and school leadership teams will also be particularly important given that the Bureau of Labor Statistics expects increased demand for educational administrators through 2018, as the number of school-age children grows and current school leaders retire in greater numbers.

This would be a forward-funded program. Funds would become available for obligation from July 1 of the fiscal year in which they are appropriated and remain available through September 30 of the following year.

FY 2013 BUDGET REQUEST

The Administration requests \$2.5 billion for the Effective Teachers and Leaders State Grants program for fiscal year 2013. This program would focus on improving teacher and principal effectiveness and ensuring the equitable distribution of effective and highly effective teachers and principals. States and LEAs would have flexibility in how they use formula grant funds, but would be accountable for improving their teacher and principal evaluation systems and ensuring that low-income and minority students have equitable access to teachers and principals who are effective at raising student achievement. With the amount reserved for national activities, the

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Department would build evidence on how to best recruit, prepare, and support effective teachers and school leaders, recruit and prepare effective STEM teachers, and invest in efforts to enhance the teaching and leadership professions.

Funding for the Effective Teachers and Leaders State Grants program would also help ensure that all children are taught by teachers who have expertise in the subjects they teach and the skills needed to teach effectively. In guiding the implementation of the program, the Department would emphasize collaboration among staff, formation of effective instructional teams, and the use of student work and outcome data to improve instruction and student achievement.

In recognition of the changing nature of America's teaching workforce and the need to enhance the role of teachers in transforming public education, the Department would reserve up to 25 percent of the appropriation for Effective Teachers and Leaders State Grants to support:

- The creation and expansion of high-quality pathways into the teaching profession and school leadership, including university- and LEA-based traditional and alternative routes into teaching, and the recruitment, preparation, and retention of principals and school leadership teams that are able to turn around low-performing schools.
- Investments in the preparation of new science, technology, engineering, and mathematics (STEM) teachers to support the Administration's goal of recruiting and preparing effective and highly effective STEM teachers. This emphasis on STEM teacher preparation reflects the Administration's commitment to promoting excellence in STEM throughout our education system, and would complement other proposed activities, including the Effective Teaching and Learning for a Complete Education: STEM initiative, the new Fund for the Improvement of Education mathematics initiative, and the Investing in Innovation program.
- State activities to dramatically improve the quality of teacher preparation, including the development of rigorous accountability systems for teacher preparation programs, the enhancement of teacher certification and licensure standards so that those standards are based on performance, and the elimination of barriers to operating effective alternative routes to certification.
- The new Supporting Effective Educator Development (SEED) program, which was initiated with fiscal year 2011 funds under the current Improving Teacher Quality State Grants program. Under the SEED program, the Department makes grants to national non-profit organizations to support teacher and school leader enhancement projects with evidence of effectiveness.
- National research, technical assistance, outreach, and dissemination activities. The Department would support activities to strengthen teacher and principal evaluation, improve teacher and principal certification, develop and disseminate model surveys on the quality of educator support and working conditions, and scale up the work of nonprofit organizations that support LEAs in strengthening their teacher and principal pipelines and human resource practices.

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PROGRAM OUTPUT MEASURES (dollars in thousands)

<u>Measures</u>	<u>2013</u>
Funding for State grants	
Range of awards to States	\$8,590–\$201,987
Average State grant	34,390
Amount for Outlying Areas	12,333
Amount for BIE	12,333
National leadership activities	616,642
Evaluation	36,999

Teacher and Leader Innovation Fund

PROGRAM DESCRIPTION

The Teacher and Leader Innovation Fund would provide support for State and LEA efforts to develop and implement innovative approaches to improving human capital management systems. It would build on the strengths of the Teacher Incentive Fund and support compensation reforms and complementary reforms of teacher and principal development and evaluation, teacher placement, and other practices.

Grantees, selected competitively, would use funds to reform teacher and school leader compensation and career advancement systems, improve the use of evaluation results for retention, compensation, and other human capital management decisions, improve hiring and placement practices, improve certification and licensure systems, and implement other innovative strategies to strengthen the workforce.

FY 2013 BUDGET REQUEST

The Administration requests \$400.0 million for the Teacher and Leader Innovation Fund for fiscal year 2013. This program would help support States and LEAs in improving the effectiveness of teachers and leaders in high-need schools and LEAs, in particular by creating the conditions to identify, recruit, prepare, support, retain, and advance effective and highly effective teachers, principals, and school leadership teams in those schools. It would also support activities to improve teacher and leader effectiveness, reduce disparities in the access of students to effective and highly effective teachers and leaders, and support the improvement of persistently low-performing schools.

In fiscal year 2013, continuation costs for the Teacher Incentive Fund would be funded from the appropriation for the Teacher and Leader Innovation Fund.

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PROGRAM OUTPUT MEASURES (dollars in thousands)

<u>Measures</u>	<u>2013</u>
Funding for new awards	\$108,000
Number of new awards	6
Average new award	\$18,000
Peer review of new award applications	\$1,000
Evaluation	\$6,000

NOTE: Approximately \$285,000 thousand in 2013 would be provided from the appropriation for the Teacher and Leader Innovation Fund for continuation costs under the Teacher Incentive Fund.

Teacher and Leader Pathways

FY 2013 BUDGET REQUEST

The Administration proposes to support high-quality teacher and leader pathways through a 25-percent set-aside within the Effective Teacher and Leader State Grants program. In fiscal year 2013, the Administration also requests \$74.7 million for Teacher and Leader Pathways to pay continuation costs for the School Leadership (\$14.1 million), Teacher Quality Partnership (\$42.4 million), and Transition to Teaching (\$18.2 million) programs.

PROGRAM PERFORMANCE INFORMATION

Performance Measures

The Department will establish goals and performance indicators to assess the impact of each of the Excellent Instructional Teams programs.

Under the Effective Teachers and Leaders State Grants program, each State would be required to report annually to the public and the Department, through a State Report Card, on key measures concerning teacher and principal effectiveness, the quality of educator support and working conditions, the distribution of effective and highly effective teachers and principals, and the effectiveness of each teacher and principal preparation program in the State.

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(Elementary and Secondary Education Act of 1965, Title II, Part A)

(dollars in thousands)

FY 2013 Authorization: 0¹

Budget Authority:

	<u>2012</u>	<u>2013</u>	<u>Change</u>
Annual appropriation	\$785,216	0	-\$785,216
Advance for succeeding fiscal year	<u>1,681,441</u>	<u>0</u>	<u>-1,681,441</u>
Total	2,466,567	0	-2,466,567

¹The GEPA extension expired September 30, 2008. The program is proposed for consolidation in FY 2013 under new legislation.

PROGRAM DESCRIPTION

Improving Teacher Quality State Grants provide funds to State educational agencies (SEAs) and local educational agencies (LEAs) to develop and support a high-quality teaching force through activities that are grounded in scientifically based research. The program gives States and LEAs a flexible source of funding with which to meet their particular needs in strengthening the skills and knowledge of teachers and principals to enable them to improve student achievement in the core academic subjects. In return for this flexibility, LEAs are required to demonstrate annual progress in ensuring that all teachers teaching in core academic subjects within the State are highly qualified and that increasing numbers of teachers are receiving high-quality professional development.

Improving Teacher Quality State Grants funds are distributed by formula. Each State receives the amount of funds that it received from the antecedent Eisenhower Professional Development State Grants and Class Size Reduction programs in fiscal year 2001. Remaining funds are then allocated to States by formula based 35 percent on States' relative shares of the population aged 5 to 17 and 65 percent on States' relative shares of children from low-income families aged 5 to 17, with each State receiving at least one-half of 1 percent of these remaining funds. The Bureau of Indian Education in the Department of the Interior and the Outlying Areas each receive one-half of 1 percent of the appropriation.

Each State must allocate 95 percent of its funds for subgrants to LEAs; 2.5 percent of the State's share or \$125.0 million, whichever is less, for Subgrants to Eligible Partnerships; and the remainder for State-level activities. States may use their State-level funds for a variety of activities, including the reform of teacher and principal certification or licensing requirements, teacher mentoring, creation or improvement of alternative routes to certification, teacher recruitment and retention programs, tenure reform, professional development for teachers and principals, technical assistance to LEAs, activities to promote State reciprocity of teacher and

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principal certification or licensing, performance-based compensation systems, and pay differentiation programs.

The State awards subgrants to LEAs using a formula that is similar to the one that the Department uses for State allocations, except that, after LEAs receive the amount equivalent to their 2001 allocations from the Eisenhower Professional Development State Grants and Class Size Reduction programs, remaining funds are then allocated to LEAs by a formula based 20 percent on LEAs' share of the population aged 5 to 17 and 80 percent on LEAs' share of children from low-income families aged 5 to 17. In addition to using these funds for professional development and class-size reduction, LEAs may use program funds for other activities to improve teacher quality, including teacher and principal recruitment and retention initiatives, signing bonuses and other financial incentives, teacher and principal mentoring, reforming tenure systems, merit pay, teacher testing, and pay differentiation initiatives.

Subgrants to Eligible Partnerships are awarded competitively by the State agency for higher education working in conjunction with the SEA. Eligible partnerships must include an institution of higher education and its division that prepares teachers and principals, a school of arts and sciences, and a high-need LEA; other entities are allowable members of the partnership. Partnerships that receive a subgrant must use the funds to provide professional development in core academic subjects to teachers, highly qualified paraprofessionals, and, if appropriate, principals.

The 2002 Elementary and Secondary Education Act (ESEA) reauthorization required all SEAs receiving Title I, Part A funds to develop a plan to have all public school teachers of core academic subjects meet the Act's highly qualified teacher requirements no later than the end of the 2005-2006 school year. "Highly qualified" means that the teacher: (1) has obtained full State certification as a teacher; (2) holds a minimum of a bachelor's degree; and (3) has demonstrated subject-matter competency in each of the academic subjects in which he or she teaches. LEAs have commonly used their Improving Teacher Quality State Grants funds to help enable teachers to meet this requirement.

In the fiscal year 2011 appropriations act, Congress directed the Department to use 1 percent of that year's appropriation for the new Supporting Effective Educator Development (SEED) program. Under the SEED program, the Department makes grants to national non-profit organizations to support teacher and school leader enhancement projects with evidence of effectiveness. Grantees will use the funds to recruit, select, and prepare or provide professional enhancement activities for teachers or for teachers and principals.

This is a forward-funded program that includes advance appropriations. A portion of the funds becomes available for obligation on July 1 of the fiscal year in which they are appropriated and remains available for 15 months through September 30 of the following year. The remaining funds become available on October 1 of the fiscal year following the appropriations act and remain available for 12 months, expiring at the same time as the forward-funded portion.

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Funding levels for the past 5 fiscal years were as follows:

	(dollars in thousands)
2008	\$2,935,248
2009	2,947,749
2010	2,947,749
2011	2,464,876
2012	2,466,567

FY 2013 BUDGET REQUEST

The Administration requests no funding for the Improving Teacher Quality State Grants program for fiscal year 2013. In place of several, sometimes narrowly targeted programs that serve current and prospective teachers and school leaders, the Administration has proposed to create a broader Excellent Instructional Teams initiative through the Elementary and Secondary Education Act reauthorization. This new initiative would include two new programs that would provide formula grants to States and districts to improve the effectiveness and equitable distribution of teachers and leaders and competitive grants to States and districts to support the development and implementation of innovative teacher and leader policies.

This approach would support State and local efforts to: (1) promote and enhance the teaching profession; (2) recruit, prepare, develop, reward, and retain effective and highly effective teachers, principals, and other school leaders and foster excellent instructional teams, especially in high-need LEAs, schools, fields, and subjects; (3) ensure the equitable distribution of effective and highly effective teachers and principals; (4) increase the effectiveness of teachers and principals; (5) improve the preparation of teachers and principals by developing, supporting, and expanding high-performing pathways to becoming a teacher or principal; (6) strengthen teacher and principal evaluation systems; (7) ensure that teachers have the knowledge, skills, data, support, and collaborative opportunities needed to be effective in the classroom; and (8) improve the management of the education workforce in States and local educational agencies.

High-quality recruitment, preparation, induction, professional development, and career advancement programs will be important components of the Excellent Instructional Teams initiatives, to ensure that our Nation's high-poverty schools are staffed with effective and highly effective teachers who are prepared to help all children succeed academically. Funding for the Excellent Instructional Teams programs would also help maintain the momentum for ensuring that all children are taught by teachers who have expertise in the subjects they teach and the skills and supports needed to teach effectively.

The Effective Teachers and Leaders State grants portion of the Excellent Instructional Teams programs would focus on developing systems to evaluate teacher and principal effectiveness, based in significant part on student growth, as well as other factors, and on using these evaluation systems to inform decisions about professional development, mentoring, compensation, promotion, and other human capital decisions. States and local educational agencies (LEAs) would have flexibility in how they use formula grant funds, but would be

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accountable for having in place rigorous teacher and principal evaluation systems and for ensuring that all students, including students in high-poverty and high-minority schools, and all LEAs, have equitable access to teachers and principals who are effective at raising student achievement.

PROGRAM OUTPUT MEASURES (dollars in thousands)

<u>Measures</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Range of awards to States	\$11,547- \$270,613	\$11,494- \$270,259	0
Average State award	46,219	46,013	0
Amount for Outlying Areas	12,263	12,271	0
Amount for BIE	12,263	12,271	0
Evaluation	12,324	12,333	0
Supporting Effective Educator Development	24,649	36,999	0

PROGRAM PERFORMANCE INFORMATION

Performance Measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years and the resources and efforts invested by those served by this program.

The measures established by the Department to assess the performance of the Improving Teacher Quality State Grants program gauge the percentage of core academic classes taught by highly qualified teachers in high-poverty schools and by highly qualified teachers in elementary and secondary schools. Since 2007, these data have been collected by the Department's EDFacts/Education Data Exchange Network (EDEN).

Goal: To improve teacher and principal quality and increase the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools.

Objective: *Show an annual increase in the percentage of classes taught by highly qualified teachers.*

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Measure: The percentage of core academic elementary classes in high-poverty schools taught by highly qualified teachers.

Year	Target	Actual
2008	100	95
2009	100	96
2010	100	97
2011	100	
2012	100	

Measure: The percentage of core academic classes in high-poverty secondary schools taught by highly qualified teachers.

Year	Target	Actual
2008	100	90
2009	100	93
2010	100	94
2011	100	
2012	100	

Measure: The percentage of core academic classes taught by highly qualified teachers in elementary schools.

Year	Target	Actual
2008	100	97
2009	100	97
2010	100	98
2011	100	
2012	100	

Measure: The percentage of core academic classes taught by highly qualified teachers in secondary schools.

Year	Target	Actual
2008	100	94
2009	100	95
2010	100	96
2011	100	
2012	100	

Additional information: The program made progress on this objective from 2007 to 2008, from 2008 to 2009, and from 2009 to 2010, but did not meet the 100 percent targets called for under current law. No targets are shown for 2013 because the Administration is proposing to consolidate this program.

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Measure: The number of States that reduce the difference between the percentage of core academic classes taught by highly qualified teachers in elementary schools in the highest-poverty quartile and the percentage of core academic classes taught by highly qualified teachers in elementary schools in the lowest-poverty quartile.

Year	Target	Actual
2008		27
2009		31
2010		30
2011		
2012		

Measure: The number of States that reduce the difference between the percentage of core academic classes taught by highly qualified teachers in secondary schools in the highest-poverty quartile and the percentage of core academic classes taught by highly qualified teachers in secondary schools in the lowest-poverty quartile.

Year	Target	Actual
2008		33
2009		31
2010		29
2011		
2012		

Additional information: These measures present the number of States that reduced (from the year prior to the year for which the data are reported) the difference in the percentage of core academic classes taught by highly qualified teachers in highest-poverty versus lowest-poverty schools. For example, 30 States reduced the difference in these percentages in elementary schools between 2009 and 2010, and 29 States reduced the difference in these percentages in secondary schools between 2009 and 2010. The Department has not set targets for these measures because the Administration is proposing to consolidate this program.

Efficiency Measure

The efficiency measure for the Improving Teacher Quality State Grants program focuses on decreasing the average number of days between the date of a monitoring visit and the date that the Department sends a monitoring report to the State.

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Measure: The average number of days it takes the Department of Education to send a monitoring report to States after monitoring.

Year	Target	Actual
2008	36	29
2009	35	29
2010	34	16
2011		
2012		

Additional information: Beginning in 2008, data reflect the Department's second round of State monitoring. The Department did not conduct monitoring visits in fiscal year 2011 because program staff were working with States on their revised State plans and preparing for the third round of monitoring visits, which will begin in 2012. No target is shown for 2013 because the Administration is proposing to consolidate this program.

Other Performance Information

The Department is currently using Improving Teacher Quality State Grants evaluation funds to conduct rigorous impact studies in four major areas: pre-service training, alternative routes to certification, professional development, and teacher retention strategies.

A study of pre-service training, released in early 2009, identified different models of teacher training, including models of alternative certification, and compared the performance of students taught by teachers who have received different types of preparation. It found no differences in performance on reading and math assessments of students taught by teachers trained through traditional routes versus teachers who had pursued alternative routes to certification. A second study will look at the effectiveness of teachers who chose to enter teaching through highly selective alternative certification programs; the report is expected in summer 2012.

The Department has invested in two studies of teacher professional development activities to identify and then test promising approaches to in-service training. The first, which was completed in September 2008, examined the extent to which particular professional development activities change teaching practices in ways that research suggests are effective in improving student achievement in early reading. It found that although there were positive impacts on teachers' knowledge of scientifically based reading instruction, neither of the two professional development activities evaluated led to higher student test scores over a 1-year period, and any additional effect of coaching activities on teaching practices was also insignificant.

The second study is examining professional development activities that focus on improving student achievement in mathematics. An interim report on this study, published in April 2010, found that providing teachers 1 year of math professional development (about 55 hours of specialized training during school year 2007-08) did not significantly improve their students' math achievement compared to achievement among students whose teachers did not receive the study-provided professional development. The training did not significantly improve teacher

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knowledge, either, relative to the comparison group of teachers, but did affect one aspect of instructional practice: teachers who received the study-provided training more frequently engaged in activities that elicited student thinking. Teachers in the comparison group were eligible to participate in other district-provided professional development.

The final report was released in May 2011. The report found that the intensive professional development activities were implemented as intended, but teacher turnover limited the amount of training teachers received. For example, some teachers left the study schools and others entered as the study progressed, so not all teachers had the opportunity to experience the full course of professional development. The report found no evidence that the intensive professional development resulted in improved teacher knowledge. In particular, there were no significant impacts on teachers' scores on a specially constructed teacher knowledge test. Finally, there was no evidence that the intensive professional development led to improvements in student achievement in the subject covered by the professional development, rational numbers knowledge. Students taught by teachers in the intensive professional development group and students taught by teachers in a control group performed similarly on a rational numbers test.

Another evaluation assessed existing induction programs in order to identify promising teacher retention strategies. The first report, released in October 2008, found that retention rates of participants in a comprehensive teacher induction activity were not statistically significantly different from those of teachers in a control group. The second report, released in August 2009, includes information from 10 districts in which teachers were offered 1 year of induction services ("1-year" districts) and 7 districts in which teachers were offered 2 years of induction services ("2-year" districts). The report found no discernable impact of comprehensive induction on teacher retention rates in the school, district, or profession after 2 years for either 1-year or 2-year districts. In addition, the report found that there were no statistically significant impacts on overall student achievement across all grade levels in reading or math during the teachers' second year.

The final report on induction programs was released in June 2010. Among teachers who received 2 years of comprehensive induction services, there was no impact on student achievement during the first 2 years, but there was a positive impact on student achievement in both reading and math in the third and final year of the study. Receiving only 1 year of induction services had no impact on student achievement. In addition, neither 1 year nor 2 years of comprehensive induction services led to improvements in teacher retention rates.

In addition to the impact studies described above, the Department has used program evaluation funds to assess the progress that States, school districts, and schools have made in implementing the teacher quality and professional development provisions in the ESEA. The report of this assessment, which was released early in 2009, is based on the second round of data collection from the *National Longitudinal Study of No Child Left Behind* and the *Study of State Implementation of Accountability and Teacher Quality Under No Child Left Behind*. It presents findings from interviews with State education officials in all States and surveys of nationally representative samples of school district officials, principals, and teachers conducted in 2004-05 and 2006-07.

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Key findings of the study include:

- By 2006-07, the vast majority of teachers had met their States' requirements for being considered highly qualified under the ESEA. In that year, 94 percent of classes were taught by a highly qualified teacher. However, requirements for the demonstration of content-knowledge expertise varied greatly among States, both in the passing scores that new teachers must meet to demonstrate content knowledge on assessments and in the extent to which States give teachers credit for years of prior teaching experience in determining their highly qualified teacher status.
- Teachers in high-poverty and high-minority schools were more likely to report that they were not highly qualified. Moreover, even among teachers who were considered highly qualified, teachers in high-poverty schools had less experience and were less likely to have a degree in the subject they taught.
- The percentage of teachers who were not highly qualified was higher for special education teachers and middle-school teachers.
- In 2006-07, 44 percent of school districts reported facing moderate or major challenges in attracting qualified applicants for teaching positions in mathematics, 53 percent for science, and 55 percent for special education. More than 90 percent of high-minority districts reported difficulty attracting applicants in science and mathematics who met the highly qualified teacher requirements.
- Although nearly all teachers reported taking part in content-focused professional development related to teaching reading or mathematics during the 2005-06 school year and summer, a relatively small proportion participated in such learning opportunities for an extended period of time, notwithstanding the ESEA's emphasis on sustained, intensive, classroom-focused professional development. For example, only 13 percent of elementary teachers participated for more than 24 hours in professional development that included in-depth study of topics in reading, and only 6 percent received more than 24 hours of professional development that included in-depth study of topics in mathematics.
- In general, the findings of this study indicate that States and school districts were working to implement and comply with the statutory teacher qualification requirements. States have set standards for highly qualified teachers under the ESEA and have updated their relevant data systems. Both States and districts were working to develop strategies designed to recruit and retain highly qualified teachers, particularly in traditionally disadvantaged schools and high-need fields and subjects such as mathematics, science, and special education. However, the report notes several issues that warrant attention. First, variations among State policies regarding the content knowledge required to meet the highly qualified teacher requirements raise questions about whether some States have set high enough standards to ensure that teachers have a solid understanding of the subjects they teach. Second, the variation in the distribution of highly qualified teachers across types of teachers and schools highlights enduring inequities in student access to highly qualified teachers. Finally, the low percentage of teachers participating in content-focused professional development over an

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extended period of time suggests that more can be done to deepen teachers' content knowledge.

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Teacher incentive fund

(Elementary and Secondary Education Act of 1965, Title V, Part D, Subpart 1)

(dollars in thousands)

FY 2013 Authorization: 0¹

Budget Authority:

	<u>2012</u>	<u>2013</u>	<u>Change</u>
	\$299,433	0	-\$299,433

¹The GEPA extension expired September 30, 2008. Reauthorizing legislation is sought for FY 2013.

PROGRAM DESCRIPTION

The goals of the Teacher Incentive Fund (TIF) are to improve student achievement by increasing teacher and principal effectiveness; reform teacher and principal compensation systems so that teachers and principals are rewarded for gains in student achievement; increase the number of effective teachers teaching low-income, minority, and disadvantaged students in hard-to-staff subjects; and create sustainable performance-based compensation systems. These systems also provide educators with professional development and additional compensation for taking on additional responsibilities and leadership roles.

The program provides grants to encourage school districts and States to develop and implement innovative strategies for providing financial incentives for teachers and principals who raise student achievement and close the achievement gap in some of our highest-need schools. Under the appropriations language authorizing the program, local educational agencies (LEAs), including charter schools that are LEAs; States; or partnerships of: (1) an LEA, a State, or both; and (2) at least one nonprofit organization, are eligible for competitive grants to develop and implement performance-based compensation systems (for public school teachers and principals in high-need areas) that include professional development and career advancement opportunities. Also under the statutory language, these compensation systems must take into consideration gains in student achievement as well as other factors, including classroom observations conducted multiple times during the year. Further, the Department requires applicants for TIF grants to demonstrate a significant investment in, and a commitment to ensuring the fiscal and programmatic sustainability of, their project.

The appropriations language also permits the Department to use up to 5 percent of TIF funds for technical assistance, training, peer review of applications, program outreach, and evaluation activities.

The American Recovery and Reinvestment Act (the Recovery Act) provided an additional \$200.0 million in fiscal year 2009 for new TIF awards. With the Recovery Act funds, and in response to lessons learned from the first two rounds of TIF grants and from other efforts

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Teacher incentive fund

around the country to improve educator effectiveness, the Department placed a priority on the support of projects that will develop and implement a performance-based compensation system that: (1) rewards, at differentiated levels, teachers and principals who demonstrate their effectiveness by improving student achievement; (2) uses student growth as a significant factor in calculating differentiated levels of compensation provided to teachers and principals; (3) is designed to assist high-need schools to (a) retain effective teachers in teaching positions in hard-to-staff subjects and specialty areas, such as mathematics, science, special education, and English language acquisition, and (b) fill vacancies with teachers of those subjects or specialty areas who are effective or likely to be effective; and (4) is sustainable and aligned with a coherent strategy for strengthening the educator workforce in an LEA participating in the project. Grantees were required to demonstrate the involvement and support of teachers and principals, to develop a plan for communicating the components and measures of the system to teachers and principals, and to provide professional development to teachers and principals that enables them to use data generated by these measures to improve their practice.

The Recovery Act also required the Department, through the Institute of Education Sciences (IES), to conduct a rigorous national evaluation, using a randomized controlled methodology if feasible, to assess the impact of performance-based teacher and principal compensation systems on teacher and principal recruitment and retention in high-need schools and subjects. The Recovery Act, in addition to providing the 5 percent reservation for an evaluation, allowed the Secretary to reserve up to 1 percent for management and oversight of the activities supported with those funds. The Recovery Act funds were available for obligation by the Department through September 30, 2010.

In the competition for fiscal year 2012 funds, the Department is placing a priority on supporting projects with performance-based compensation systems that not only are well-designed and implemented LEA-wide, but also are part of a broader districtwide plan to evaluate teachers and principals fairly and rigorously, improve LEA human capital management, improve instruction, and positively affect student achievement. This competition will also support projects that propose innovative ways to use performance-based compensation systems to improve instruction and student achievement in science, technology, engineering, and mathematics.

Funding levels for the past 5 fiscal years were as follows:

	(dollars in thousands)
2008	\$97,270
2009	97,270
Recovery Act.....	200,000
2010	400,000
2011	399,200
2012	299,433

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Teacher incentive fund

FY 2013 BUDGET REQUEST

The Administration requests no funding for the Teacher Incentive Fund (TIF) for fiscal year 2013. In place of several, sometimes narrowly targeted programs that serve current and prospective teachers and school leaders, the Administration has proposed to create a broader Excellent Instructional Teams initiative through the Elementary and Secondary Education Act reauthorization. This new initiative would include two new programs that would provide formula grants to States and districts to improve the effectiveness and equitable distribution of teachers and leaders and competitive grants (expanding on the TIF) to States and districts to support the development and implementation of innovative teacher and leader policies.

This approach would support State and local efforts to: (1) promote and enhance the teaching profession; (2) recruit, prepare, develop, reward, and retain effective and highly effective teachers, principals, and other school leaders and foster excellent instructional teams, especially in high-need LEAs, schools, fields, and subjects; (3) ensure the equitable distribution of effective and highly effective teachers and principals; (4) increase the effectiveness of teachers and principals; (5) improve the preparation of teachers and principals by developing, supporting, and expanding high-performing pathways to becoming a teacher or principal; (6) strengthen teacher and principal evaluation systems; (7) ensure that teachers have the knowledge, skills, data, support, and collaborative opportunities needed to be effective in the classroom; and (8) improve the management of the education workforce in States and local educational agencies.

Building on the initiatives undertaken and advances made through the TIF, the Teacher and Leader Innovation Fund and the other Excellent Instructional Teams programs proposed for the reauthorization of ESEA would provide support for State and school district efforts to develop and implement innovative approaches to creating human capital systems that improve teacher and leader effectiveness and student outcomes. The new programs would include a focus on the recruitment, retention, and reward of teachers and principals who raise student achievement and close the achievement gap in high-need schools.

Teacher and Leader Innovation Fund grantees would use program funds to reform teacher and school leader compensation and career development systems, improve the development and implementation of evaluation systems that can be used to guide professional development and continuous improvement of instruction, inform retention and compensation decisions, improve hiring and placement practices, improve certification and licensure decisions, and implement other human resource reforms and other innovations to support and strengthen the workforce.

The Excellent Instructional Teams initiatives will encourage and support State educational agencies and LEAs in advancing comprehensive strategies for strengthening the educator workforce and driving improvements in teacher effectiveness, including through the types of activities currently supported under the TIF. As States and LEAs seek to increase educator effectiveness by aligning their approaches to recruitment and placement, preparation and certification, induction and development, and retention and advancement of effective and highly effective teachers and leaders, compensation systems that reward teacher contribution can reinforce these efforts. For example, compensation reform can be an important tool in efforts to

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Teacher incentive fund

attract effective and highly effective teachers and leaders and build strong instructional teams in high-need schools, to create robust career advancement systems for teachers and other school leaders, and to create more effective professional development systems.

Because of the interconnectedness of these areas, it is important to think of them in a coherent, integrated way, with emphasis consistently placed on approaches that measure, support, and reward teachers and school leaders based on their effectiveness in delivering improved student outcomes and that support educators' efforts to improve throughout the course of their careers. Recent TIF competitions placed a strong emphasis on developing fair and rigorous evaluation systems and providing targeted professional development; this emphasis will continue both in the Teacher and Leader Innovation Fund and in the requirements under the new Effective Teachers and Leaders State Grants program.

Under the Administration's reauthorization proposal, in fiscal year 2013, TIF continuation grant costs would be funded from the new Teacher and Leader Innovation Fund.

PROGRAM OUTPUT MEASURES (dollars in thousands)

<u>Measures</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Amount for new awards	0	\$284,462	0
Number of new awards	0	30	0
Average new award	0	\$9,482	0
Amount for continuation awards	\$379,236	0	0
Number of continuation awards	80	0	0
Average continuation award	4,740	0	0
Technical assistance, training, outreach, and evaluation	\$19,960	\$13,771	0
Peer review of new award applications	\$4	\$1,200	0

NOTE: Continuation costs of approximately \$285,000 thousand in 2013 would be provided from the appropriation for the Teacher and Leader Innovation Fund.

PROGRAM PERFORMANCE INFORMATION

Performance Measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years and those requested in

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Teacher incentive fund

FY 2013 and future years, and the resources and efforts invested by those served by this program.

The Department has established the following goal and performance indicators to assess the impact of the Teacher Incentive Fund:

Goal: Improve student achievement by increasing teacher and principal effectiveness by reforming teacher and principal compensation systems so that teachers and principals are rewarded for increases in student achievement.

Objective: Show an increase in the percentage of teachers and principals in high-need schools who have a record of effectiveness.

Measure: The percentage of teachers and principals in high-need schools who have a record of effectiveness.

Year	2006 Cohort Target	2006 Cohort Actual	2007 Cohort Target	2007 Cohort Actual
2008		31.0		57.6
2009		30.7		45.1
2010		33.8		53.6
2011		33.9		39.1
2012				
2013				

Additional information: The Department collects these data from grantee annual performance reports. The Department has received preliminary data for this measure from the 2006 and 2007 cohorts, and expects to receive final results, as well as data on the 2010 cohort's performance, in fall 2012. The Department has not set targets for these measures because the Administration is proposing to consolidate this program.

Objective: Show an increase in the percentage of a district's personnel budget that is used for performance-related payments to effective (as measured by student achievement gains) teachers and principals.

Measure: The percentage of a district's personnel budget that is used for performance-related payments to effective teachers and principals (as measured by student achievement gains).

Year	2006 Cohort Target	2006 Cohort Actual	2007 Cohort Target	2007 Cohort Actual
2008		0.5		1.3
2009		0.8		1.2
2010		0.8		0.7
2011		1.4		0.6
2012				
2013				

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Additional information: The Department collects these data from grantee annual performance reports. The Department has received preliminary data for this measure from the 2006 and 2007 cohorts, and expects to receive final results, as well as data on the 2010 cohort's performance, in fall 2012. The Department has not set targets for these measures because the Administration is proposing to consolidate this program.

Other Performance Information

The Institute of Education Sciences (IES) is conducting a rigorous national evaluation, using a randomized controlled methodology, to assess the impact of performance-based teacher and principal compensation systems (PBCSs) on student achievement and teacher and principal recruitment and retention in high-need schools and subjects. The Department will release an initial report in early 2014. IES is also conducting a study to assess the impact of implementing a teacher and leader performance evaluation system on student achievement, classroom practices, and teacher and principal mobility. The Department expects to publish an initial report in late 2014 and a final report in late 2015.

The Department's Policy and Program Studies Service is also conducting an implementation study of the 2006 and 2007 Cohorts. This study, which will be published in spring 2012, will describe the main characteristics of TIF grantees' PBCSs in terms of strategies, targeted staff, and size of awards. The study will also determine what system supports (such as planning and buy-in, clear communication, program and funding stability, adequate data systems, and alignment with other human resource policies) and broader contextual factors (such as stakeholder satisfaction) impede or enhance implementation of PBCSs. Finally, the study will describe how grantees are planning on sustaining these systems beyond the life of the TIF grant.

INNOVATION AND INSTRUCTIONAL TEAMS

Transition to teaching

(Elementary and Secondary Education Act of 1965, Title II, Part C, Subpart 1, Chapter B)

(dollars in thousands)

FY 2013 Authorization: 0¹

Budget Authority:

<u>2012</u>	<u>2013</u>	<u>Change</u>
\$26,054	0	-\$26,054

¹The GEPA extension expired September 30, 2008. The program is proposed for consolidation in FY 2013 under new legislation.

PROGRAM DESCRIPTION

The Transition to Teaching program helps high-need schools and local educational agencies (LEAs) recruit and employ qualified licensed or certified teachers by encouraging the development and expansion of alternative routes to certification. The program provides 3- to 5-year grants to recruit, train, certify, and place talented individuals into teaching positions and to support them during their first years in the classroom. In particular, the program focuses on encouraging two groups of nontraditional teaching candidates to become classroom teachers: (1) mid-career professionals with substantial career experience, including highly qualified paraprofessionals, and (2) recent college graduates.

Under the program, the Secretary makes competitive grants to State educational agencies (SEAs), high-need LEAs, for-profit or nonprofit organizations (in partnership with SEAs or high-need LEAs) that have a proven record of effectively recruiting and retaining highly qualified teachers, institutions of higher education (in partnership with SEAs or high-need LEAs), regional consortia of SEAs, or consortia of high-need LEAs. Grantees must develop and implement comprehensive approaches to training, placing, and supporting teacher candidates they have recruited, including ensuring that candidates meet relevant State certification or licensing requirements if the grantee provides an alternative route to teacher certification.

Grantees are expected to ensure that program participants are placed in high-need schools in high-need LEAs and must give priority to schools that are located in areas with the highest percentages of students from families with incomes below the poverty line. A "high-need school" is defined as a school in which at least 30 percent of the students are from low-income families or that is located in an area with a high percentage of out-of-field teachers, is within the top 25 percent of schools statewide with unfilled teacher positions, is located in an area with a high teacher turnover rate, or is located in an area with a high percentage of teachers who are not licensed or certified. A "high-need LEA" is defined as an LEA for which at least 20 percent or 10,000 of the children served are from families with incomes below the poverty line and that has a high percentage of teachers teaching out of field or with emergency credentials.

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Transition to teaching

Funding levels for the past 5 fiscal years were as follows:

	(dollars in thousands)
2008	\$43,707
2009	43,707
2010	43,707
2011	41,125
2012	26,054

FY 2013 BUDGET REQUEST

The Administration requests no funding for Transition to Teaching for fiscal year 2013. In place of several, sometimes narrowly targeted programs that serve current and prospective teachers and school leaders, the Administration has proposed to create a broader Excellent Instructional Teams initiative through the Elementary and Secondary Education Act reauthorization. This new initiative would include two new programs that would provide formula grants to States and districts to improve the effectiveness and equitable distribution of teachers and leaders and competitive grants to States and districts to support the development and implementation of innovative teacher and leader policies.

This approach would support State and local efforts to: (1) promote and enhance the teaching profession; (2) recruit, prepare, develop, reward, and retain effective and highly effective teachers, principals, and other school leaders and foster excellent instructional teams, especially in high-need LEAs, schools, fields, and subjects; (3) ensure the equitable distribution of effective and highly effective teachers and principals; (4) increase the effectiveness of teachers and principals; (5) improve the preparation of teachers and principals by developing, supporting, and expanding high-performing pathways to becoming a teacher or principal; (6) strengthen teacher and principal evaluation systems; (7) ensure that teachers have the knowledge, skills, data, support, and collaborative opportunities needed to be effective in the classroom; and (8) improve the management of the education workforce in States and local educational agencies.

Strengthening teacher preparation — including through high-quality alternative routes to certification or licensure — will be a key component of the Excellent Instructional Teams initiative. This emphasis is appropriate, given that, as a result of increasing enrollments and the retirement of many veteran educators, the Nation faces the challenge of hiring hundreds of thousands of teachers and school leaders in the next few years.

The new Excellent Instructional Teams programs would build on Transition to Teaching's record of support for alternative-route programs. The Effective Teachers and Leaders State Grants program and the Teacher and Leader Innovation Fund would provide support for States and LEAs to reform their certification or licensure policies and practices. In addition, the Department would reserve a portion of the appropriation for Effective Teachers and Leaders State Grants to make direct awards to create or expand high-quality pathways into the teaching profession and other innovative approaches for recruiting, training, and placing mid-career professionals and recent college graduates whose knowledge and experience can help them become successful

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Transition to teaching

teachers in high-need schools. This initiative would also support State efforts to dramatically improve the quality of teacher preparation, including the development of systems to hold accountable teacher preparation programs, the enhancement of teacher certification and licensure standards so that those standards are based on performance, and the elimination of barriers to operating effective “alternative route” programs.

Under the Administration’s reauthorization proposal, in fiscal year 2013, Transition to Teaching continuation grant costs would be funded from the appropriation for the new Teacher and Leader Pathways program.

PROGRAM OUTPUT MEASURES (dollars in thousands)

<u>Measures</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Funding for new awards	\$12,882	0	0
Number of new awards	29	0	0
Average new award	\$444	0	0
Funding for continuation awards	\$28,082	\$26,054	0
Number of continuation awards	62	62	0
Average continuation award	\$452	\$420	0
Peer review of new award applications	\$161	0	0
Number of participants	14,487	8,562	0

NOTE: Continuation costs of approximately \$18,188 thousand in fiscal year 2013 would be provided from the appropriation for the Teacher and Leader Pathways programs.

PROGRAM PERFORMANCE INFORMATION

Performance Measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years and those requested in FY 2013 and future years, and the resources and efforts invested by those served by this program.

The Transition to Teaching authorization requires that each grantee submit an interim evaluation report at the end of the third year of the 5-year grant period and a final evaluation report at the end of the grant. This evaluation must describe the extent to which the grantee met program goals relating to teacher recruitment and retention.

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Transition to teaching

The Department established the following goal and performance indicators to assess the impact of the Transition to Teaching program:

Goal: To increase the number of mid-career professionals, qualified paraprofessionals, and recent college graduates who become highly qualified teachers in high-need schools in high-need LEAs and teach for at least 3 years.

Objective: *Recruit, prepare, and retain highly qualified teachers in high-need schools in high-need LEAs.*

Measure: The percentage of Transition to Teaching participants who become teachers of record in high-need schools in high-need LEAs.

Year	2002 Cohort Target	2002 Cohort Actual	2004 Cohort Target	2004 Cohort Actual	2006 Cohort Target	2006 Cohort Actual	2007 Cohort Target	2007 Cohort Actual	2009 Cohort Target	2009 Cohort Actual
2008	75	76	83	83	60	74		65		
2009			85	76	79	66	60	67		
2010			85	85	83	74	79	71		55
2011					85	75	83	72	58	70
2012					85		85		59	
2013										

Additional information: In 2005, the Department set targets for 2007 for the 2002 cohort and for 2007-09 for the 2004 cohort based on the most recent data and the adoption of a standardized definition for “teacher of record” in 2005.

Grantees reported several reasons for the decline in this measure from 2008 to 2009. First, the high-need LEAs served by this program generally reduced hiring in 2009 in response to budget cuts. In addition, many grantees reported recruiting more participants later in the grant period than did the previous cohort, raising the total number of participants. Finally, grantees also reported recruiting an increasing percentage of paraprofessionals, who typically take longer to complete project requirements. Both the 2006 and 2007 cohorts showed increases in 2010.

Because the Department does not expect participants to become “teachers of record” in the first year of the program, baseline data are not provided for the first year of each cohort.

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Transition to teaching

Measure: The percentage of Transition to Teaching participants receiving certification or licensure within 3 years.

Year	2002 Cohort Target	2002 Cohort Actual	2004 Cohort Target	2004 Cohort Actual	2006 Cohort Target	2006 Cohort Actual	2007 Cohort Target	2007 Cohort Actual	2009 Cohort Target	2009 Cohort Actual
2008	65	53	48	44	15	19		9		
2009			50	47	40	31	15	23		
2010			50	61	48	45	40	33		17
2011					50	54	48	44	18	30
2012					50		50		19	
2013										

Measure: The percentage of Transition to Teaching teachers of record who teach in high-need schools in high-need LEAs for 3 years.

Year	2002 Cohort Target	2002 Cohort Actual	2004 Cohort Target	2004 Cohort Actual	2006 Cohort Target	2006 Cohort Actual	2007 Cohort Target	2007 Cohort Actual	2009 Cohort Target	2009 Cohort Actual
2008	75	70		76						
2009			77	66						
2010			77	62		42		21		
2011					43	53		35		
2012					43					
2013										

Additional information: This measure is the number of teachers of record who are still teaching after 3 years divided by the total number who began teaching 3 years earlier. Since it usually takes at least a year for a participant to find a teaching position, the baseline year for each cohort is 4 years after the start of the grant. The Department used baseline data to set targets for 2009 and 2010. In 2009, 66 percent of teachers of record in the 2004 cohort of grantees had taught in high-need schools in high-need LEAs for 3 years, falling short of the target. Grantees noted in their annual reports that when the high-need LEAs served by their projects reduced personnel due to budget cuts, the process was driven mainly by seniority; many of the Transition to Teaching participants serving as teachers of record in these districts were let go first because they had the fewest years of experience.

INNOVATION AND INSTRUCTIONAL TEAMS

Transition to teaching

Efficiency Measures

Measure: The cost per participant who teaches in a high-need school in a high-need LEA for 3 years.

Year	2002 Cohort Target	2002 Cohort Actual	2004 Cohort Target	2004 Cohort Actual	2006 Cohort Target	2006 Cohort Actual	2007 Cohort Target	2007 Cohort Actual	2009 Cohort Target	2009 Cohort Actual
2008	\$30,000	\$14,154	\$21,240	\$19,524						
2009			\$16,240	\$15,287		\$33,317				
2010			\$16,240	\$13,640	\$23,317	\$21,951		\$65,537		
2011					\$18,317	\$19,657	\$55,537	\$41,394		
2012					\$18,317		\$50,537			
2013							\$50,537			

Measure: The percentage of Transition to Teaching teachers of record who teach in high-need schools in high-need LEAs for 3 years.

Year	2002 Cohort Target	2002 Cohort Actual	2004 Cohort Target	2004 Cohort Actual	2006 Cohort Target	2006 Cohort Actual	2007 Cohort Target	2007 Cohort Actual	2009 Cohort Target	2009 Cohort Actual
2008	\$11,500	\$10,848	\$11,500	\$14,333		\$28,505				
2009			\$11,500	\$13,013	\$23,505	\$19,733		\$42,392		
2010			\$11,500	\$8,449	\$18,505	\$9,208	\$37,392	\$13,592		\$21,324
2011					\$18,505	\$10,508	\$32,392	\$14,320	\$15,602	\$17,003
2012					\$18,505		\$32,392		\$10,602	
2013							\$32,392		\$5,602	

Additional information: The denominator for these measures is the cumulative amount of money expended for each cohort.

Other Performance Information

In 2006, the Department released Transition to Teaching Program Evaluation: An Interim Report on the FY 2002 Grantees, a report prepared for the Department by the American Institutes for Research. Using data collected from November 2004 to February 2006, this report examined the types of activities grantees implemented, the content and outcomes of the activities, and the characteristics and qualifications of participants in the program. The report noted that 74 percent of participants who entered the Transition to Teaching project in 2002 were reported still to be teaching in 2004. In addition, the report found that 20 percent of program participants stated that they would likely not be teaching if they had not been involved in a Transition to Teaching project.

The Department published an interim report on the FY 2004 grantee cohort in 2009, describing the extent to which those grantees met goals related to teacher recruitment, certification, and retention as described in their application. The report found that when grantees worked closely with their partnering LEAs, they generally identified and selected candidates who better

INNOVATION AND INSTRUCTIONAL TEAMS

Transition to teaching

matched the needs of the schools in which they could be placed (than was the case when there was not a close working relationship). In addition, the report noted that projects prepared participants for teaching with courses on a variety of topics, most commonly classroom management and instructional strategies. About half of the grantees reported offering courses online, and more planned to use this method and other distance learning strategies in the future to deliver information to participants. The number of certified teachers across projects varied greatly, due, in part, to differences in State certification requirements and the fact that many projects devoted significant resources to recruiting and preparing teachers in the first three years of implementation. Several grantees commented that providing specific test-taking assistance, such as courses tailored to the exam, test preparation workshops and even staffing a “certification specialist,” helped teachers complete the certification process in a timely manner. Finally, the report also looked at the support grantees provided to new teachers, primarily in the form of mentoring and professional development workshops and seminars, to help them adjust to the challenges of the classroom. The data suggest that a relationship exists between this type of support and high retention rates. However, grantees provided little information about why those who were not retained had left their school or project prior to the 3-year benchmark.

INNOVATION AND INSTRUCTIONAL TEAMS

Teacher quality partnership

(Higher Education Act of 1965, Title II, Part A)

(dollars in thousands)

FY 2013 Authorization: Indefinite

Budget Authority:

<u>2012</u>	<u>2013</u>	<u>Change</u>
\$42,833	0	-\$42,833

PROGRAM DESCRIPTION

The Teacher Quality Partnership (TQP) program seeks to improve student achievement and the quality of teachers working in high-need schools and early childhood education (ECE) programs by improving the preparation of teachers and enhancing professional development activities for teachers; holding teacher preparation programs accountable for preparing effective teachers; and recruiting highly qualified individuals, including minorities and individuals from other occupations, into the teaching force. Projects may also include a component to train school leaders in high-need or rural local educational agencies (LEAs) and a component to partner with a public broadcast television station or another entity that develops digital education content, to improve the quality of teacher preparation programs. The program is intended to help create a variety of effective pathways into teaching and support our Nation's teaching force in effectively improving student outcomes.

Only partnerships may apply for funding under this program. Partnerships must include a high-need LEA; a high-need school or high-need ECE program (or a consortium of high-need schools or ECE programs served by the partner high-need LEA); a partner institution of higher education (IHE); a school, department, or program of education within the partner IHE; and a school or department of arts and sciences within the partner IHE. A partnership may also include, among others, the Governor of the State, the State educational agency, the State board of education, the State agency for higher education, or a business.

Further, in order to maximize resources and reduce redundancy, applicants are required to explain how they plan to coordinate activities under the TQP program with other federally funded programs aimed at improving teacher effectiveness (e.g., Teacher Quality State Grants under Title II of the ESEA and the Teacher Incentive Fund).

The following three types of Partnership grants are eligible to be funded through the program:

Pre-Baccalaureate Preparation of Teachers program (Pre-Baccalaureate) — Grants are provided to implement a wide-range of reforms in teacher preparation programs and, as applicable, preparation programs for early childhood educators. These reforms may include, among other things, implementing curriculum changes that improve, evaluate, and assess how

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Teacher quality partnership

well prospective teachers develop teaching skills; using teaching and learning research so that teachers implement research-based instructional practices and use data to improve classroom instruction; developing a high-quality and sustained pre-service clinical education program that includes high-quality mentoring or coaching; creating a high-quality induction program for new teachers; implementing initiatives that increase compensation for qualified early childhood educators who attain 2-year and 4-year degrees; developing and implementing high-quality professional development for teachers in the partner high-need LEAs; developing effective mechanisms, which may include alternative routes to State certification, to recruit qualified individuals into the teaching profession; and strengthening literacy instruction skills of prospective and new elementary and secondary school teachers.

Teaching Residency program — Grants are provided to develop and implement teacher residency programs that are based on models of successful teaching residencies and that serve as a mechanism to prepare teachers for success in high-need schools and academic subjects. Grant funds must be used to support programs that provide, among other things, rigorous graduate-level course work to earn a master's degree while undertaking a guided teaching apprenticeship; learning opportunities alongside a trained and experienced mentor teacher; and clear criteria for selecting mentor teachers based on measures of teacher effectiveness. Programs must place graduates in targeted schools as a cohort in order to facilitate professional collaboration and provide a 1-year living stipend or salary to members of the cohort, which must be repaid by any recipient who fails to teach full time at least 3 years in a high-need school and in a high-need subject or area.

Partnerships may apply for funding under the Pre-Baccalaureate program, the Teaching Residency program, or both. Partnerships may also seek separate funding under the School Leadership program described below. In addition, grant funds are available to develop digital education content to carry out the activities in partnership grants for Pre-baccalaureate programs and partnership grants for Teaching Residency programs. No partnership may receive funds to implement a School Leadership program or to develop digital education content that has not been awarded funding under either the Pre-Baccalaureate program or the Teaching Residency program. Partnerships are eligible to receive grants to support Pre-Baccalaureate or Teaching Residency programs for up to 5 years and must provide matching funds in cash or in kind from non-Federal sources equal to at least 100 percent of the grant amount.

School Leadership program — Grants are provided to develop and implement effective school leadership programs to prepare individuals for careers as superintendents, principals, early childhood education program directors, or other school leaders. Such programs must promote strong leadership skills and techniques so that school leaders are able to:

- Create a school climate conducive to professional development for teachers;
- Understand the teaching and assessment skills needed to support successful classroom instruction;
- Use data to evaluate teacher instruction and drive teacher and student learning,
- Manage resources and time to improve academic achievement,
- Engage and involve parents and other community stakeholders, and

INNOVATION AND INSTRUCTIONAL TEAMS

Teacher quality partnership

- Understand how students learn and develop in order to increase academic achievement.

Grant funds must also be used to develop a yearlong clinical education program, a mentoring and induction program, and programs to recruit qualified individuals to become school leaders.

The American Recovery and Reinvestment Act (Recovery Act) provided \$100 million for the TQP program. These funds were available for obligation for 2 fiscal years. The Department awarded these grants in March 2010 and fully funded the out-year continuation costs with the Recovery Act funds.

In 2008, the Higher Education Opportunity Act (HEOA) extensively redesigned the antecedent program, the Teacher Quality Enhancement program, and renamed it the Teacher Quality Partnership program. Under the revised authority, program funds can be used to support evaluations of programs activities, and, in 2010, the Department awarded a contract for an evaluation of teacher residency programs supported through grants awarded in 2009 and 2010.

The HEOA also allows the Department to use program funds to support the State teacher quality accountability reporting system, as authorized by sections 205-207 of the Higher Education Act. Previously, the system had been funded out of the Department's salaries and expenses account or through the GPRA Data/HEA Program Evaluation program. The State teacher quality accountability reporting system gathers data from all 50 States, the District of Columbia, Puerto Rico, the outlying areas, and the Freely Associated States on such topics as the completion rates for traditional and alternative route teacher preparation programs, and State teacher assessments and certifications. These data are reported to Congress and the Nation through the Secretary's annual report on teacher quality, and they provide critical information on both the progress toward the Nation's goal of a highly qualified teacher in every classroom, and the areas where further improvements are needed (<http://www2.ed.gov/about/reports/annual/teachprep/index.html>).

Funding levels for the past 5 fiscal years were as follows:

	(dollars in thousands)
2008	\$33,662 ¹
2009	50,000 ²
Recovery Act.....	100,000
2010	43,000
2011	42,914
2012	42,833

¹ Funds were provided under the antecedent Teacher Quality Enhancement program.

² Of this amount, the fiscal year 2009 Appropriations Act set aside \$6,556 thousand for non-competing continuation awards under the antecedent Teacher Quality Enhancement program.

FY 2013 BUDGET REQUEST

The Administration requests no funding for the Teacher Quality Partnership (TQP) program for fiscal year 2013. In place of several, sometimes narrowly targeted programs that serve current

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Teacher quality partnership

and prospective teachers and school leaders, the Administration has proposed to create a broader Excellent Instructional Teams initiative through the Elementary and Secondary Education Act reauthorization. This new initiative would include two new programs that would provide formula grants to States and districts to improve the effectiveness and equitable distribution of teachers and leaders and competitive grants to States and districts to support the development and implementation of innovative teacher and leader policies.

This approach would support State and local efforts to: (1) promote and enhance the teaching profession; (2) recruit, prepare, develop, reward, and retain effective and highly effective teachers, principals, and other school leaders and foster excellent instructional teams, especially in high-need LEAs, schools, fields, and subjects; (3) ensure the equitable distribution of effective and highly effective teachers and principals; (4) increase the effectiveness of teachers and principals; (5) improve the preparation of teachers and principals, by developing, supporting, and expanding high-performing pathways to becoming a teacher or principal; (6) strengthen teacher and principal evaluation systems; (7) ensure that teachers have the knowledge, skills, data, support, and collaborative opportunities needed to be effective in the classroom; and (8) improve the management of the education workforce in States and LEAs.

Strengthening teacher preparation, including through partnerships between districts and IHEs, will be a key component of the Excellent Instructional Teams initiatives. This emphasis is appropriate, given that, as a result of increasing enrollments and the retirement of many veteran educators, the Nation faces the challenge of preparing and hiring hundreds of thousands of teachers and school leaders in the next few years.

The new Excellent Instructional Teams initiatives, particularly Teacher and Leader Pathways, would allow States and districts to create or fund teacher and leader preparation programs that meet their needs by giving them the authority to spend funds on a variety of activities, including creating or funding efforts to recruit, train, and support teachers of a variety of ages and backgrounds to teach in high-need schools or high-need subjects. In addition, the Department would reserve a portion of the appropriation for Effective Teachers and Leaders State Grants to make direct awards to create or expand high-quality pathways into the teaching profession and other innovative approaches for recruiting, training, and placing mid-career professionals and recent college graduates whose knowledge and experience can help them become successful teachers in high-need schools. This initiative would also support State efforts to dramatically improve the quality of teacher preparation, including the development of systems to hold accountable teacher preparation programs, the enhancement of teacher certification and licensure standards so that those standards are based on performance, and the elimination of barriers to operating effective “alternative route” programs.

Under the reauthorization proposal, the fiscal year 2013 continuation costs for TQP grants would be funded from the appropriation for the Teacher and Leader Pathways program. The costs of the State teacher quality accountability reporting system, established by title II, sections 205-207 of the Higher Education Act, would be supported by funds set aside for evaluation under the Effective Teachers and Leaders State Grants program.

INNOVATION AND INSTRUCTIONAL TEAMS

Teacher quality partnership

PROGRAM OUTPUT MEASURES (dollars in thousands)

<u>Measures</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Number of continuation awards	28	28	0
Average continuation award	\$1,481	\$1,514	0
Total continuation award funding	\$41,464 ¹	\$40,796 ²	0
Evaluation	\$1,000	0	0
State teacher quality accountability reports	\$450	\$523	0

NOTE: Continuation costs for grants in FY 2013 would be provided from the appropriation for the Teacher and Leader Pathways program. Projected costs of \$480 thousand for data collection for the State teacher quality accountability reports in FY 2013 would be provided from the appropriation for the Effective Teachers State Grants program.

¹ Continuation costs for these grants in 2011 were \$57,000 thousand, which exceeded the amount available, so the awards were reduced.

² Continuation costs for these grants in 2012 are \$58,802 thousand, which exceeds the amount available, so the awards will be reduced.

PROGRAM PERFORMANCE INFORMATION

Performance Measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, and performance measures.

In 2008, the program was reauthorized as part of the Higher Education Opportunity Act and the program was revised extensively. The Department concluded that the performance measures that had been developed for the antecedent program were no longer appropriate. As a result, the Department developed new measures for the program.

Goal: To increase the quality of teachers in high-need schools and early childhood education programs

Objective: *To increase the number of new teachers graduating from high-quality teacher preparation programs.*

Measure: The percentage of program completers (1) who attain initial certification/licensure by passing all necessary licensure/certification assessments and attain a bachelor's degree (pre-baccalaureate program) within 6 years or a master's degree (residency program) within 2 years or (2) who attain highly competent early childhood educator status with a bachelor's degree within 6 years or an associate's degree within 3 years.

Because this performance measure will not provide data for a number of years, the Department also created the following measure that would provide data in a shorter time-frame:

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The percentage of program participants who did not graduate in the previous reporting period and who persisted in the postsecondary program in the current reporting period.

Objective: *To improve the subject matter competency of new teachers.*

Measure: The percentage of grantees that report improved scores for initial State certification or licensure of teachers.

Objective: *To increase the retention rate of new teachers in high-need school districts.*

Measure: The percentage of beginning teachers who are retained in teaching in the partner high-need local educational agency (LEA) or early childhood education (ECE) program 3 years after initial employment.

Because this performance measure would not provide data for a number of years, the Department also created the following measure that would provide data in a shorter time-frame: The percentage of beginning teachers who are retained in teaching in the partner high-need LEA or ECE program 1 year after initial employment.

Data for the performance measures will come from the revised annual performance report. It is expected that initial data for these measures will not be available until fiscal year 2013 at the earliest.

Efficiency Measure

The Department also developed an efficiency measure for this program. The measure is the cost of a successful outcome, where successful outcome is defined as retention in the partner high-need LEA or ECE program 3 years after initial employment. This measure ties in with the program's new performance measures. Data for the efficiency measure will come from the revised annual performance report and will not be available until fiscal year 2013 at the earliest.

Other Performance Information

In 2010, the Institute of Education Sciences (IES) awarded a contract for an evaluation of the teacher residency projects supported through the TQP program to Mathematica Policy Research, Inc. Although the evaluation was originally intended to be an impact study that would examine whether or not having a teacher residency program graduate as a teacher had an effect on student achievement, IES determined that an experimental research design was not feasible. Instead, the evaluation has been restructured as an implementation study

In spring 2011, the evaluator surveyed all 28 TQP teacher residency projects in order to collect descriptive information on the characteristics and implementation of the projects. In order to limit the administrative burden on schools and districts, for a subset of projects, the evaluator conducted interviews with project directors and surveyed teacher residents and their mentors in spring 2011. Beginning in spring 2012, the evaluator will conduct additional surveys of the teachers of record, collect student administrative data and teacher employment verification data, and conduct a survey on teacher mobility.

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The implementation study will address the following research questions:

- How do teachers who complete teacher residency projects compare to other novice teachers and to all teachers in their district?
- What is the retention rate of the residency project teachers compared to their novice colleagues who weren't prepared through a teacher residency project?
- What are the characteristics of the teacher residency projects (e.g., length of overall program, nature of required coursework and apprenticeship activities, characteristics of their assigned mentor teacher, criteria for selecting program participants, etc.)?
- What are the characteristics of the teacher applicants and participants in the teacher residency projects?

The descriptive study includes approximately 300 teachers prepared through the TQP program, and the study will follow a subset of these teachers for an additional 2 years to collect data on teacher retention. IES plans to release the findings of this study in two reports, which are scheduled to be completed in fall 2013 and fall 2014. The Department hopes that the findings will help inform the implementation of the Excellent Instructional Teams initiative, particularly the Teacher and Leader Pathways programs.

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School leadership

(Elementary and Secondary Education Act of 1965, Title II, Part A, Subpart 5, Section 2151(b))

(dollars in thousands)

FY 2013 Authorization: 0¹

Budget Authority:

<u>2012</u>	<u>2013</u>	<u>Change</u>
\$29,107	0	-\$29,107

¹The GEPA extension expired September 30, 2008. The program is proposed for consolidation in FY 2013 under new legislation.

PROGRAM DESCRIPTION

The School Leadership program provides competitive grants to assist high-need local educational agencies (LEAs) in recruiting, training, and retaining principals and assistant principals. A high-need LEA is defined as one that: (1) serves at least 10,000 children from low-income families or serves a community in which at least 20 percent of the children are from low-income families, and (2) has a high percentage of teachers teaching either outside of their area of certification or with emergency, provisional, or temporary certification.

Entities eligible for grants include high-need LEAs, nonprofit organizations, and institutions of higher education. Grantees may use their funds to recruit and retain individuals to serve as principals in high-need LEAs by: (1) providing financial incentives to aspiring new principals, (2) providing stipends to principals who mentor new principals, (3) carrying out professional development programs in instructional leadership and management, and (4) providing incentives that are appropriate for teachers or individuals from other fields who want to become principals and that are effective in retaining new principals.

Funding levels for the past 5 fiscal years were as follows:

	(dollars in thousands)
2008	\$14,474
2009	19,220
2010	29,220
2011	29,162
2012	29,107

INNOVATION AND INSTRUCTIONAL TEAMS

School leadership

FY 2013 BUDGET REQUEST

The Administration requests no funding for School Leadership for fiscal year 2013. In place of several, sometimes narrowly targeted programs that serve current and prospective teachers and school leaders, the Administration has proposed to create a broader Excellent Instructional Teams initiative through the Elementary and Secondary Education Act (ESEA) reauthorization. This new initiative would include two new programs that would provide formula grants to States and districts to improve the effectiveness and distribution of teachers and leaders and competitive grants to States and districts to support the development and implementation of innovative teacher and leader policies.

This approach would support State and local efforts to: (1) promote and enhance the teaching profession; (2) recruit, prepare, develop, reward, and retain effective and highly effective teachers, principals, and other school leaders and foster excellent instructional teams, especially in high-need LEAs, schools, fields, and subjects; (3) ensure the equitable distribution of effective and highly effective teachers and principals; (4) increase the effectiveness of teachers and principals; (5) improve the preparation of teachers and principals by developing, supporting, and expanding high-performing pathways to becoming a teacher or principal; (6) strengthen teacher and principal evaluation systems; (7) ensure that teachers have the knowledge, skills, data, support, and collaborative opportunities needed to be effective in the classroom; and (8) improve the management of the education workforce in States and local educational agencies.

The Administration has placed a new emphasis on school leaders across its budget request to match similar priorities in the ESEA reauthorization proposal. Training for current and prospective school leaders will be a key component of these initiatives because of the importance of school leadership in education reform and innovation and particularly in turning around low-performing schools. Each State would use a portion of its Effective Teachers and Leaders State Grant for activities to improve the quality of the State's school leadership, particularly in high-need and low-performing schools. In addition, the Department would use a portion of the appropriation for Effective Teachers and Leaders State Grants to support the recruitment, preparation, and retention of effective principals and school leadership teams who are able to turn around low-performing schools. The Department would also make competitive Teacher and Leader Innovation Fund grants to support innovative strategies undertaken by States and LEAs to raise the quality of teaching and school leadership, including by empowering principals in high-need schools with greater authority to select effective instructional teams for their schools.

Under the Administration's reauthorization proposal, School Leadership continuation grant costs in fiscal year 2013 would be funded from the appropriation for Teacher and Leader Pathways.

INNOVATION AND INSTRUCTIONAL TEAMS

School leadership

PROGRAM OUTPUT MEASURES (dollars in thousands)

<u>Measures</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Funding for continuation awards	29,162	\$29,107	0
Number of continuation awards	43	43	0
Average continuation award	\$678	\$677	0

NOTE: Continuation costs of approximately \$14,097 thousand in fiscal year 2013 would be provided from the appropriation for the Teacher and Leader Pathways programs.

PROGRAM PERFORMANCE INFORMATION

Performance Measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years and those requested in FY 2013 and future years, and the resources and efforts invested by those served by this program.

The Department has established the following goal with two objectives and corresponding performance indicators to measure the impact of the School Leadership program:

Goal: To increase the number of new, certified principals and assistant principals and to improve the skills of current practicing principals and assistant principals, all serving in high-need schools in high-need LEAs.

Objective: *To recruit, prepare, and support teachers and individuals from other fields to become principals, including assistant principals, in high-need schools in high-need LEAs.*

Measure: The percentage of participants who meet certification requirements to become a principal or assistant principal.

Year	2005 Cohort Target	2005 Cohort Actual	2008 Cohort Target	2008 Cohort Actual	2009 Cohort Target	2009 Cohort Actual	2010 Cohort Target	2010 Cohort Actual
2008	60	73	20	81				
2009			30	70	20	19		
2010			40	58	30	20	20	33
2011			50		40		30	
2012			60		50		40	
2013					80		50	

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Measure: The percentage of participants who are certified and hired as a principal or assistant principal in a high-need local educational agency.

Year	2005 Cohort Target	2005 Cohort Actual	2008 Cohort Target	2008 Cohort Actual	2009 Cohort Target	2009 Cohort Actual	2010 Cohort Target	2010 Cohort Actual
2008	60	59	40	45				
2009			50	36	40	26		
2010			60	32	50	35	40	57
2011			70		60		50	
2012			80		70		60	
2013					80		70	

Additional information: These measures track participants who are enrolled in projects designed to train and certify new principals and assistant principals. Grantees report data through annual performance reports. The Department has received preliminary 2008, 2009, and 2010 performance data for these measures, and may use final results, which will be available in spring 2012, to revise the baseline and targets for these cohorts.

The Department established one additional measure as part of the 2008 grant competition for assessing the effectiveness of the School Leadership program: the percentage of participants certified through the funded project who are hired as a principal or assistant principal in a high-need LEA and who remain in that position for at least 2 years. The Department will use 2010 data, which will be available in fall 2012, to set a baseline and targets for the 2008 cohort.

Objective: *To train and support principals and assistant principals from schools in high- need LEAs in order to improve their skills and increase retention.*

Measure: The percentage of principals and assistant principals from schools in high-need local educational agencies who participated in School Leadership-funded professional development activities and showed an increase in their pre-post scores on a standardized measure of principal skills.

Year	2008 Cohort Target	2008 Cohort Actual	2009 Cohort Target	2009 Cohort Actual	2010 Cohort Target	2010 Cohort Actual
2008	40	47				
2009	50	51	40	0		
2010	60	57	50	81	40	11
2011	70		60		50	
2012	80		70		60	
2013			80		70	

Additional information: These measures track participants who are enrolled in projects designed to support individuals currently serving as principals and assistant principals in high-need LEAs. Grantees report data through annual performance reports. The Department has

INNOVATION AND INSTRUCTIONAL TEAMS

School leadership

received preliminary 2008, 2009, and 2010 performance data for these measures, and may use final 2008 and 2009 results, which will be available in spring 2012, to revise the baseline and targets for these cohorts.

The Department established one other new performance measure as part of the 2008 grant competition: the percentage of principals and assistant principals from schools in high-need LEAs who participated in School Leadership-funded professional development activities and remained in their administrative position for at least 2 years. The Department will use 2010 data, which will be available in fall 2012, to set a baseline and targets for the 2008 cohort.

INNOVATION AND INSTRUCTIONAL TEAMS

Expanding educational options

(Proposed legislation)

(dollars in thousands)

FY 2013 Authorization: To be determined

Budget Authority:

	<u>2012</u>	<u>2013</u>	<u>Change</u>
<i>Supporting effective charter schools</i>	0	\$242,893	+242,893
<i>National activities</i>	<u>0</u>	<u>12,143</u>	<u>+12,143</u>
<i>Total</i>	0	255,036	+255,036

PROGRAM DESCRIPTION

The purpose of the proposed Expanding Educational Options initiative is to increase the supply of high-quality public educational options available to students, especially students attending low-performing schools, by creating and expanding effective charter and autonomous schools and by implementing comprehensive systems of public school choice.

The Administration's Elementary and Secondary Education Act (ESEA) reauthorization proposal includes two component programs within the Expanding Educational Options initiative: (1) Supporting Effective Charter Schools Grants and (2) Promoting Public School Choice Grants. Under Supporting Effective Charter Schools Grants, the Department would make competitive grants to State educational agencies (SEAs), charter school authorizers, charter management organizations, local educational agencies (LEAs), and other nonprofit organizations to start or expand effective charter and autonomous schools and to develop and implement outreach programs that provide high-quality information to parents and students about the public school options available to them. Autonomous schools would be defined as public schools that have autonomy over key areas of operations, including staffing, budget, schedule, management, and instructional program, and are subject to higher levels of accountability than traditional public schools. The Department would work to ensure that funding is focused on the creation of high-quality schools by selecting applicants based on their record of success in authorizing, supporting, funding, overseeing, or operating (depending on the type of grantee) effective charter and autonomous schools, including their record of closing (or terminating funding for) ineffective charter and autonomous schools, as appropriate; and would also ensure that funding is targeted to areas most in need by selecting applicants that demonstrate that they will expand options for students attending low-performing schools. The Department would give priority for grants to applicants proposing to create or expand charter schools and to applicants that would create or expand schools (whether charter or autonomous

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Expanding educational options

schools) with significant percentages of students from low-income families, and could also give priority to applicants whose schools will work to increase the diversity of their student bodies.

In addition, the Department would be authorized to use Supporting Effective Charter Schools funds to make competitive grants to SEAs, LEAs, community development financial institutions, and State financing authorities for the purposes of improving the access of high-performing charter schools to facilities and facilities financing.

Under the second program within the Expanding Educational Options initiative, Promoting Public School Choice Grants, the Department would make competitive grants to high-need LEAs, and to SEAs in partnership with one or more high-need LEAs, to implement programs of public school choice that increase the range of high-quality educational options available to students in high-need schools. Grantees would use funds to: (1) develop and implement a comprehensive public school choice plan, which could include creating or expanding interdistrict and intradistrict choice programs, theme-based school programs, online learning programs, or academic pathways; and (2) develop and implement activities to assist parents and students in identifying and accessing high-quality educational options. The Department would give priority for grants to applicants that propose to implement or expand an interdistrict choice program and to applicants that propose to implement or expand a program that will increase diversity.

The Department would be authorized to use program funds to continue grants made prior to reauthorization for programs that would be consolidated as part of the reauthorization and to reserve up to 5 percent of the appropriation for research and development, data collection, technical assistance, and outreach and dissemination activities.

FY 2013 BUDGET REQUEST

For fiscal year 2013, the Administration requests \$255.0 million for the proposed Expanding Educational Options initiative. The Administration's reauthorization proposal recognizes the continued importance of and need for efforts to increase the availability of high-quality educational options, especially for students attending low-performing schools, and to ensure that families have the information they need to choose from among their options. This new initiative would improve upon existing ESEA public school choice programs by, among other things, funding applicants based on their record of success with respect to charter and autonomous schools and by supporting strengthened information and outreach campaigns.

In fiscal year 2013, the Department would use funds for Supporting Effective Charter Schools Grants and for national activities. Although Promoting Public School Choice Grants would be authorized under the Administration's ESEA reauthorization proposal, the Administration is not requesting funds for this program in fiscal year 2013.

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PROGRAM OUTPUT MEASURES (dollars in thousands)

<u>Measures</u>	<u>2013</u>
Supporting Effective Charter Schools Grants	
Continuation awards for antecedent programs	\$242,893
National activities	\$12,143

NOTE: Approximately \$242,893 thousand in fiscal year 2013 would be provided under Supporting Effective Charter School Grants to fund continuation awards for grants made under the Charter Schools program (including SEA grants (\$196,401 thousand), non-SEA Grants (\$5,540 thousand), Charter Management Organization Grants (\$29,952 thousand), and State Charter School Facilities Incentive Grants (\$11,000 thousand)).

INNOVATION AND INSTRUCTIONAL TEAMS

Charter schools grants

(Elementary and Secondary Education Act of 1965, Title V, Part B, Subpart 1)

(dollars in thousands)

FY 2013 Authorization: 0¹

Budget Authority:

<u>2012</u>	<u>2013</u>	<u>Change</u>
\$255,036 ²	\$0	-\$255,036

¹ The GEPA extension expired September 30, 2008. The program is authorized in FY 2012 through appropriations language. The program is proposed for consolidation in FY 2013 under new legislation.

² From the amount appropriated for Charter Schools, the fiscal year 2012 appropriations act required the Secretary to use not less than \$22,957 thousand for State Facilities Incentive grants and Credit Enhancement for Charter School Facilities grants and authorized the Secretary to use up to \$54,896 thousand to make awards to charter management organizations and other nonprofit entities for replication and expansion of successful charter school models.

PROGRAM DESCRIPTION

The Charter Schools program supports the planning, development, initial implementation, and replication of charter schools, which increase educational options for parents and students and, in exchange for stricter accountability, are exempt from many statutory and regulatory requirements.

State educational agencies (SEAs) in States in which State law permits charter schools to operate are eligible to compete for grants. States receiving grants make subgrants to charter school developers, which may include individuals and public and private nonprofit organizations. If an eligible SEA does not receive a grant, charter school developers in the State may apply directly to the Secretary for funding. Developers receive up to 3 years of assistance, of which they may use not more than 18 months for planning and program design and not more than 2 years for the initial implementation of a charter school. States may reserve up to 10 percent of their grants to make subgrants to successful charter schools for information dissemination activities.

In awarding grants, the Department must give priority to States that provide for review and evaluation of charter schools by their chartering agencies at least once every 5 years to determine whether the schools are meeting their charter terms and their requirements and goals for student academic achievement. The Department must also give priority to States that meet one or more of the following criteria: (1) demonstrated progress in increasing the number of charter schools that are held accountable for results; (2) have chartering agencies that are not local educational agencies (LEAs) or, if only LEAs are chartering agencies, have an appeals

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Charter schools grants

process for prospective charter schools that initially fail to be approved; (3) and give charter schools a high degree of autonomy over their budgets and expenditures.

Under the authorizing statute, the Secretary must use the amount appropriated above \$200 million, but not exceeding \$300 million, and 50 percent of any funds exceeding \$300 million, to make competitive 5-year grants under the State Facilities Incentive Grants program. State Facilities Incentive Grants support per-pupil aid programs that assist charter schools with school facility costs. States pay an increasing share of the cost of their per-pupil aid programs over the course of their grants.

Beginning in fiscal year 2010, appropriations language has revised the program's allocation rules to permit or require the Secretary to use specific amounts for State Facilities Incentive Grants and Credit Enhancement for Charter Schools Facilities Grants and for grants to charter management organizations (CMOs) and other nonprofit entities for the replication and expansion of successful charter school models. For fiscal year 2012, the appropriations act specifically required the Secretary to use not less than \$22,957 thousand for State Facilities Incentive grants and Credit Enhancement for Charter School Facilities grants and authorized the Secretary to use up to \$54,896 thousand for grants to charter management organizations and other nonprofit entities for replication and expansion of successful charter school models.

The authorizing statute also permits the Secretary to use up to \$8 million of the appropriation for national activities. Recent years' appropriation acts have overridden this cap and allowed the use of a higher amount for this purpose, including for technical assistance to public chartering agencies to increase the number of high-performing charter schools. The fiscal year 2012 appropriation act permits the Secretary to use up to \$10,979 thousand for these activities.

Funding levels for the past 5 fiscal years were as follows:

	(dollars in thousands)
2008.....	\$211,031
2009.....	216,031
2010.....	256,031
2011.....	255,519
2012.....	255,036

FY 2013 BUDGET REQUEST

The Administration is not requesting funding for the Charter Schools program for fiscal year 2013. In place of this and several other, sometimes narrowly targeted, programs that seek to expand educational options for students and families, the Administration has proposed to create a broader initiative, Expanding Educational Options, through the Elementary and Secondary Education Act (ESEA) reauthorization. This new initiative would address the need to increase the supply of high-quality public educational options available to students, especially students attending low-performing schools, by creating and expanding effective charter and autonomous schools, by implementing comprehensive systems of public school choice, and by strengthening parent information and outreach efforts.

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Charter schools grants

The Expanding Educational Options initiative would consist of two separate authorizations: (1) Supporting Effective Charter Schools Grants and (2) Promoting Public School Choice Grants. Under Supporting Effective Charter Schools Grants, the Department would make competitive grants to SEAs, charter school authorizers, CMOs, LEAs, and other nonprofit organizations to start or expand effective charter and autonomous schools and to develop and implement outreach programs that provide high-quality information to parents and students about the public school options available to them. Funds would also be available for competitive grants for charter schools facilities programs. Under Promoting Public School Choice Grants, the Department would make competitive grants to high-need LEAs, and to SEAs in partnership with one or more high-need LEAs, to: (1) develop and implement a comprehensive public school choice plan, which could include creating or expanding interdistrict or intradistrict choice programs, theme-based school programs, online learning programs, or academic pathways; and (2) develop and implement activities to assist parents and students in identifying and accessing high-quality educational options.

The creation and expansion of charter schools remains a key element of the Administration's strategy to promote successful models of school reform. Recipients of funds under the current Charter Schools program and other applicants would be eligible to apply for funds under the new Supporting Effective Charter Schools grants program to start or expand charter and autonomous schools. The Department would work to ensure that funding is focused on the creation of high-quality schools by selecting applicants based on their record of success in authorizing, supporting, funding, overseeing, or operating (depending on the type of grantee) effective charter and autonomous schools, including their record of closing (or terminating funding for) ineffective charter and autonomous schools, as appropriate; and would also ensure that funding is targeted to areas most in needed by selecting applicants that demonstrate that they will expand options for students attending low-performing schools. The Department would give priority for grants to applicants proposing to create or expand charter schools and to applicants that would create or expand schools (whether charter or autonomous schools) with significant percentages of students from low-income families, and could also give priority to applicants whose schools will work to increase the diversity of their student bodies.

Under the Administration's reauthorization proposal, fiscal year 2013 Charter Schools grant continuation costs would be funded from the appropriation for the new Expanding Educational Options initiative.

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Charter schools grants

PROGRAM OUTPUT MEASURES (dollars in thousands)

<u>Measures</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Charter Schools Grants			
Amount for new SEA awards	\$51,503	\$14,008	0
Amount for continuation SEA awards	138,355	169,035	0
Amount for new non-SEA awards	4,793	1,906	0
Amount for continuation non-SEA awards	2,655	5,817	0
Number of schools supported	1,400–1,600	1,400–1,600	0
Charter Management Organization Grants			
Amount for new awards	\$25,000	\$13,500	0
Amount for continuation awards	0	16,655	0
State Facilities Incentive Grants			
Amount for continuation awards	\$13,000	\$12,000	0
Peer review of new award applications	250	100	0
National activities, including evaluation	9,980	10,979	0

NOTES: Continuation costs of approximately \$242,893 thousand (including SEA grants (\$196,401 thousand), non-SEA Grants (\$5,540 thousand), Charter Management Organization Grants (\$29,952 thousand), and State Charter School Facilities Incentive Grants (\$11,000 thousand)) would be provided from the appropriation for Expanding Education Options in fiscal year 2013.

The amounts shown on this table do not include \$9,983 thousand in FY 2011 and \$11,036 thousand in FY 2012 for the Credit Enhancement for Charter School Facilities program, which are shown in the program output measures for that activity.

INNOVATION AND INSTRUCTIONAL TEAMS

Charter schools grants

PROGRAM PERFORMANCE INFORMATION

Performance Measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years and those requested in fiscal year 2013 and future years, and the resources and efforts invested by those served by this program.

Goal: To support the creation of a large number of high-quality charter schools.

Objective: *To encourage the development of a large number of high-quality charter schools that are free from State or local rules that inhibit flexible operation, are held accountable for enabling students to reach challenging State performance standards, and are open to all students.*

Measure: The number of States that have charter school legislation (including the District of Columbia and Puerto Rico).

Year	Target	Actual
2008	44	41
2009	44	41
2010	44	41
2011	44	42
2012	44	
2013	44	

Measure: The number of charter schools in operation around the Nation.

Year	Target	Actual
2008	4,290	4,376
2009	4,720	4,700
2010	5,190	4,991
2011	5,660	
2012	6,130	
2013	6,600	

Additional information: In 2011, for the first time in more than eight years, the number of States with charter school legislation increased, with the passage of a new charter law in Maine. The remaining States without charter school laws are mainly rural States (e.g., South Dakota, Vermont, West Virginia). Data are provided annually by State educational agencies and are verified by Department staff. 2011 data on the number of charter schools in operation around the Nation are expected to be available in December 2012.

INNOVATION AND INSTRUCTIONAL TEAMS

Charter schools grants

Measure: The percentage of fourth-grade charter school students who are achieving at or above proficient on State assessments in reading.

Year	Target	Actual
2008	69.2	69.1
2009	74.4	71.1
2010	79.5	72.2
2011	84.6	
2012	89.7	
2013	94.8	

Measure: The percentage of fourth-grade students in charter schools who are achieving at or above proficient on State assessments in mathematics.

Year	Target	Actual
2008	67.0	68.1
2009	72.5	70.1
2010	78.0	72.6
2011	83.5	
2012	89.0	
2013	94.5	

Measure: The percentage of eighth-grade charter school students who are achieving at or above proficient on State assessments in reading.

Year	Target	Actual
2008	69.7	67.8
2009	74.7	70.8
2010	79.8	70.9
2011	84.8	
2012	89.9	
2013	94.9	

INNOVATION AND INSTRUCTIONAL TEAMS

Charter schools grants

Measure: The percentage of eighth-grade students in charter schools who are achieving at or above proficient on State assessments in mathematics.

Year	Target	Actual
2008	58.1	56.6
2009	65.1	62.3
2010	72.1	59.5
2011	79.1	
2012	86.1	
2013	93.1	

Additional information: Performance targets for these measures are based on the ESEA goal of having all students proficient in reading and mathematics by 2014.

Data for these measures are collected through grantee annual performance reports. Analysis of the data has found notable variation in performance among the schools funded. 2011 data for these measures are expected to be available in December 2012.

Efficiency Measures

Measure: The ratio of funds leveraged by States for charter facilities to funds awarded by the Department under the State Charter School Facilities Incentive Grant Program.

Year	2004 Cohort Target	2004 Cohort Actual	2009 Cohort Target	2009 Cohort Actual
2008	7.0	44.8		
2010				1.6
2011			2.9	
2012			4.2	
2013			5.8	

Additional information: This efficiency measure assesses the State Facilities Incentive Grants program by examining the ratio of funds leveraged by States to funds awarded by the Department. The leveraging ratio is the total funds available (the Federal grant and the State match) divided by the Federal grant for a specific year.

In 2008, the fifth and final year of the grant period for the 2004 cohort, the leveraging ratio increased to 44.8, exceeding the Department's performance target more than five-fold. The Department confirmed the data provided by the four State grantees and determined that the high ratio was due to one grantee achieving an exceptionally high leveraging ratio of 50.5 to 1.

2011 data for this measure for the 2009 cohort are expected to be available in December 2012.

The Department has also developed a measure to assess the cost efficiency, across States, of the Federal investment in supporting charter school start-ups. The measure is defined as the Federal cost per student of launching a successful school (defined as a school in operation for

INNOVATION AND INSTRUCTIONAL TEAMS

Charter schools grants

3 or more years). Data for 2008 show an average cost of \$768 per student; for 2009 an average cost of \$904 per student; and for 2010 an average cost of \$789 per student. Data for this measure, collected through grantee annual performance reports, assist the Department in determining what constitutes a reasonable cost per student for different types of charter schools.

Other Performance Information

In 2010, the Department released findings from its first evaluation of charter school impacts. The study addressed the impact of charter school strategies on student achievement and satisfaction and on parent satisfaction. Researchers also examined school factors (e.g., school or class size, proportion of certified teachers) that affect student outcomes, and the extent to which policy conditions and autonomy in school operation influence effectiveness. Approximately 36 charter middle schools across 15 States participated in this random assignment study. The researchers followed two treatment groups of students and a control group for two consecutive grade levels and also surveyed students, parents, and principals.

The evaluation showed that the impact of charter middle schools on student achievement varied widely across participating schools, with schools that served more low-income or low-achieving students showing statistically significant positive effects in mathematics and no significant effects in reading, but schools that served more advantaged students showing significant negative effects in both subjects. The evaluation also examined whether achievement impacts were associated with certain school characteristics and found some positive impacts for charter schools with comparatively longer hours of operation or with comparatively higher revenue per student, but these findings were not statistically significant once the researchers controlled for particular school and student characteristics. Lastly, the evaluation found no significant relationship between charter school policies and student achievement.

Multiple Choice: Charter School Performance in 16 States, a 2009 study by researchers at Stanford University's Center for Research on Education Outcomes (CREDO), examined longitudinal student-level data from a sample of 2,403 charter schools across 15 States and the District of Columbia to determine whether students who attend charter schools performed better academically than if they had attended a traditional public school. The researchers found that students in approximately 63 percent of the 2,403 charter schools in their sample performed either better than or the same as students in traditional public schools on mathematics tests. More specifically, 17 percent of charter schools in the sample demonstrated significant growth in mathematics compared to traditional public schools in the sample. Forty-six percent of charter schools produced math gains that were indistinguishable from the average growth among traditional public schools. The remaining 37 percent of charter schools in the sample posted gains that were significantly below what those students would have seen if enrolled in a traditional public school. The researchers also performed a State-by-State analysis of charter school results and found that the effectiveness of charter schools varies widely by State and depends greatly on each State's charter school law and policies; the academic growth of students in charter schools was higher in States with no cap on the number of charter schools that may operate and where there was only one authorizer.

INNOVATION AND INSTRUCTIONAL TEAMS

Charter schools grants

The analysis also showed that, in general, charter schools have had different effects on students of different family backgrounds. For students from low-income families or English learners, charter schools had a larger, more positive effect academically compared to similar students in traditional public schools. The researchers also found that students perform better in charter schools over time, with charter schools students on average experiencing some decline in learning in their first year but positive academic gains in the second and third years.

Other recent studies have used a more rigorous experimental research design to compare the performance of students who were admitted by lottery into oversubscribed charter schools and those who were not admitted and instead attended traditional public schools. Hoxby, Murarka, and Kang, in a 2009 report for the New York City (NYC) Charter School Evaluation Project, found a positive achievement effect for students attending the city's charter schools. By the third grade, the average NYC charter school student scored 5.3 scale score points above his or her peers in traditional public schools in English language arts and 5.8 scale score points above in mathematics. In grades four through eight, the average charter school student gained 3.6 more scale score points in English language arts and 5.0 more scale score points in mathematics than did peers in traditional public schools each year. Hoxby and colleagues noted that, on average, students who attended a charter school for grades kindergarten through eight would score about 23 scale score points higher in English language arts and 30 scale score points higher in mathematics compared to their peers in traditional public schools, closing about 66 and 86 percent of the achievement gap in those subject areas, respectively. The evaluation also found that students applying to NYC charter schools were more likely to be African American (63 percent versus 34 percent) and eligible for free or reduced-price lunch (92 percent versus 72 percent) than students in the traditional public schools in the district. The researchers also examined charter school policies in relation to achievement and found that effects on achievement were associated with the length of the school year, the number of minutes devoted to English language arts during the school day, whether teacher compensation was based on performance, and whether a school's mission statement emphasized academic performance.

In light of the changing charter school landscape and recent research findings, the Department initiated, in 2009, a new set of evaluation activities focused on charter schools and the Charter Schools Program. This 5-year research effort will examine key charter school indicators, including student and staff characteristics, school and system characteristics, learning environments, and academic performance; create a charter school data warehouse and data reporting-guide for SEAs; and develop a set of issue briefs on key policy topics related to charter schools. The Department expects the first evaluation products to be available in the summer of 2012.

INNOVATION AND INSTRUCTIONAL TEAMS

Credit enhancement for charter school facilities

(Elementary and Secondary Education Act of 1965, Title V, Part B, Subpart 2)

(dollars in thousands)

FY 2013 Authorization: 0¹

Budget Authority:

<u>2012</u>	<u>2013</u>	<u>Change</u>
\$11,036 ²	\$0	-\$11,036

¹The GEPA extension expired September 30, 2004. The Administration proposes to consolidate the program in FY 2013 under new legislation.

²The FY 2012 appropriation does not provide a separate appropriation for this program; instead, from the amount provided for Charter Schools in FY 2012, the appropriations language requires the Secretary to use at least \$22,957 thousand for Charter School Facilities Incentive Grants and Credit Enhancement for Charter School Facilities. The Department anticipates using \$10,957 thousand for the Credit Enhancement program.

PROGRAM DESCRIPTION

The Credit Enhancement for Charter School Facilities program provides assistance to help charter schools meet their facility needs. Under this program, funds are provided on a competitive basis to public and nonprofit entities, and consortia of such entities, to leverage other funds and help charter schools obtain school facilities through such means as purchase, lease, and donation. Grantees may also leverage grant funds to help charter schools construct and renovate school facilities. The grant period runs until the Federal funds and earnings on those funds have been expended for grant purposes or until financing facilitated by the grant has been retired, whichever is later.

To help leverage funds for charter school facilities, grant recipients may, among other things: guarantee and insure debt to finance charter school facilities; guarantee and insure leases for personal and real property; and facilitate charter schools' facilities financing by identifying potential lending sources, encouraging private lending, and other, similar activities. These credit enhancements are intended to reduce risk to the lender, thereby creating access to credit for charter schools or lowering the interest rate and cost of borrowing to the charter school.

Some of the grantees have been community development financial institutions (CDFIs), which typically specialize in project finance and economic development in low-income communities. The remaining grantees have been nonprofit organizations, State public finance authorities, and one local public finance authority.

INNOVATION AND INSTRUCTIONAL TEAMS

Credit enhancement for charter school facilities

Funding levels for the past 5 fiscal years were as follows:

	(dollars in thousands)
2008.....	\$8,300 ¹
2009.....	8,300 ¹
2010.....	8,300 ¹
2011.....	10,036 ¹
2012.....	11,036 ¹

¹The Department used \$8,300 thousand from each of the FY 2008, FY 2009, and FY 2010 appropriations, \$10,036 thousand from the FY 2011 appropriation, and plans to use \$10,957 thousand from the FY 2012 Charter Schools appropriation for Credit Enhancement for Charter School Facilities.

FY 2013 BUDGET REQUEST

The Administration is not requesting separate funding for the Credit Enhancement for Charter School Facilities program for fiscal year 2013. In place of this and several other, sometimes narrowly targeted, programs that seek to expand educational options for students and families, the Administration has proposed to create a broader initiative, Expanding Educational Options, through the Elementary and Secondary Education Act reauthorization. This new initiative would address the need to increase the supply of high-quality public educational options available to students, especially students attending low-performing schools, by creating and expanding effective charter and other autonomous schools, by implementing comprehensive systems of public school choice, by supporting magnet schools that improve student achievement and promote diversity, and by strengthening parent information and outreach efforts across these programs.

The Expanding Educational Options initiative would consist of two separate authorizations: (1) Supporting Effective Charter Schools Grants and (2) Promoting Public School Choice Grants. Under Supporting Effective Charter Schools Grants, the Department would make competitive grants to SEAs, charter school authorizers, charter management organizations (CMOs), local educational agencies (LEAs), and other nonprofit organizations to start or expand effective charter and autonomous schools and to develop and implement outreach programs that provide high-quality information to parents and students about the public school options available to them. Funds would also be available for competitive grants for charter schools facilities programs. Under Promoting Public School Choice Grants, the Department would make competitive grants to high-need LEAs, and to State educational agencies (SEAs) in partnership with one or more high-need LEAs, to: (1) develop and implement a comprehensive public school choice plan, which could include creating or expanding interdistrict and intradistrict choice programs, theme-based school programs, online learning programs, or academic pathways; and (2) develop and implement activities to assist parents and students in identifying and accessing high-quality educational options.

The Administration recognizes the importance of and need for continued support for charter school facilities and the challenges that charter schools encounter in financing and obtaining adequate facilities. While charter schools receive public funding for operations, they often must

INNOVATION AND INSTRUCTIONAL TEAMS

Credit enhancement for charter school facilities

find and finance their own facilities and have had difficulty obtaining funds on a basis equal to traditional LEAs and public schools. Charter schools have persistently received mediocre credit ratings, which has made capital financing challenging. In a March 2006 article, *U.S. Charter School Ratings Continue to Grow as the Market Broadens*, Standard & Poor's indicated that 74 percent of charter school bonds were at or below the lowest investment grade rating, which means that charter schools were paying higher interest rates than those typically paid by LEAs. This difference has likely become even more pronounced during the more challenging financial environment of recent years. The Expanding Educational Options initiative would include, among its authorized activities, grants to SEAs, LEAs, CDFIs, and State financing authorities to improve access to facilities and facilities financing for high-performing charter schools, including by supporting implementation of credit enhancement strategies.

PROGRAM OUTPUT MEASURES (dollars in thousands)

<u>Measures</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Amount of new grants	\$9,983	\$6,019	0
Number of new grants	1	1	0
Amount of grant supplements	0	0	0
Number of grant supplements	0	1	0
Peer review of new award applications	\$53	0 ¹	0
Estimated amount of charter school facilities funds leveraged over the life of the grant	\$300,000 ²	\$280,000 ²	0
Estimated number of charter schools served over the life of the grant	54	57	0

¹The Department plans to fund the next highest-scoring applicant from the FY 2011 slate.

²The amount leveraged is the dollar amount raised (versus the amount contributed to the financing from the grant) as a direct result of the guarantee, bond insurance, or other credit-enhancing instrument. If the grantee received a non-Department of Education grant or a New Markets Tax Credit allocation and is using it to provide additional financing for a school served by the Credit Enhancement grant, funds leveraged from these other sources may also be counted as funds leveraged by the grant.

PROGRAM PERFORMANCE INFORMATION

Performance Measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years, and the resources and efforts invested by those served by this program.

INNOVATION AND INSTRUCTIONAL TEAMS

Credit enhancement for charter school facilities

Goal: To increase the number of charter school facilities acquired, constructed, or renovated.

Objective: Increase funds available for the acquisition, renovation, or construction of charter school facilities.

Measure: The amount of funding Credit Enhancement program grantees leverage for the acquisition, construction, or renovation of charter school facilities (in millions of dollars).

Year	Target	Actual
2008	\$140	\$586
2009	200	546
2010	200	335
2011	200	
2012	200	
2013	200	

Objective: Increase the number of charter schools facilities acquired, constructed, or renovated.

Measure: The number of charter schools served through the Credit Enhancement for Charter School Facilities Program.

Year	Target	Actual
2008	50	78
2009	60	60
2010	60	42
2011	60	
2012	60	
2013	60	

Additional information: Data for the program have shown decreases in the amount of funding leveraged and the number of schools served over the last 2 years. In 2008, new and continuing grantees leveraged \$586 million and served 78 schools that had not been served before. In 2010, grantees leveraged \$335 million and served 42 schools. This may be the result of there being fewer grantees under this program in recent years, leading to fewer credit-enhanced charter school facilities financings. The amount of leveraged funds in 2010 still exceeded the target of \$200 million, while the number of schools has dropped below the target of 60. Data for 2011 will be available in fall 2012. Targets for 2013 are included because, while this program does not make multi-year awards (and, thus, will have no continuations in FY 2013), the grant activities are implemented over a number of years and existing grantees will continue to report on these measures.

INNOVATION AND INSTRUCTIONAL TEAMS

Credit enhancement for charter school facilities

Other Performance Information

The Department has tracked the level of defaults on loans facilitated. As of 2011, only \$0.60 of every \$100 of grant funds had been lost to default over the life of the program. When leveraged funds are taken into account, this comes to \$0.06 for every \$100 of the total amount supported through the program.

The Department completed an evaluation of the program in 2008. The evaluation addressed three primary research questions: (1) Is the program achieving its legislative purpose?; (2) Does the program provide for improved access to capital markets for facilities and for better rates and terms on financing than would be otherwise available to charter schools?; and (3) Do certain models of credit enhancement provide for more favorable outcomes than others?

The study found that the program is achieving its purpose and improving the borrowing capabilities of charter schools. Representatives of grantees, commercial lenders, investment banks, and rating agencies reported that, without the program, assisted schools would not have received facilities loans at any price. Unsuccessful applicants generally were not able to support their proposed lending levels, providing evidence that the program does provide improved access. Entities that used their program funds to credit-enhance a loan made by a lender or a bond purchased by an investor supported higher lending volumes and a greater number of schools than those making direct loans, indicating that the grantees tend to be more effective when acting as a third-party credit-enhancing agent rather than as a direct lender. (However, this finding is not conclusive, since it was based on a small number of grantees.) Additional findings include that entities that had experience making direct loans to charter schools before becoming grantees were able to provide a significantly higher volume of loans after receiving program awards, and that charter schools assisted through the program were generally located in census tracts with a lower median household income than the relevant county as a whole and had a higher proportion of minority students than traditional public schools or even other charter schools.

INNOVATION AND INSTRUCTIONAL TEAMS

Magnet schools assistance

(Elementary and Secondary Education Act of 1965, Title V, Part C)

(dollars in thousands)

FY 2013 Authorization: To be determined¹

Budget Authority:

	<u>2012</u>	<u>2013</u>	<u>Change</u>
	\$99,611	\$99,611	0

¹ The GEPA extension expired September 30, 2008. The program is authorized in FY 2012 through appropriations language. Reauthorizing legislation is sought for FY 2013.

PROGRAM DESCRIPTION

The Magnet Schools Assistance program (MSAP) provides grants to eligible local educational agencies to establish and operate magnet schools that are operated under a court-ordered, agency-ordered, or federally approved voluntary desegregation plan. Magnet school programs aim to eliminate, reduce, or prevent minority-group isolation in elementary and secondary schools while strengthening students' knowledge of academic subjects and their grasp of marketable career and technical skills. The special curriculum of a magnet school can attract substantial numbers of students from different social, economic, ethnic, and racial backgrounds and provide greater opportunities for desegregation efforts to succeed.

Grantees receive 3-year awards that cannot exceed \$4 million per year. Funds must be used for activities intended to improve academic achievement and may be used for, among other things, planning and promotional activities, salaries of teachers and other instructional personnel, and acquisition of books, materials, and equipment. Expenditures for planning are limited to no more than 50 percent of a grant in the first year and 15 percent in the second and third years.

By statute, the Department gives priority for grants to applicants that demonstrate the greatest need for assistance, that propose to develop new magnet schools or significantly revise existing magnet school programs, and that use methods other than academic examinations (such as a lottery) to admit students. In addition, applicants that did not receive a MSAP grant the previous fiscal year receive priority for any funds appropriated above \$75 million.

The Department may use up to 2 percent of an appropriation for national activities including evaluation, technical assistance, and dissemination of information on successful magnet school programs.

INNOVATION AND INSTRUCTIONAL TEAMS

Magnet schools assistance

Funding levels for the past 5 fiscal years were as follows:

	(dollars in thousands)
2008.....	\$104,829
2009.....	104,829
2010.....	100,000
2011.....	99,800
2012.....	99,611

FY 2013 BUDGET REQUEST

The Administration requests \$99.6 million for the program for fiscal year 2013, the same amount as the fiscal year 2012 appropriation. The fiscal year 2013 appropriation would support new awards under a reauthorized MSAP. The Administration's Elementary and Secondary Education Act (ESEA) reauthorization proposal would strengthen the Federal commitment to increasing the number of high-quality educational options for parents and students and to increasing diversity in schools by placing a greater emphasis on funding magnet school programs, particularly whole-school programs, that have a record of effectiveness in raising student achievement and reducing minority-group isolation.

PROGRAM OUTPUT MEASURES (dollars in thousands)

<u>Measures</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Amount of awards	\$97,804	\$97,619	\$97,519
Number of new awards	2	0	35-40
Number of continuation awards	35	37	0
Range of awards	\$350-\$4,000	\$350-\$4,000	\$350-\$4,000
Peer review of new award applications	0	0	\$100
National activities	\$1,996	\$1,992	\$1,992

PROGRAM PERFORMANCE INFORMATION

Performance Measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years and those requested in FY 2013 and future years, and the resources and efforts invested by those served by this program.

INNOVATION AND INSTRUCTIONAL TEAMS

Magnet schools assistance

Goal: Students have access to high-quality education in desegregated magnet schools.

Objective: Federally funded magnet schools will eliminate, reduce, or prevent minority group isolation in targeted elementary and secondary schools with substantial proportions of minority group students.

Measure: The percentage of magnet schools whose student applicant pool reduces, prevents, or eliminates minority group isolation.

	FY 2007 Cohort	FY 2007 Cohort	FY 2010 Cohort	FY2010 Cohort
	Target	Actual	Target	Actual
2008	70.4	not available		
2009	75.3	43		
2010	80.3	59		
2011			85.2	39.2
2012			90.1	
2013			95.0	

Additional information: This measure tracks, for the 2007 cohort, the percentage of magnet schools whose applicant pool reflects a racial and ethnic composition that, in relation to the districtwide average percentage of minority students at the same grade levels, reduces, prevents, or eliminates minority-group isolation. (Minority-group isolation refers to a condition in which minority students, including American Indian or Alaskan Natives, Asian or Pacific Islanders, Hispanics, and Blacks (not of Hispanic origin), constitute more than 50 percent of the enrollment of a school.) In 2006, the Department established annual performance targets for this measure using a baseline of 58.3 percent and a goal of having 100 percent elimination of minority-group isolation by 2014. 2008 data for the 2007 cohort are not available because a majority of the grantees implemented a planning year during the 2007-2008 school year.

In 2010, the Department published interim final regulations for the program, which provide districts with greater flexibility in demonstrating that their magnet or feeder schools will eliminate, reduce, or prevent racial group isolation and that their voluntary desegregation plans are adequate under Title VI of the Civil Rights Act. The regulations removed the definition of “minority-group isolation” because it required districts to use binary racial classifications and prohibited the creation of magnet schools that result in minority-group enrollments in magnet and feeder schools that exceed the districtwide average of minority-group students. These interim final regulations apply to the 2010 cohort; as a result, this measure has been adjusted for those grantees to reflect the percentage of magnet schools that have met individually determined objectives for reducing minority group isolation, without reference to districtwide averages. The Department is considering further revising the measure (and the targets for the measure) to align it with the new regulations.

Objective: Magnet school students meet their State's academic achievement standards.

INNOVATION AND INSTRUCTIONAL TEAMS

Magnet schools assistance

Measure: Percentage of magnet schools whose students from major racial and ethnic groups meet or exceed their State's annual progress standards in reading.

Year	FY 2007 Cohort Target	FY 2007 Cohort Actual	FY 2010 Cohort Target	FY 2010 Cohort Actual
2008	76.9	38		
2009	80.7	43		
2010	84.6	49		
2011			88.4	49.4
2012			92.2	
2013			96.0	

Measure: Percentage of magnet schools whose students from major racial and ethnic groups meet or exceed their State's annual progress standards in mathematics.

Year	FY 2007 Cohort Target	FY 2007 Cohort Actual	FY 2010 Cohort Target	FY 2010 Cohort Actual
2008	77.1	44		
2009	80.9	52		
2010	84.7	54		
2011			88.5	49.1
2012			92.3	
2013			96.1	

Additional information: These measures track the percentage of students in magnet schools who score at the proficient level or above on State assessments in reading and in mathematics. Performance targets for these measures are based on the ESEA goal of all students being proficient in reading and mathematics by 2014.

It is not clear why the achievement results for the 2007 cohort were so low. The Department is examining factors that may have influenced these results, such as whether programs were implemented fully or for a long enough time period to achieve intended effects, as well as the rigor of the magnet school curriculum and whether teacher training was sufficient.

The remaining performance measures focus on sustainability and examine the percentage of magnet schools in operation 3 years after Federal funding ends and the percentage of magnet schools that meet State adequate yearly progress standards at least 3 years after Federal funding ends. Analysis of the sustainability data for the 2004 MSAP cohort found that nearly 99 percent of magnet schools that received funding remain in existence today and that 45 percent of those magnet schools met their States' adequate yearly progress standards at the end of the 2009-2010 school year, roughly the same percentage that made adequate yearly progress at the conclusion of the grant period (46 percent).

INNOVATION AND INSTRUCTIONAL TEAMS

Magnet schools assistance

Efficiency Measure

The Department has developed a measure to assess the efficiency of Federal investments in supporting magnet schools. The measure is defined as the Federal cost per student in a magnet school. 2011 data for the 2010 cohort show an average cost of \$753 per student.

Other Performance Information

In 2008, following a year-long feasibility study, the Department initiated a national evaluation of magnet schools that focuses on a single category of schools receiving funding through the MSAP program: elementary schools that convert to become whole-school magnets. The study is examining the relationship of magnet conversion to outcomes for resident students (those who live within a magnet school's attendance zone) and non-resident students (those who live outside the attendance zone, but choose to attend the school). The evaluation involves fiscal year 2004 and 2007 grantees and uses a comparative interrupted time series design to examine the relationship between magnet school conversion and student achievement and other outcomes, including minority-group isolation in schools. Further, the evaluation is examining how factors related to student achievement vary according to characteristics of the magnet schools and comparison schools and will include principal and magnet school coordinator surveys. A final evaluation report is expected to be released in the spring of 2013.

INNOVATION AND INSTRUCTIONAL TEAMS

Fund for the improvement of education: programs of national significance (Elementary and Secondary Education Act of 1965, Title V, Part D, Subpart 1)

(dollars in thousands)

FY 2013 Authorization: To be determined¹

<u>2012</u>	<u>2013</u>	<u>Change</u>
\$40,823	\$36,276	-\$4,547

¹The GEPA extension expired September 30, 2008. The program is authorized in FY 2012 through appropriations language. Reauthorizing language is sought for FY 2013.

PROGRAM DESCRIPTION

The Fund for the Improvement of Education (FIE) provides authority for the Secretary to support nationally significant programs to improve the quality of elementary and secondary education at the State and local levels and help all students meet challenging State academic content standards and student achievement standards. The types of programs that may be supported include:

- Activities to promote systemic education reform at the State and local levels, including scientifically based research, development, and evaluation designed to improve student academic achievement and strategies for effective parent and community involvement;
- Programs at the State and local levels that are designed to yield significant results, including programs to explore approaches to public school choice and school-based decision-making;
- Recognition programs, including financial awards to States, local educational agencies, and schools that have made the greatest progress in improving the academic achievement of economically disadvantaged students and students from major racial and ethnic minority groups and in closing the academic achievement gap for those groups of students farthest away from the proficient level on the academic assessments administered by the State;
- Scientifically based studies and evaluations of education reform strategies and innovations, and the dissemination of information on the effectiveness of those strategies and innovations;
- Activities to support Scholar-Athlete Games;
- Programs to promote voter participation in American elections; and
- Demonstrations of the effectiveness of programs under which school districts or schools contract with private management organizations to reform a school or schools.

INNOVATION AND INSTRUCTIONAL TEAMS

Fund for the improvement of education: programs of national significance

The Secretary may carry out activities under this authority directly or through grants and contracts to State or local educational agencies; institutions of higher education; and other public and private agencies, organizations, and institutions. Awards may be based on announced competitions or may support unsolicited proposals.

All funded activities must be designed so that their effectiveness is readily ascertainable and is assessed using rigorous research and evaluations. Each application for funds must establish clear objectives, which are based on research, for the proposed grant or contract and describe the activities the applicant will carry out in order to meet the stated objectives. The Department must use a peer review process to review applications for awards. Recipients of awards must evaluate the effectiveness of their activities and report such information as may be required to determine program effectiveness, and the Department must make the evaluations publicly available. The Secretary may require matching funds for activities under this program.

In FY 2012, the Department is using FIE funds to support the *Data Quality Initiative*, which began in 2006 and is designed to improve the quality, analysis, and reporting of Department of Education elementary and secondary program data. FIE is also funding the final year of a 3-year competitive award to support the Educational Facilities Clearinghouse, which provides technical assistance and training on issues related to educational facility planning, design, financing, construction, improvement, operation, and maintenance of public pre-kindergarten, elementary and secondary, and higher education facilities. In addition, the Department is using approximately \$10.1 million in FY 2012 funds to make 21 continuation grants under the Full-Service Community Schools program.

The FY 2012 appropriation also includes \$28.6 million for competitive grants to national nonprofit organizations and local educational agencies (LEAs) for provision of books and literacy activities to children and families in high-need communities. Pursuant to appropriations committee report language, at least half the funds will flow to LEAs for school library projects designed to increase students' access to a variety of print and electronic resources that expand learning opportunities.

Funding levels for the past 5 fiscal years were:

	(dollars in thousands)
2008	\$121,934 ¹
2009	115,965 ²
2010	125,461 ³
2011	12,009
2012	40,823

¹Includes \$98,816 thousand for Congressional earmarks.

²Includes \$88,015 thousand for Congressional earmarks.

³Includes \$88,791 thousand for Congressional earmarks.

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FY 2013 BUDGET REQUEST

The Administration is requesting \$36.3 million for FIE Programs of National Significance in 2013, a decrease of \$4.6 million from the 2012 level. The requested level of funding would allow the Department to support the following activities in 2013:

- \$30.0 million to run an evidence-based grant competition focused on developing, evaluating, and scaling proven practices that can help increase student achievement in mathematics, to be jointly administered with a comparable program at the National Science Foundation (NSF). This competition would use a tiered-evidence model similar to that used in the Investing in Innovation program, but would be targeted to making significant advancements in math achievement and engagement. A portion of these funds would also support activities to strengthen the capacity of the Institute of Education Sciences to become a resource to the Department of Education and other agencies for improving the evidence base for STEM programs across the Federal Government. These activities may include efforts to support tiered evidence programs at the Department and the NSF; continue reviews of evidence-based interventions; effectively disseminate information on what works; and provide technical assistance to other Federal agencies and the field to improve evaluations.
- \$5.0 million for activities to strengthen services provided to disconnected youth (often defined as individuals, ages 14-24, who are neither employed nor enrolled in an educational institution or who are at high-risk of dropping out of high school). This initiative would address overarching issues with the systems serving this population: (1) limited knowledge of what program models are most effective in helping disconnected youth achieve positive outcomes; (2) a relative lack of attention to this population at the state, local, and federal levels, and lack of coordination in addressing their needs; and (3) the need for more comprehensive approaches to meet the multi-faceted needs of members of this population who may have educational deficits, unstable housing, health challenges, and histories of involvement with the criminal justice system.

To address these challenges, the Departments of Education, Health and Human Services (HHS), and Labor and other Federal agencies will develop interagency strategies to strengthen the impact of Federal programs serving disconnected youth and identify opportunities for enhanced flexibility and collaboration. The \$5.0 million proposed here would be utilized in close coordination with \$5 million being proposed by HHS and \$10 million from the Workforce Innovation Fund under the Department of Labor's budget proposal. A portion of these funds would be used to invest in innovative re-engagement strategies and comprehensive approaches that encourage additional academic and non-academic supports and encourage multiple pathways that prepare disconnected youth for college and career success.

In addition to the funding request, the Administration proposes a general provision in the appropriations act to support a limited number of "performance partnerships" that would provide States and localities with enhanced flexibility in determining how services are structured in return for strong accountability for results. Agencies that play a key role in serving disconnected youth, including ED, HHS, DOL, Department of Justice, and the

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Corporation for National and Community Service, will work together in 2012 to identify how this funding could support high-value, high-leverage actions that could lead to better outcomes and more cost-effective services. Working with OMB, agencies will lay a foundation in 2012 for strong 2013 pilots by taking a range of actions:

- Aligning evidence standards across Federal agencies and programs, including exploring options to develop an interagency data base of programs and interventions that meet those standards, which could be supported by 2013 funding.
- Disseminating tools for measuring and evaluating outcomes for disconnected youth touched by multiple systems.
- Sharing best practices for effectively coordinating multiple systems and programs serving disconnected youth at the State and local level.
- Soliciting ideas from a broad array of stakeholders on strategies for improving outcomes for disconnected youth, including on how to facilitate comprehensive, multi-system approaches and on how to use existing resources in more coordinated and comprehensive ways.
- Assessing potential for public-private partnerships through which foundations or other private-sector funders would provide additional funding or assistance to support promising pilot projects.
- Working with States and localities to identify and align relevant non-Federal rules and regulations to support pilot implementation.

Based on the 2012 outreach process, agencies will determine the best possible uses of the 2013 performance partnership pilot authority to create innovative and comprehensive reengagement strategies that encourage additional academic and non-academic supports and support multiple pathways to prepare disconnected youth for college and career success. Approved pilots could include efforts to streamline the intake process and better coordinate services for youth in multiple systems, pilot new service models for a specific high-risk group like youth aging out of foster care, or launch community-wide initiatives to centrally administer the many programs serving disconnected youth, such as re-engagement centers.

- \$1.3 million to continue the *Data Quality Initiative*, which began in 2006 and is designed to improve the quality, analysis, and reporting of Department of Education elementary and secondary program data. The Department awarded a new contract to support this project in 2011. The contractor will provide program office staff with guidance on how to structure grant competitions so as to encourage grantees to plan for and collect high-quality program performance and evaluation data; provide technical assistance to grantees and their local evaluators as they collect the data; and provide assistance to program offices to improve the quality of data analyses.

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PROGRAM OUTPUT MEASURES (dollars in thousands)

<u>Measures</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Full-Service Community Schools grants			
2008 grantees (10 awards)	\$4,387	\$4,956	0
2010 grantees (11 awards)	<u>5,366</u>	<u>5,138</u>	<u>0</u> ¹
Total	9,753	10,094	0 ¹
Data Quality Initiative	1,256	1,298	\$1,276
Education Facilities Clearinghouse	1,000	732	0
STEM Initiative	0	0	29,700
Literacy Initiative	0	28,600	0
Disconnected Youth Initiative	0	0	4,950
Peer review of new award applications	<u>0</u>	<u>99</u>	<u>350</u>
 Total	 12,009	 40,823	 36,276

¹Continuation costs would be covered under the request for 21st Century Community Learning Centers.

PROGRAM PERFORMANCE INFORMATION

The Elementary and Secondary Education Act contains specific accountability provisions for FIE grantees. Each application for funds must include clear objectives for the project that are based on scientifically based research and must describe the activities to be carried out to meet those objectives. In addition, recipients must evaluate the effectiveness of their funded programs and submit evaluations to the Department. The Department has not established general performance measures for the program, but does establish measures for specific grant competitions and monitors the progress of the grantees against these measures.

- For the Education Facilities Clearinghouse, the performance measure is the percentage of recipients of clearinghouse onsite training or technical assistance that implement one or more changes to improve their education facility based upon clearinghouse recommendations within 6 months of the training or technical assistance. The Department expects to have performance data in spring 2012.
- For Full-Service Community Schools, the measure is the percentage of individuals targeted for services who receive services during each year of the project period. All grantees must submit an annual performance report documenting their contribution in assisting the Department in measuring the performance of the program against this indicator, as well as performance on project-specific indicators. In 2008, 96.3 percent of individuals targeted received services. In 2009, 100 percent of individuals targeted received services. The Department expects to have performance data for 2010 in spring 2012.

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- In FY 2010, the Department awarded a grant to support improvement of students' financial literacy. The grantee will report on the percentage of participating students who achieve an educationally significant improvement in their understanding of personal finance; the percentage of participating low-income students who complete the Free Application for Federal Student Aid (FAFSA); and the percentage of participating low-income students who enroll in college. The Department expects to have this report available in spring 2012.