Education Opportunity Zones -- 5 Year Budget -- FINAL DRAFT 1/21/98
*Funding Path: 70/100/80/70/50

			FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	Total
Round 1	Number	Average						
Urban	14	17.5	171.5	245	196	171.5	122.5	906.5
Rural	20	1.25	17.5	25	20	17.5	12.5	92.5
Total	34	18.75	189	270	216	189	135	999
Round 2								
Urban	9				110.25	157.5	126	393.75
Rural	13				11.375	16.25	13	40.625
Total	22				121.625	173.75	139	434.375
Combined	56		189	270	337.625	362.75	274	1433.375
National Activities			10	15	20	15	15	75
Grand Total			199	285	357.625	377.75	289	1508.375
Budget Total			200	318	386	359	272	1535

*NOTE: This scenario presumes that grantees receive the maximum one-year amount of funds (100%) in year 2 of the grant. The year 1 amount would be smaller (70% of the maximum) to allow for phase-in. In years 3, 4, and 5 the size of the grant gradually declines (to 80%, 70%, and 50% of the maximum) as we assume districts will ultimately sustain reform activities with other federal, state and local funds.

Mary I. Cassell 01/21/98 02:29:06 PM

Record Type: Record

To: William R. Kincaid/OPD/EOP

cc:

Subject: Zones funding stream

Here are the numbers we have in the budget for the Zones initiative:

1999	$200 million
2000	$318 million
2001	$386 million
2002	$359 million
2003	$272 million
TOTAL	$1,535 million

Education Opportunity Zones -- 5 Year Budget -- DRAFT 1/11/98
*Funding Path: 70/100/80/70/50

	Number	Average	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	Total
Round 1								
Urban	14	17.5	171.5	245	196	171.5	122.5	906.5
Rural	20	1.25	17.5	25	20	17.5	12.5	92.5
Total	34	18.75	189	270	216	189	135	999
Round 2								
Urban	9				110.25	157.5	126	393.75
Rural	13				11.375	16.25	13	40.625
Total	22				121.625	173.75	139	434.375
Combined	56		189	270	337.625	362.75	274	1433.375
National Activities			10	15	20	15	15	75
Grand Total			199	285	357.625	377.75	289	1508.375
			200	300	360	385	290	1535

*NOTE: This scenario presumes that grantees receive the maximum one-year amount of funds (100%) in year 2 of the grant. The year 1 amount would be smaller (70% of the maximum) to allow for phase-in. In years 3, 4, and 5 the size of the grant gradually declines (to 80%, 70%, and 50% of the maximum) as we assume districts will ultimately sustain reform activities with other

Education Opportunity Zones
Draft Revised Policy -- 1/11/98

Year	Spendout rate:				BA	1997	1998	1999	2000	2001	2002	2003
1997						0.000	0.000	0.000	0.000			
1998							0.000	0.000	0.000	0.000		
1999	0.05	0.65	0.25	0.05	200.000			10.000	130.000	50.000	10.000	
2000	0.05	0.65	0.25	0.05	285.000				14.250	185.250	71.250	14.250
2001	0.05	0.65	0.25	0.05	358.000					17.900	232.700	89.500
2002	0.05	0.65	0.25	0.05	378.000						18.900	245.700
2003	0.05	0.65	0.25	0.05	289.000							
Total					1510.000							
					TOTAL:	**0.000**	**0.000**	**10.000**	**144.250**	**253.150**	**332.850**	**349.450**

Education Opportunity Zones -- Budget Options -- ROUGH DRAFT 12/15/97
*Funding Path: 70/100/85/60/40

59

	Number	Average	**FY 1999**	**FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**Total**
Round 1								
Urban	15	18	189	270	229.5	162	108	958.5
Rural	20	1.5	21	30	25.5	18	12	106.5
Total	35	19.5	210	300	255	180	120	1065
Round 2								
Urban	8				100.8	144	122.4	367.2
Rural	10				10.5	15	12.75	38.25
Total	18				111.3	159	135.15	405.45
Combined	53		210	300	366.3	339	255.15	1470.45
National Activities			15	15	15	15	15	75
Grand Total			225	315	381.3	354	270.15	1545.45
			200	316	386	359	272	

*NOTE: This scenario presumes that grantees receive the maximum one-year amount of funds (100%) in year 2 of the grant. The year 1 amount would be smaller (70% of the maximum) to allow for phase-in. In years 3, 4, and 5 the size of the grant gradually declines (to 85%, 60%, and 40% of the maximum) as we assume districts will ultimately sustain reform activities with other federal, state and local funds.

Education Opportunity Zones
Current policy:

Year	Spendout rate:				BA	1997	1998	1999	2000	2001	2002	2003
1997						0.000	0.000	0.000	0.000			
1998							0.000	0.000	0.000	0.000		
1999	0.05	0.65	0.25	0.05	200.000			10.000	130.000	50.000	10.000	
2000	0.05	0.65	0.25	0.05	318.000				15.900	206.700	79.500	15.900
2001	0.05	0.65	0.25	0.05	386.000					19.300	250.900	96.500
2002	0.05	0.65	0.25	0.05	359.000						17.950	233.350
2003	0.05	0.65	0.25	0.05	272.000							
Total					1535.000							
					TOTAL:	**0.000**	**0.000**	**10.000**	**145.900**	**276.000**	**358.350**	**345.750**

Option 1: -33M in 2000, -30 M in 2001, +30 M in 2002, +33 M in 2003:

Year	Spendout rate:				BA	1997	1998	1999	2000	2001	2002	2003
1997						0.000	0.000	0.000	0.000			
1998							0.000	0.000	0.000	0.000		
1999	0.05	0.65	0.25	0.05	200.000			10.000	130.000	50.000	10.000	
2000	0.05	0.65	0.25	0.05	285.000				14.250	185.250	71.250	14.250
2001	0.05	0.65	0.25	0.05	356.000					17.800	231.400	89.000
2002	0.05	0.65	0.25	0.05	389.000						19.450	252.850
2003	0.05	0.65	0.25	0.05	305.000							
Total					1535.000							
					TOTAL:	**0.000**	**0.000**	**10.000**	**144.250**	**253.050**	**332.100**	**356.100**

Option 2: -18M in 2000, -30 M in 2001, +30 M in 2002, +18 M in 2003:

Year	Spendout rate:				BA	1997	1998	1999	2000	2001	2002	2003
1997						0.000	0.000	0.000	0.000			
1998							0.000	0.000	0.000	0.000		
1999	0.05	0.65	0.25	0.05	200.000			10.000	130.000	50.000	10.000	
2000	0.05	0.65	0.25	0.05	300.000				15.000	195.000	75.000	15.000
2001	0.05	0.65	0.25	0.05	356.000					17.800	231.400	89.000
2002	0.05	0.65	0.25	0.05	389.000						19.450	252.850
2003	0.05	0.65	0.25	0.05	290.000							
Total					1535.000							
					TOTAL:	**0.000**	**0.000**	**10.000**	**145.000**	**262.800**	**335.850**	**356.850**

Option 3: Rounding numbers to nearest $50 million

Year	Spendout rate:				BA	1997	1998	1999	2000	2001	2002	2003
1997						0.000	0.000	0.000	0.000			
1998							0.000	0.000	0.000	0.000		
1999	0.05	0.65	0.25	0.05	200.000			10.000	130.000	50.000	10.000	
2000	0.05	0.65	0.25	0.05	300.000				15.000	195.000	75.000	15.000
2001	0.05	0.65	0.25	0.05	350.000					17.500	227.500	87.500
2002	0.05	0.65	0.25	0.05	400.000						20.000	260.000
2003	0.05	0.65	0.25	0.05	285.000							
Total					1535.000							
					TOTAL:	**0.000**	**0.000**	**10.000**	**145.000**	**262.500**	**332.500**	**362.500**

Education Opportunity Zones -- 5 Year Budget -- DRAFT 1/11/98
*Funding Path: 70/100/85/60/40
70 50

	Number	Average	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	Total
Round 1								
Urban	14	17.5	171.5	245	208.25	147	98	869.75
Rural	20	1.25	17.5	25	21.25	15	10	88.75
Total	34	18.75	189	270	229.5	162	108	958.5
Round 2								
Urban	9				110.25	157.5	133.875	401.625
Rural	13				11.375	16.25	13.8125	41.4375
Total	22				121.625	173.75	147.6875	443.0625
Combined	56		189	270	351.125	335.75	255.6875	1401.563
National Activities			10	15	20	15	15	75
			200	300	356	389	290	
			200	285	356	389	305	
Grand Total			199	285	371.125	350.75	270.6875	1476.563
			200	318	386	359	272	1535

*NOTE: This scenario presumes that grantees receive the maximum one-year amount of funds (100%) in year 2 of the grant. The year 1 amount would be smaller (70% of the maximum) to allow for phase-in. In years 3, 4, and 5 the size of the grant gradually declines (to 85%, 60%, and 40% of the maximum) as we assume districts will ultimately sustain reform activities with other federal, state and local funds.

Need to keep at 1.5 billion
Don't like putting off

- Forward funding July - Sept
- $125m in 2000
or 30

Maybe change path
Slightly smaller awards in round 2

Mary I. Cassell 01/12/98 04:59:00 PM

Record Type: Record

To: William R. Kincaid/OPD/EOP

cc:
Subject: EOZ funding path

Hi Bill,

Attached is a spread sheet you can use to play around with the BA and outlays (there are formulas in it, so if you change the BA, it will generate the outlays). It turns out that the 6th floor folks need to finalize the numbers today -- so if you could get back to me as soon as possible, that would be great. I've included a few options that sufficiently address the outyear outlay problem. The spreadsheet includes:

o the current funding path for EOZs

o Funding options:

1) a path that includes the numbers you had in the file you sent me for 1999 and 2000, cuts 2001 $15 million below the amount you had (for a total cut of $30 M), then puts the reductions in the remaining outyears. (I cut year 3 another $15 million because I thought that national activities could go down by at least $5 million and grants could be reduced by $10 million).

2) similar to option 1, but cuts less from 2000 (it might be better to get more money into the field earlier)

3) same idea as options 1 and 2, but there is slightly less tie to your table because the numbers are rounded (for no reason other than to make the numbers look even).

In general, we need to move about $30 million out of 2001. Let me know if you and Mike can live with any of these, or other, options.

Thanks!

zones.wk4

Education Opportunity Zones -- 5 Year Budget -- DRAFT 1/11/98
*Funding Path: 70/100/85/60/40

	Number	Average	**FY 1999**	**FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**Total**
Round 1								
Urban	14	17.5	171.5	245	208.25	147	98	869.75
Rural	20	1.25	17.5	25	21.25	15	10	88.75
Total	34	18.75	189	270	229.5	162	108	958.5
Round 2								
Urban	9				110.25	157.5	133.875	401.625
Rural	13				11.375	16.25	13.8125	41.4375
Total	22				121.625	173.75	147.6875	443.0625
Combined	56		189	270	351.125	335.75	255.6875	1401.563
National Activities			10	15	20	15	15	75
Grand Total			199	285	371.125	350.75	270.6875	1476.563

*NOTE: This scenario presumes that grantees receive the maximum one-year amount of funds (100%) in year 2 of the grant. The year 1 amount would be smaller (70% of the maximum) to allow for phase-in. In years 3, 4, and 5 the size of the grant gradually declines (to 85%, 60%, and 40% of the maximum) as we assume districts will ultimately sustain reform activities with other federal, state and local funds.

Education Opportunity Zones -- Budget Options -- ROUGH DRAFT 12/15/97
*Funding Path: 70/100/85/60/40

			FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	Total
Round 1	Number	Average						
Urban	15	18	189	270	229.5	162	108	958.5
Rural	20	1.5	21	30	25.5	18	12	106.5
Total	35	19.5	210	300	255	180	120	1065
Round 2								
Urban	8				100.8	144	122.4	367.2
Rural	10				10.5	15	12.75	38.25
Total	18				111.3	159	135.15	405.45
Combined	53		210	300	366.3	339	255.15	1470.45
National Activities			15	15	15	15	15	75
Grand Total			225	315	381.3	354	270.15	1545.45

*NOTE: This scenario presumes that grantees receive the maximum one-year amount of funds (100%) in year 2 of the grant. The year 1 amount would be smaller (70% of the maximum) to allow for phase-in. In years 3, 4, and 5 the size of the grant gradually declines (to 85%, 60%, and 40% of the maximum) as we assume districts will ultimately sustain reform activities with other federal, state and local funds.

Education Opportunity Zones -- Budget Options -- ROUGH DRAFT 12/12/97
*Funding Path: 70/100/85/60/40

	Number	Average	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	Total
Round 1								
Urban	15	17.5	183.75	262.5	223.125	157.5	105	931.875
Rural	15	3	31.5	45	38.25	27	18	159.75
Total	30	20.5	215.25	307.5	261.375	184.5	123	1091.625
Round 2								
Urban	8				183.75	262.5	223.125	669.375
Rural	8				31.5	45	38.25	114.75
Total	16				215.25	307.5	261.375	784.125
Combined	46		215.25	307.5	476.625	492	384.375	1875.75
National Activities			10.7625	15.375	23.83125	24.6	19.21875	93.7875
Grand Total			226.0125	322.875	500.4563	516.6	403.5938	1969.538

*NOTE: This scenario presumes that grantees receive the maximum one-year amount of funds (100%) in year 2 of the grant. The year 1 amount would be smaller (70% of the maximum) to allow for phase-in. In years 3, 4, and 5 the size of the grant gradually declines (to 85%, 60%, and 40% of the maximum) as we assume districts will ultimately sustain reform activities with other federal, state and local funds.

15/15 70%
8/8

225 Comb
+ WA/
225

Education Opportunity Zones -- Budget Options -- ROUGH DRAFT 12/12/97
*Funding Path: 75/100/85/60/40

15/15 75%
8/8

+ NA

			FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	Total
Round 1	Number	Average						
Urban	15	17.5	196.875	262.5	223.125	157.5	105	945
Rural	15	3	33.75	45	38.25	27	18	162
Total	30	20.5	230.625	307.5	261.375	184.5	123	1107
Round 2								
Urban	8				196.875	262.5	223.125	682.5
Rural	8				33.75	45	38.25	117
Total	16				230.625	307.5	261.375	799.5
Combined	46		230.625	307.5	492	492	384.375	1906.5
National Activities			11.53125	15.375	24.6	24.6	19.21875	95.325
Grand Total			242.1563	322.875	516.6	516.6	403.5938	2001.825

*NOTE: This scenario presumes that grantees receive the maximum one-year amount of funds (100%) in year 2 of the grant. The year 1 amount would be smaller (75% of the maximum) to allow for phase-in. In years 3, 4, and 5 the size of the grant gradually declines (to 85%, 60%, and 40% of the maximum) as we assume districts will ultimately sustain reform activities with other federal, state and local funds.

Education Opportunity Zones -- Budget Options -- ROUGH DRAFT 12/12/97
*Funding Path: 70/100/85/60/40

15/15 70%
4/8 4 avg rural

225 grant

			FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	Total
Round 1	Number	Average						
Urban	15	17.5	183.75	262.5	223.125	157.5	105	931.875
Rural	15	4	42	60	51	36	24	213
Total	30	21.5	225.75	322.5	274.125	193.5	129	1144.875
Round 2								
Urban	8				183.75	262.5	223.125	669.375
Rural	8				42	60	51	153
Total	16				225.75	322.5	274.125	822.375
Combined	46		225.75	322.5	499.875	516	403.125	1967.25
National Activities			11.2875	16.125	24.99375	25.8	20.15625	98.3625
Grand Total			237.0375	338.625	524.8688	541.8	423.2813	2065.613

*NOTE: This scenario presumes that grantees receive the maximum one-year amount of funds (100%) in year 2 of the grant. The year 1 amount would be smaller (70% of the maximum) to allow for phase-in. In years 3, 4, and 5 the size of the grant gradually declines (to 85%, 60%, and 40% of the maximum) as we assume districts will ultimately sustain reform activities with other federal, state and local funds.

Education Opportunity Zones -- Budget Options -- ROUGH DRAFT 12/12/9
Funding Path: 66/100/85/60/50

	Number	Average	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	Total
Round 1								
Urban	13	17.5	150.15	227.5	193.375	136.5	113.75	821.275
Rural	13	3	25.74	39	33.15	23.4	19.5	140.79
Total	26	20.5	175.89	266.5	226.525	159.9	133.25	962.065
Round 2								
Urban	8				150.15	227.5	193.375	571.025
Rural	8				25.74	39	33.15	97.89
Total	16				175.89	266.5	226.525	668.915
Combined	42		175.89	266.5	402.415	426.4	359.775	1630.98
Add to Obey			33.11					
Obey Total			208.11					

URBAN-RURAL CHALLENGE GRANTS -- USE OF FUNDS
Urban District the Size of Cincinnati

REVISED DRAFT -- November 29, 1997

In order to address key priorities identified in this initiative, a school district the size of Cincinnati (52,000 students, 83 schools, 3,000 teachers) could make the following investments, which could be paid for with challenge grant funds, or with other federal, state and local funds.

Student Assistance and Accountability:	Year 1	Year 3
Extra help after school and summers (1,850 kids in summer; 26,000 kids in after-school)	$ 4.5 M	$ 4.5 M
Student accountability/info for parents and students	.5 M	.25 M
SUBTOTAL	*$5 M*	*$4.75 M*

Staff Effectiveness and Accountability:

Cash bonuses for effective schools/teachers (covers over 800 teachers at 25 schools)	$660,000	$660,000
Fees and bonuses for National Board certification (Fees for 150 teachers a year, bonuses for 75, or nearly 1 teacher per school)	487,500	862,500
Extra summer teacher professional development (Covers 600 teachers)	900,000	900,000
Training and salary supplements for teacher peer counseling (50 mentor-teachers)	.5 M	.5 M
Summer principal leadership institutes (Covers 50 principals)	.25 M	.25 M
SUBTOTAL	*$2.8 M*	*$3.2 M*

School Improvement and Accountability:

Support adoption of effective reforms/ reconstitution in lowest 10% of schools (8 additional schools per year)	$1.2 M	$2.2 M
SUBTOTAL	*$1.2 M*	*$2.2 M*

Public School Choice:

Public school choice info programs	$.5 M	.25 M
Transportation (over 750 kids)	350,000	350,000
New School Start-ups (Help start 3 new schools per year)	300,000	300,000
SUBTOTAL	*$1.15 M*	*$.9 M*
GRAND TOTAL	*$10.15 M*	*$11.05 M*

OTHER FEDERAL DOLLARS FOR CINCINNATI

Porter-Obey

Under preliminary estimates, Ohio could receive nearly $6 M in Porter-Obey funds; no further breakdown currently available. Based solely on enrollment, one could expect that about 3% would go to Cincinnati, or about $180,000 total. If, based on poverty, grant quality, etc., Cincinnati received 10% of Ohio's share, or $600,000, that would be about ½ the amount projected here for beginning dramatic improvements or reconstitution in the lowest-achieving 10% of the district's schools.

Goals 2000	$141,500
Technology	[number from district seemed questionable]
Title I	$19.9 M
Title II	$314,500

CHALLENGE GRANTS FOR URBAN AND RURAL EDUCATION
OPPORTUNITY ZONES -- *USE OF FUNDS/COST COMPONENTS*
Proposed FY 99 Budget Initiative
REVISED DRAFT -- November 29, 1997

Challenge grant funds could be spent on the following types of activities, in conjunction with Title I, Goals 2000, and other federal, state, and local funds. Estimates of costs are provided, where possible. Estimates are based on an urban district the size of Cincinnati, the 67th largest district in the nation (based on 1993/1994 data from 1996 Digest of Education Statistics), with approximately 52,000 students, 83 schools, and 3,000 teachers. (Some rounding is used).

Student Accountability and Assistance:

- Start-up/expand extra learning opportunities, such as extended day enrichment/tutoring programs, Saturday academies, and summer school.
  - Chicago Summer Bridge model (5 days/week; 6 to 7 weeks; 20 students per teacher): $4500/teacher, $50 per student in materials, or about $275 per student.
    - Assume 3 transition grades, 15% of students per grade in summer program, or approximately 1850 students = $500,000.
  - Chicago Lighthouse after-school program model (2 or 4 days per week for 20 weeks; 1 hour of intense reading/math instruction, one hour of social activities; a meal, and other enrichment activities): $385 per student, or $115,000 per school.
    - Assume serve students in lowest 20% of schools per year = $3.5 million.
  - Cheaper after-school program model relying on coordinator and parent/community volunteers: $75,000 per school.
    - Assume serve students in next lowest 30% of schools per year = $2 million.
- Establish individual student accountability systems, including useful information for parents and teachers (some districts may need to upgrade/rework existing school report card systems or the like)
  - Assume $.5 million in first year, $250,000 per year thereafter.

Staff Accountability:

- Reward effective teams of teachers.
  - Estimate for $750/teacher cash bonus: 33 teachers per school, reward top 30% of schools (25 total) = $620,000.

    - Assume that increasing to $660,000 covers principals, too.

- Pay fees and bonuses for those seeking/attaining national certification/other rigorous advanced study.

    - Estimate for fees: Pay $2,000 fee for 5% of 3,000 teachers per year (150) = $300,000.

    - Estimate for bonuses: Pay $2,500 bonus for 2.5% of teachers per year (75) who attain board certification: $187,500 (first year of bonuses), $562,500 by year 3.

- Leverage/fill gaps in teacher professional development.

    - One-week intensive summer professional development by subject or school, 20% (600) of teachers in the district per year at $1,500 each = $900,000.

- Design/implement/upgrade/expand systems to work with beginning teachers and to identify chronically failing teachers, get them intensive counseling/assistance to improve, and, if they don't counsel them out or remove them expeditiously and fairly.

    - Two week intensive summer training for 50 mentor-teachers from throughout the district, plus salary supplements during the year and other support = $500,000.

- Design and implement principal leadership institutes and recruitment strategies.

    - 3 week summer institute for 50 leading and prospective principals at $5,000 each = $250,000

School Accountability:

- Peformance awards for effective schools. (See under staff accountability)

- Support turnaround/reconstitution efforts at low achieving/failing schools, including adoption of successful reform model using outside assistance, intensive professional development, and intensive parental outreach.

    - Assume intervene in lowest-performing 10% of schools (8 total):

        - Year 1: $150,000 per school = $1.2 million

        - Year 2: $75,000 per school = $600,000.

        - Year 3: $50,000 per school = $400,000.

- Design and start-up programs to improve information on public school choices for parents.
  - $.5 million in first year.
- Design and start-up/operation of public school choice programs (more detailed assumptions and estimates below).
  - Assume: Students at 10% of schools eligible, 15% take part, or 780 total.
    - Transportation (at $440 per student)= $345,000.
- Grants to start/expand new/effective schools.
  - Assume 3 grants per year of $100,000 each = $300,000.

Education Opportunity Zones -- Budget Options -- 12/12/97
Funding Path: 66/100/85/60/50

			FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	Total
Round 1	Number	Average						
Urban	13	17.5	150.15	227.5	193.375	136.5	113.75	821.275
Rural	13	3	25.74	39	33.15	23.4	19.5	140.79
Total	26	20.5	175.89	266.5	226.525	159.9	133.25	962.065
Round 2								
Urban	8				150.15	227.5	193.375	571.025
Rural	8				25.74	39	33.15	97.89
Total	16				175.89	266.5	226.525	668.915
Combined	42		175.89	266.5	402.415	426.4	359.775	1630.98

Education Opportunity Zones -- Budget Options -- 12/12/97
Funding Path: 66/100/85/60/50

			FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	Total
Round 1	Number	Average						
Urban	13	17.5	150.15	227.5	193.375	136.5	113.75	821.275
Rural	13	3	25.74	39	33.15	23.4	19.5	140.79
Total	26	20.5	175.89	266.5	226.525	159.9	133.25	962.065
Round 2								
Urban	8				150.15	227.5	193.375	571.025
Rural	8				25.74	39	33.15	97.89
Total	16				175.89	266.5	226.525	668.915
Combined	42		175.89	266.5	402.415	426.4	359.775	1630.98
Add to Obey			33.11					
Obey Total			208.11					

Use new #5

1

2

Education Opportunity Zones -- Budget Options

Option 1:

Obey round 1: straightline to complete 3 year grants

Obey round 2: add 100 M in FY 99, then straightline to complete 3 year grants

Zones: 1 round, 15 urban, 15 rural

funding level

- Federal share: 100%/75%/50/50/50

	FY 1999	2000	2001	2002	2003	Total
Obey	245	245	100			590
EOZ*	304	228	152	152	152	988
Total	549	473	252	152	152	1578

* Excluding $16 M/year national activities.

Option 2:

Obey: Same as Option 1

Zones: 2 rounds -- 10 urban, 10 rural beginning FY 99, 10 urban, 10 rural beginning FY 00

- Federal share: same as Option 1

	FY 1999	2000	2001	2002	2003	Total
Obey	245	245	100			590
EOZ	205	358.75	256.25	205	205	1,230
Total	450	603.75	356.25	205	205	1820

Option 3:

Obey: Same as Option 1

Zones: 2 rounds -- 10 urban, 10 rural beginning FY 99, 10 urban, 10 rural beginning FY 01

- Federal share: same as Option 1

	FY 1999	2000	2001	2002	2003	Total
Obey	245	245	100			590
EOZ	205	153.75	307.5	256.25	205	1127.5
Total	450	398.75	407.5	256.25	205	1717.5

X Option 4:

Obey: Same as Option 1

Zones: 2 rounds -- 10 urban, 10 rural beginning FY 99, 10 urban, 10 rural beginning FY 00

- Federal share: 66%/100%/75%/50/50

	FY 1999	2000	2001	2002	2003	Total
Obey	245	245	100			590
EOZ	135.3	340.3	358.75	256.25	205	1295.6
Total	380.3	585.3	458.75	256.25	205	1885.6

.66 x = 225

Option 5:

Obey: Same as Option 1

Zones: 2 rounds -- 10 urban, 10 rural beginning FY 99, 10 urban, 10 rural beginning FY 01

- Federal share: 66%/100%/75%/50/50

	FY 1999	2000	2001	2002	2003	Total
Obey	245	245	100			590
EOZ	135.3	205	289.05	307.5	256.25	1193.1
Total	380.3	450	389.05	307.5	256.25	1783.1

Education Opportunity Zones -- Budget Options -- Rough DRAFT

Option 1:

Obey round 1: straightline to complete 3 year grants

Obey round 2: add 30 M in FY 99, then straightline to complete 3 year grants

Zones: l round, 15 urban, 15 rural

-100

- Funding pattern: 66%/100%/75%/50/50
  100

	FY 1999	2000	2001	2002	2003	Total
Obey	130	130	130			390
EOZ*	225	340	255	170	170	1160

* Including 5% for national activities.

Option 2:

Obey: Same as Option 1

Zones: 2 rounds -- 10 urban, 10 rural beginning FY 99, 10 urban, 10 rural beginning FY 01

- Funding pattern: same as option 1

Education Opportunity Zones -- Budget Options -- Rough DRAFT

Option 1:

Obey round 1: straightline to complete 3 year grants

Obey round 2: add 30 M in FY 99, then straightline to complete 3 year grants

Zones: l round, 15 urban, 15 rural

- Funding pattern: 66%/100%/75%/50/50

	FY 1999	2000	2001	2002	2003	Total
Obey	130	130	130			390
EOZ*	225	340	255	170	170	1160

* Including 5% for national activities.

Option 2:

Obey: Same as Option 1

Zones: 2 rounds -- 10 urban, 10 rural beginning FY 99, 10 urban, 10 rural beginning FY 01

- Funding pattern: same as option 1

Education Opportunity Zones -- Budget Options

Option 1:

Education Opportunity Zones (15 urban, 15 rural)

Year 1:	Year 2:	Year 3:	Year 4:	Year 5:	5 Year Total:
304	228	152	152	152	988

Total including national activities = 1,068

Option 2:

Education Opportunity Zones (2 cohorts: 10 urban, 10 rural beginning in year 1, 10 urban, 10 rural beginning in year 2):

Year 1:	Year 2:	Year 3:	Year 4:	Year 5:	5 Year Total:
205	358.75	256.25	205	205	1,230

Total including national activities = 1,310

Education Opportunity Zones -- Budget Options

Option 1:

Education Opportunity Zones (15 urban, 15 rural)

Year 1:	Year 2:	Year 3:	Year 4:	Year 5:	5 Year Total:
304	228	152	152	152	988

Total including national activities = 1,068

Option 2:

Education Opportunity Zones (2 cohorts: 10 urban, 10 rural beginning in year 1, 10 urban, 10 rural beginning in year 2):

Year 1:	Year 2:	Year 3:	Year 4:	Year 5:	5 Year Total:
205	358.75	256.25	205	205	1,230

Total including national activities = 1,310

30 + 90 = 120 + districts / 1.5 B

Education Opportunity Zones

Option 1:

Education Opportunity Zones (15 urban at 17.5 M each, 15 rural at 3 M each)

Year 1:	Year 2:	Year 3:	Year 4:	Year 5:	Year 6:
304	228	152	152	152	

Partner Districts (5 million to 45 urban partners, 1 million to 45 rural partners)

			270	270	270

Total

304	228	152	422	422	270

6 year total is 1798 5 year 1.5 B

Option 2:

Education Opportunity Zones (10 urban, 10 rural beginning in year 1, 10 urban, 10 rural beginning in year 2):

Year 1:	Year 2:	Year 3:	Year 4:	Year 5:	Year 6:	
205	358.75	256.25	205	205	102.5	

Partner Districts (5 million to 60 urban partners, 5 million to 60 rural partners)

			180	360	360	180

Total

205	358.75	256.25	385	565	462.5	180

Seven ~~Six~~ year cost = 2412.5 1.7 5 year

Budget. In the first year of the initiative, 3-year competitive grants would be awarded by the Department of Education to 10-20 urban school districts and 10-20 rural school districts or consortia (including districts serving Native American students) selected as Educational Opportunity Zones. Each urban grant would be worth approximately $10-25 million, and each rural grant would be worth from $500,000 to $5 million (for consortia). Up to 5% of funds would be available for national leadership activities, to support technical assistance, document successes, and disseminate lessons learned nationwide. The total FY 99 budget request is $320 million.

Urban	**Rural**	**National**	**Total**
Avg. $15 M	Avg. $2.5 M	**$16 M**	$320 M
12 districts	12 districts		
$180	$30 M		$226
15 districts	15 districts		
$225	$37.5		$278.5
Avg. $17.5	**Avg. 3.0**		**$323.5**
15	**15 districts**		
$262.5	**45**		

URBAN-RURAL CHALLENGE GRANTS -- USE OF FUNDS
Urban District the Size of Cincinnati

REVISED DRAFT -- November 29, 1997

In order to address key priorities identified in this initiative, a school district the size of Cincinnati (52,000 students, 83 schools, 3,000 teachers) could make the following investments, which could be paid for with challenge grant funds, or with other federal, state and local funds.

Student Assistance and Accountability:	Year 1	Year 3
Extra help after school and summers (1,850 kids in summer; 26,000 kids in after-school)	$ 4.5 M	$ 4.5 M
Student accountability/info for parents and students	.5 M	.25 M
SUBTOTAL	*$5 M*	*$4.75 M*
Staff Effectiveness and Accountability:		
Cash bonuses for effective schools/teachers (covers over 800 teachers at 25 schools)	$660,000	$660,000
Fees and bonuses for National Board certification (Fees for 150 teachers a year, bonuses for 75, or nearly 1 teacher per school)	487,500	862,500
Extra summer teacher professional development (Covers 600 teachers)	900,000	900,000
Training and salary supplements for teacher peer counseling (50 mentor-teachers)	.5 M	.5 M
Summer principal leadership institutes (Covers 50 principals)	.25 M	.25 M
SUBTOTAL	*$2.8 M*	*$3.2 M*
School Improvement and Accountability:		
Support adoption of effective reforms/ reconstitution in lowest 10% of schools (8 additional schools per year)	$1.2 M	$2.2 M
SUBTOTAL	*$1.2 M*	*$2.2 M*

Public School Choice:

Public school choice info programs	$.5 M	.25 M
Transportation (over 750 kids)	350,000	350,000
New School Start-ups (Help start 3 new schools per year)	300,000	300,000
SUBTOTAL	*$1.15 M*	*$.9 M*
GRAND TOTAL	*$10.15 M*	*$11.05 M*

OTHER FEDERAL DOLLARS FOR CINCINNATI

Porter-Obey

Under preliminary estimates, Ohio could receive nearly $6 M in Porter-Obey funds; no further breakdown currently available. Based solely on enrollment, one could expect that about 3% would go to Cincinnati, or about $180,000 total. If, based on poverty, grant quality, etc., Cincinnati received 10% of Ohio's share, or $600,000, that would be about ½ the amount projected here for beginning dramatic improvements or reconstitution in the lowest-achieving 10% of the district's schools.

Goals 2000	$141,500
Technology	[number from district seemed questionable]
Title I	$19.9 M
Title II	$314,500

CHALLENGE GRANTS FOR URBAN AND RURAL EDUCATION
OPPORTUNITY ZONES -- *USE OF FUNDS/COST COMPONENTS*
Proposed FY 99 Budget Initiative
REVISED DRAFT -- November 29, 1997

Challenge grant funds could be spent on the following types of activities, in conjunction with Title I, Goals 2000, and other federal, state, and local funds. Estimates of costs are provided, where possible. Estimates are based on an urban district the size of Cincinnati, the 67th largest district in the nation (based on 1993/1994 data from 1996 Digest of Education Statistics), with approximately 52,000 students, 83 schools, and 3,000 teachers. (Some rounding is used).

Student Accountability and Assistance:

- Start-up/expand extra learning opportunities, such as extended day enrichment/tutoring programs, Saturday academies, and summer school.
    - Chicago Summer Bridge model (5 days/week; 6 to 7 weeks; 20 students per teacher): $4500/teacher, $50 per student in materials, or about $275 per student.
        - Assume 3 transition grades, 15% of students per grade in summer program, or approximately 1850 students = $500,000.
    - Chicago Lighthouse after-school program model (2 or 4 days per week for 20 weeks; 1 hour of intense reading/math instruction, one hour of social activities; a meal, and other enrichment activities): $385 per student, or $115,000 per school.
        - Assume serve students in lowest 20% of schools per year = $3.5 million.
    - Cheaper after-school program model relying on coordinator and parent/community volunteers: $75,000 per school.
        - Assume serve students in next lowest 30% of schools per year = $2 million.
- Establish individual student accountability systems, including useful information for parents and teachers (some districts may need to upgrade/rework existing school report card systems or the like)
    - Assume $.5 million in first year, $250,000 per year thereafter.

Staff Accountability:

- Reward effective teams of teachers.
    - Estimate for $750/teacher cash bonus: 33 teachers per school, reward top 30% of schools (25 total) = $620,000.

  - Assume that increasing to $660,000 covers principals, too.

- Pay fees and bonuses for those seeking/attaining national certification/other rigorous advanced study.

  - Estimate for fees: Pay $2,000 fee for 5% of 3,000 teachers per year (150) = $300,000.

  - Estimate for bonuses: Pay $2,500 bonus for 2.5% of teachers per year (75) who attain board certification: $187,500 (first year of bonuses), $562,500 by year 3.

- Leverage/fill gaps in teacher professional development.

  - One-week intensive summer professional development by subject or school, 20% (600) of teachers in the district per year at $1,500 each = $900,000.

- Design/implement/upgrade/expand systems to work with beginning teachers and to identify chronically failing teachers, get them intensive counseling/assistance to improve, and, if they don't counsel them out or remove them expeditiously and fairly.

  - Two week intensive summer training for 50 mentor-teachers from throughout the district, plus salary supplements during the year and other support = $500,000.

- Design and implement principal leadership institutes and recruitment strategies.

  - 3 week summer institute for 50 leading and prospective principals at $5,000 each = $250,000

School Accountability:

- Peformance awards for effective schools. (See under staff accountability)

- Support turnaround/reconstitution efforts at low achieving/failing schools, including adoption of successful reform model using outside assistance, intensive professional development, and intensive parental outreach.

  - Assume intervene in lowest-performing 10% of schools (8 total):

    - Year 1: $150,000 per school = $1.2 million

    - Year 2: $75,000 per school = $600,000.

    - Year 3: $50,000 per school = $400,000.

- Design and start-up programs to improve information on public school choices for parents.
    - $.5 million in first year.
- Design and start-up/operation of public school choice programs (more detailed assumptions and estimates below).
    - Assume: Students at 10% of schools eligible, 15% take part, or 780 total.
        - Transportation (at $440 per student)= $345,000.
- Grants to start/expand new/effective schools.
    - Assume 3 grants per year of $100,000 each = $300,000.

Basic Data for Several Large Urban Districts 1993-94 (from 1996 Digest)

District	Enrollment (Rank)	Schools	Teachers
Philadelphia	208,000 (5)	259	10,500
Cincinnati	52,000 (67)	83	3,000
Seattle	45,000 (82)	108	2,300

FIRST ESTIMATE, USE OF CHALLENGE GRANTS, URBAN DISTRICT

Note: Could also include a match from local district

DRAFT -- November 25, 1997

Student Accountability and Assistance:	Year 1	Year 3	
Extra help after school and summers	$ 8 million	$ 8 million	Chicago,
Student accountability/info systems	1 M	500,000	Cinci, Charlotte, Chicago
SUBTOTAL	*$9 M*	*$8.5 M*	
Staff Accountability:			cost Seattle? Jeff Co?
Cash bonuses for schools/teachers	$60,000	$60,000	Cincy, Charlotte
Fees and bonuses for National Board certification	800,000	1.5 M	St. Paul, NC, KY, CA, NYC, NTSB [illegible]
Extra teacher professional development	1.5 M	1.5 M	Community Dist. 2, Ft Worth
Training for addressing failing teachers	1.5 M	1.5 M	Columbus, Cincy, Memphis
Summer principal leadership institutes	1 M	1 M	Toledo, NYC, CART, Lin, IL, Dw [illegible]
SUBTOTAL	*$4.86 M*	*$5.56 M*	
School Accountability:			
Support turnaround/reconstitution at 5% lowest-achieving schools	$2.5 M	$4.25 M	Memphis? San Francisco, Cleveland, PG Co., Kentucky, Chicago
SUBTOTAL	*$2.5 M*	*$4.25 M*	
Public School Choice:			
Public school choice info programs	$1 M	500,000	Boston Cambridge
Choice Premiums	1 M	1 M	More on Stullich
Transportation	500,000	500,000	Houston - no transport cost?
New School Start-ups	1.75 M	1.75 M	
SUBTOTAL	*$4.25 M*	*$3.75 M*	
GRAND TOTAL	$20.61 M	$22.06 M	

CHANGES NOT MADE ON DISK TO THIS DOC BUT ONLY TO SUMMARY.

CHALLENGE GRANTS FOR URBAN AND RURAL EDUCATION
OPPORTUNITY ZONES -- *USE OF FUNDS/COST COMPONENTS*
Proposed FY 99 Budget Initiative
DRAFT -- November 25, 1997

Challenge grant funds could be spent on the following types of activities, in conjunction with Title I, Goals 2000, and other federal, state, and local funds. Estimates of costs are provided, where possible. ~~Some~~ estimates are based on a district of ~~100,000~~ 52,000 students, ~~150~~ schools, and ~~5,000~~ 3000 teachers (~~using Milwaukee as a rough guide~~ typical urban, Cincinnati).

Student Accountability and Assistance:

- Start-up/expand extra learning opportunities, such as extended day enrichment/tutoring programs, Saturday academies, and summer school.
    - Chicago Summer Bridge model (5 days/week; 6 to 7 weeks; 20 students per teacher): \$4500/teacher, \$50 per student in materials, or about \$275 per student.
        - Assume 3 transition grades, 15% of students per grade in summer program, or approximately ~~3500~~ 1800 students = ~~\$1,000,000~~ 500,000.
    - Chicago Lighthouse after-school program model (2 or 4 days per week for 20 weeks; 1 hour of intense reading/math instruction, one hour of social activities; a meal, and other enrichment activities): \$385 per student, ~~or \$115,000 per school~~ school
        - Assume serve students in lowest 20% of schools per year = ~~\$3.5~~ 2 million.
    - Cheaper after-school program model relying on coordinator and parent/community volunteers: \$75,000 per school.
        - Assume serve students in next lowest 30% of schools per year = ~~\$3.5~~ 1.9 million.
- Establish individual student accountability systems, including useful information for parents and teachers (some districts may need to upgrade/rework existing school report card systems or the like)
    - Assume \$~~1~~ .5 million in first year, \$~~500,000~~ 25,000 per year thereafter.

Staff Accountability:

- Reward effective teams of teachers.
    - Estimate for \$200/teacher cash bonus: 33 teachers per school, reward top ~~5~~ 10% of schools (8 4 total) = \$52,800.

- Assume that increasing to $60,000 covers principals, too.

- Pay fees and bonuses for those seeking/attaining national certification/other rigorous advanced study.
    - Estimate for fees: Pay $2,000 fee for 5% of ~~5~~,000 teachers per year (~~250~~) = $~~500,000~~. ~~$ 230,000~~ 300,000 3,000 ~~1,500~~ 150 ~~75~~ X5
    - Estimate for bonuses: Pay $2,500 bonus for 2.5% of teachers per year (~~125~~) who attain board certification: $3~~12,500~~ (first year of bonuses), $~~1 million~~ by year 3. 75 ~~60~~ ~~187,500~~ 567,500 ~~450,000~~ 562,500

- Leverage/fill gaps in teacher professional development.
    - One-week intensive summer professional development by subject or school, 20% (~~1,000~~) of teachers in the district per year at $1,500 each = $~~1,500,000~~. ~~700,000~~ ~~460~~ 600 900,000

- Design/implement/upgrade/expand systems to identify chronically failing teachers, get them intensive counseling/assistance to improve, and, if they don't counsel them out or remove them expeditiously and fairly.
    - One week intensive summer training for ~~5-person~~ 15 teams ~~from all 150 schools in the~~ district ~~at $2,000 each: $1.5 million~~. 500K plus salary support during year.

- Design and implement principal leadership institutes and recruitment strategies.
    - 3 week summer institute for 50 principals i~~n lowest 20% of schools (30)~~ at $5,000 each = $250,000
    - ~~3 week summer institute for 200 principals in 150 schools at $5,000 each = $1,000,000.~~

- ~~Develop and implement system of rewards and sanctions for principals based on performance.~~

School Accountability:

- Design and start-up/upgrade school accountability system.

- Peformance awards for effective schools. (See under staff accountability)

- Support turnaround/reconstitution efforts at low achieving/failing schools, including adoption of successful reform model using outside assistance, intensive professional development, and intensive parental outreach.

150,000 per school

- Year 1: $~~315,000~~ per school
    - Lowest 5% = $2.5 million. 100,000
    - Lowest 10% = $5 million 1.2 million

  75,000
- Year 2: $1~~20,000~~ per school
    - Lowest 5% = $~~1 million~~. 500,000
    - Lowest 10% = $~~1.8 million~~ 1,000,000

  50,000
- Year 3: $~~95,000~~ per school
    - Lowest 5% = $~~750,000~~. 250,000
    - Lowest 10% = $~~1.4 million~~. 420,000

- Design and start-up programs to improve information on public school choices for parents.

  .5
    - $~~1 million~~ in first year.

- Design and start-up/operation of public school choice programs (more detailed assumptions and estimates below).
    - Choice premiums: $1 million ~~per district~~. 585,000
    - Transportation: $500,000 ~~per district~~. 345,000

- Grants to start/expand new/effective schools.
    - Assume ~~5~~ 3 grants per year of $~~350,000~~ 100,000 each = $~~1.75 million~~. 300,000

National Activities (up to 5% of total).

- Broker technical assistance to successful grantees.
- Use technology to establish a "virtual urban and rural office" and help districts consult with each other on overcoming obstacles.
- Document and disseminate successes.

DRAFT COST ESTIMATES FOR CHOICE OPTION -- URBAN DISTRICTS
November 25, 1997

Choice Premium:

Assume:
15 Districts
(1) 100,000 students per district (~~size of Milwaukee, 24th largest)~~
Students at ~~5%~~ of schools eligible
15 ~~25%~~ of students at those schools take part -- 180 1250 students ~~per district~~
Half elementary, $500 per student
Half secondary, $1000 per student (reflects higher per pupil costs for secondary generally)
(In other words, average premium of $750 per student)

Cost:
$937,000 per district
$14 million total for 15 districts

Increased Transportation Costs

Digest indicates 1993-94 average cost per pupil transported is $404

Assume
Some use of public transport/mayors
Some use of existing transportation systems
Pay for full increase in operating costs in first year
50% of students assisted in choice program already transported; 50% not
Costs 50% more to transport students under choice plan
10% increase for inflation since 93-94 plus higher cost of urban area.

Costs
Adjusted avg. transport cost per pupil: $440; extra transport cost for choice students $220; total transport cost per pupil is $660.
Per district, pay full cost of 625 students at $660, increased cost of 625 students at $220

Total increased transportation cost per district = $550,000

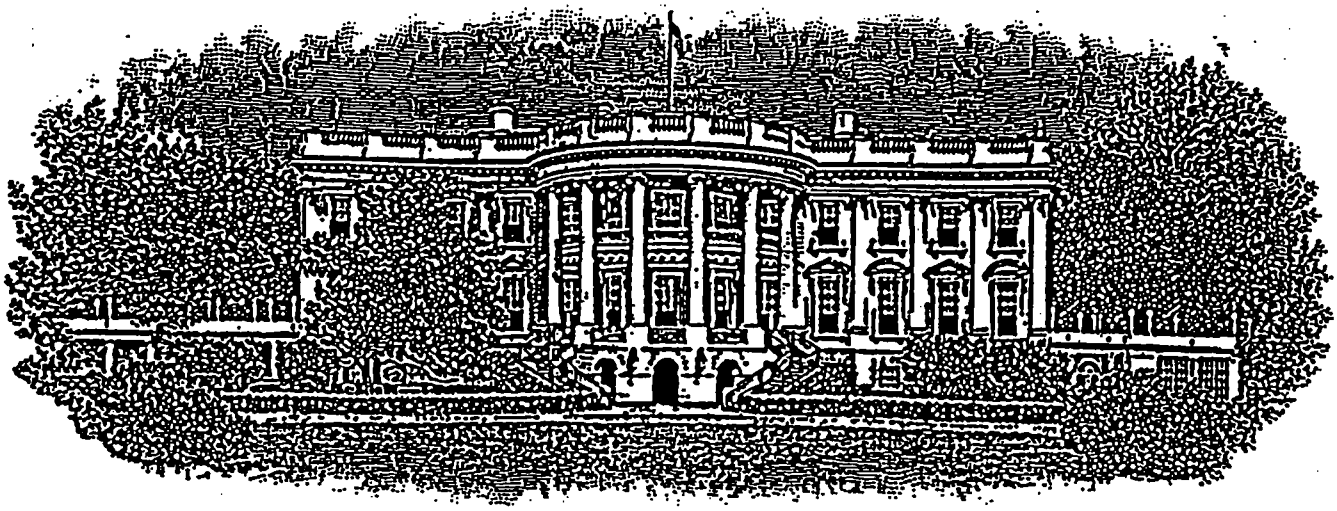
Total, 15 urban districts = $8.25 million

GRAND TOTAL (PREMIUM PLUS TRANSPORTATION COST INCREASE):

Total per district = $1.5 million

Total for 15 districts = $14 million + $8.25 million = $22 million

The White House



Domestic Policy Council
Old Executive Office Building, Room 220
Washington, DC 20502

Telephone Number: (202) 456–2857
Alternate: (202) 456–2216

FAX Number: (202) 456–7028
Alternate FAX: (202) 456–7431

FAX COVER SHEET

TO: Mike Cohen

FAX: 301-622-4044

FROM: BILL KINCAID

THIS FAX INCLUDES THE COVER SHEET PLUS 2 **PAGES.**

IF YOU DID NOT RECEIVE THE COMPLETE FAX, PLEASE CALL (202) 456–2857.

MESSAGE:

For you to start thinking about, here are some ballpark figures on uses of grant funds in a district the size of Cincinnati, plus some numbers on federal funds the district already receives. I will put this into a simpler better explained form on Friday.

Bill

URBAN-RURAL CHALLENGE GRANTS -- USE OF FUNDS
Urban District the Size of Cincinnati

ROUGH DRAFT -- November 26, 1997

In order to address key priorities identified in this initiative, a school district the size of Cincinnati (52,000 students, 83 schools, 3,000 teachers) could make the following investments, which could be paid for with challenge grant funds, or with other federal, state and local funds.

Student Assistance and Accountability:	Year 1	Year 3
Extra help after school and summers	$ 4.5 M	$ 4.5 M
Student accountability/info for parents and students	.5 M	.25 M
SUBTOTAL	*$5 M*	*$4.75 M*
Staff Effectiveness and Accountability:		
Cash bonuses for effective schools/teachers	$60,000	$60,000
Fees and bonuses for National Board certification	487,500	862,500
Extra summer teacher professional development	900,000	900,000
Training and salary supplements for teacher peer counseling	.5 M	.5 M
Summer principal leadership institutes	.25 M	.25 M
SUBTOTAL	*$2.2 M*	*$2.6 M*
School Improvement and Accountability:		
Support adoption of effective reforms/ reconstitution in lowest 10% of schools	$1.2 M	$2.2 M
SUBTOTAL	*$1.2 M*	*$2.2 M*
Public School Choice:		
Public school choice info programs	$.5 M	.25 M
Choice Premiums	600,000	600,000
Transportation	350,000	350,000
New School Start-ups	300,000	300,000
SUBTOTAL	*$1.75 M*	*$1.5 M*
GRAND TOTAL	*$10.15 M*	*$11.05 M*

OTHER FEDERAL DOLLARS FOR CINCINNATI

Porter-Obey

Under preliminary estimates, Ohio could receive nearly $6 M in Porter-Obey funds; no further breakdown currently available. Based solely on enrollment, one could expect that about 3% would go to Cincinnati, or about $180,000 total. If, based on poverty, grant quality, etc., Cincinnati received 10% of Ohio's share, or $600,000, that would be about ½ the amount projected here for beginning dramatic improvements or reconstitution in the lowest-achieving 10% of the district's schools.

Goals 2000	$141,500
Technology	[number from district seemed questionable]
Title I	$19.9 M
Title II	$314,500

① → Show how pieces connected — show how reinforce

4 or 2

② Rewards for schools/kids leaving 10-15%

More schools elig, but 10% of kids

FIRST ESTIMATE, USE OF CHALLENGE GRANTS, URBAN DISTRICT

Note: Could also include a match from local district

DRAFT -- November 25, 1997

Student Accountability and Assistance:	Year 1	Year 3	
Extra help after school and summers	$ 8 million	$ 8 million	③ 150,000 max
Student accountability/info systems	1 M	500,000	④ 100,000
SUBTOTAL	*$9 M*	*$8.5 M*	
			⑤ .5 million
Staff Accountability:			
Cash bonuses for schools/teachers	$60,000	$60,000	look at KY/MD
Fees and bonuses for National Board certification	800,000	1.5 M	
Extra teacher professional development	1.5 M	1.5 M	
Training for addressing failing teachers	1.5 M	1.5 M	
Summer principal leadership institutes	1 M	1 M	
SUBTOTAL	*$4.86 M*	*$5.56 M*	
School Accountability:			
Support turnaround/reconstitution at 5% lowest-achieving schools	$2.5 M	$4.25 M	
SUBTOTAL	*$2.5 M*	*$4.25 M*	
Public School Choice:			
Public school choice info programs	$1 M	500,000	
Choice Premiums	1 M	1 M	
Transportation	500,000	500,000	
New School Start-ups	1.75 M	1.75 M	
SUBTOTAL	*$4.25 M*	*$3.75 M*	
GRAND TOTAL	$20.61 M	$22.06 M	

CHALLENGE GRANTS FOR URBAN AND RURAL EDUCATION
OPPORTUNITY ZONES -- *USE OF FUNDS/COST COMPONENTS*
Proposed FY 99 Budget Initiative
DRAFT -- November 25, 1997

Challenge grant funds could be spent on the following types of activities, in conjunction with Title I, Goals 2000, and other federal, state, and local funds. Estimates of costs are provided, where possible. Some estimates are based on a district of 100,000 students, 150 schools, and 5,000 teachers (using Milwaukee as a rough guide):

Student Accountability and Assistance:

- Start-up/expand extra learning opportunities, such as extended day enrichment/tutoring programs, Saturday academies, and summer school.
    - Chicago Summer Bridge model (5 days/week; 6 to 7 weeks; 20 students per teacher): \$4500/teacher, \$50 per student in materials, or about \$275 per student.
        - Assume 3 transition grades, 15% of students per grade in summer program, or approximately 3500 students = \$1,000,000.
    - Chicago Lighthouse after-school program model (2 or 4 days per week for 20 weeks; 1 hour of intense reading/math instruction, one hour of social activities; a meal, and other enrichment activities): \$385 per student, or \$115,000 per school.
        - Assume serve students in lowest 20% of schools per year = \$3.5 million.
    - Cheaper after-school program model relying on coordinator and parent/community volunteers: \$75,000 per school.
        - Assume serve students in next lowest 30% of schools per year = \$3.5 million.
- Establish individual student accountability systems, including useful information for parents and teachers (some districts may need to upgrade/rework existing school report card systems or the like)
    - Assume \$1 million in first year, \$500,000 per year thereafter.

Staff Accountability:

- Reward effective teams of teachers.
    - Estimate for \$200/teacher cash bonus: 33 teachers per school, reward top 5% of schools (8 total) = \$52,800.

- Assume that increasing to $60,000 covers principals, too.

- Pay fees and bonuses for those seeking/attaining national certification/other rigorous advanced study.

  - Estimate for fees: Pay $2,000 fee for 5% of 5,000 teachers per year (250) = $500,000.

  - Estimate for bonuses: Pay $2,500 bonus for 2.5% of teachers per year (125) who attain board certification: $312,500 (first year of bonuses), $1 million by year 3.

- Leverage/fill gaps in teacher professional development.

  - One-week intensive summer professional development by subject or school, 20% (1,000) of teachers in the district per year at $1,500 each = $1,500,000.

- Design/implement/upgrade/expand systems to identify chronically failing teachers, get them intensive counseling/assistance to improve, and, if they don't counsel them out or remove them expeditiously and fairly. Cincy | Columbus retention for good

  - One week intensive summer training for 5-person teams from all 150 schools in the district at $2,000 each: $1.5 million. 15 - 20 people .5 million

- Design and implement principal leadership institutes and recruitment strategies.

  - 3 week summer institute for 50 principals ~~in lowest 20% of sc~~hools (30) at $5,000 each = $250,000

  - 3 week summer institute for 200 current | future principals in 150 schools at $5,000 each = $1,000,000. 20 good 20 low 20 bad

- Develop and implement system of rewards and sanctions for principals based on performance.

School Accountability:

- Design and start-up/upgrade school accountability system.

- Peformance awards for effective schools. (See under staff accountability)

- Support turnaround/reconstitution efforts at low achieving/failing schools, including adoption of successful reform model using outside assistance, intensive professional development, and intensive parental outreach.

- Year 1: $315,000 per school
    - Lowest 5% = $2.5 million.
    - Lowest 10% = $5 million
- Year 2: $120,000 per school
    - Lowest 5% = $1 million.
    - Lowest 10% = $1.8 million
- Year 3: $95,000 per school
    - Lowest 5% = $750,000.
    - Lowest 10% = $1.4 million.

- Design and start-up programs to improve information on public school choices for parents.
    - 500,000 $1 ~~million~~ in first year. check on plan given Charlotte

- Design and start-up/operation of public school choice programs (more detailed assumptions and estimates below).
    - Choice premiums: $1 million per district.
    - Transportation: $500,000 per district.
- Grants to start/expand new/effective schools.
    - Assume 5 grants per year of $350,000 each = $1.75 million. Check start-up is $80-100,000

National Activities (up to 5% of total).

- Broker technical assistance to successful grantees.
- Use technology to establish a "virtual urban and rural office" and help districts consult with each other on overcoming obstacles.
- Document and disseminate successes.

DRAFT COST ESTIMATES FOR CHOICE OPTION -- URBAN DISTRICTS

November 25, 1997

Choice Premium:

Assume:

15 Districts
100,000 students per district (size of Milwaukee, 24th largest)
Students at 5% of schools eligible
25% of students at those schools take part -- 1250 students per district
Half elementary, $500 per student
Half secondary, $1000 per student (reflects higher per pupil costs for secondary generally)
(In other words, average premium of $750 per student)

Cost:

$937,000 per district
$14 million total for 15 districts

Increased Transportation Costs

Digest indicates 1993-94 average cost per pupil transported is $404

Assume

Some use of public transport/mayors
Some use of existing transportation systems
Pay for full increase in operating costs in first year
50% of students assisted in choice program already transported; 50% not
Costs 50% more to transport students under choice plan
10% increase for inflation since 93-94 plus higher cost of urban area.

Costs

Adjusted avg. transport cost per pupil: $440; extra transport cost for choice students $220; total transport cost per pupil is $660.
Per district, pay full cost of 625 students at $660, increased cost of 625 students at $220

Total increased transportation cost per district = $550,000

Total, 15 urban districts = $8.25 million

GRAND TOTAL (PREMIUM PLUS TRANSPORTATION COST INCREASE):

Total per district = $1.5 million

Total for 15 districts = $14 million + $8.25 million = $22 million

A New Grant Program That Provides Incentives and Support for Districts to Intervene Aggressively in Failing Schools -- Rough Draft July 9, 1997

- Discretionary grant program open to urban and rural school districts with high concentrations of poverty.

- Districts could seek up to [$200,000 per school for the first year, and 100,000 per year for the following two years], for a maximum of [5% of its schools per year], to overhaul schools that have persistently failed to meet acceptable standards for student achievement, attendance and safety.

- Districts receiving funds must commit, for each school assisted, to:

    - Close down and reopen the school with [new] leadership and faculty.

    - Work with the school and outside partners to develop a clear school improvement plan with curriculum, professional development, assessment, and parental and community involvement designed to help students reach high standards.

    - Upgrade the physical appearance of the school.

    - Provide intensive professional development for all members of the new instructional team prior to the schools' reopening and continuing for the first two years following reconstitution.

    - Extend learning time and provide safe environments for students by keeping the school open after-school, on weekends, or during the summer.

    - Work with school improvement partners (such as postsecondary institutions or qualified non-profits) using recognized, research-based, effective whole school improvement models.

    - Ensure that all available resources will help students reach high standards and that special state and local funds, other federal funds, and private funds and services will match special federal grant funds 1 to 1. (The plan may provide for commingling of funds, if necessary).

    - Ensure that each school has at least one significant partner from the business community.

- Priority for funding would be given to those schools that are being reopened as schools within schools or public charter schools, to encourage more personalized learning environments and accountability for student achievement.

- [Priority for funding will also be given to schools that participate in the voluntary national tests in 4th grade reading and 8th grade math].

- 95% of grant funds must be spent at the school level; the remainder can be retained at the district level for technical assistance activities.

- Grant funds could be used, [among other things,] for the cost of teacher and principal professional development, starting and operating after-school programs, start-up costs for becoming a charter school, improvements to building appearance, technical assistance from outside partners, and parental and community outreach.

Could potentially create such a program under existing authority in ESEA § 1502(a), Demonstrations of Innovative Practices.

Fixing Failing Schools: Avg. Cost Estimate for Reopening

	Year 1	Year 2	Year 3
Professional Development	171000	50000	50000
After School	75000	75000	75000
Start-up/Charter	40000	20000	10000
Building Appearance	30000		
Technical Assistance	50000	30000	15000
Parental/Community Outreach	25000	20000	20000
Overall Total	391000	195000	170000

Grant program — roughly 1/2 the cost.

Components: Professional Development Costs

	Year 1	Year 2	Year 3
Pre-opening team building (4 weeks, all staff) (500 per school, 17 per teacher) (36,000 per year, 800 per week) (30 teachers at 3200)	96000		
School year sustained training (10 days per year)	50000	50000	50000
First Summer Recap (5 days)	25000		
Total	171000	50000	50000

After-School Costs

(Assuming modest program, after school 3-6 pm only, coordinator with parent/community volunteers)	75000	75000	75000

Start-Up/Charter School Costs

(apart from other professional development costs--assume have building, most materials, etc.)	40000	20000	10000

Cosmetic/Building Improvement

(fix up, paint up--not structural paint/cleaning crew and supplies for 6 weeks)	30000		

Technical Assistance

Contract with higher ed institution, reform network,or consultant	50000	30000	15000

Parental/Community Outreach (1/2 time coordinator and activities with intensive effort in year 1)	25000	20000	20000

5% of Schools in Selected Large Districts and Grant Awards at $50,000/District'

Rank'	District'	# Students'	# Schools'	5% of Scho(	(Rounded)'	Total Grant
1'	New York'	1022000	1064	53.2	53	2650000
2'	LA	633000	640	32	32	1600000
3'	Chicago	407000	609	30.45	30	1500000
4'	Dade	323000	314	15.7	16	800000
5'	Philadelphia	209000	259	12.95	13	650000
6'	Houston	202000	256	12.8	13	650000
7'	Broward	199000	184	9.2	9	450000
9'	Detroit	171000	262	13.1	13	650000
24'	Milwaukee	98000	150	7.5	8	400000
32	DC	81000	173	8.65	9	450000
53	Boston	61000	117	5.85	6	300000
102	St. Louis	41000	110	5.5	6	300000
	Little Rock	26000	48	2.4	2	100000

Choice Option -- Urban Districts

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Costs 50% more to transport students under choice plan

10% higher than average costs in urban system and 9% increase since 93-94

Costs

Inflation adjusted avg. cost per pupil: $440; extra cost for choice students $220; total cost per pupil is $660.

Per district, 625 students at $660, 625 students at $220

<u>Total per district = $550,000</u>

<u>Total, 15 urban districts = $8.25 million (first year)</u>

GRAND TOTAL (PREMIUM PLUS PER PUPIL TRANSPORTATION):

$14 million + $8.25 million = $22 million

Roughly 60% of kids transported nationally

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Catherine_Jovicich @ ed.gov
11/26/97 05:43:00 PM

Record Type: Record

To: William R. Kincaid

cc:
Subject: City Budget Numbers

Bill,

We have compiled budget information for the cities you requested -- to the extent possible. We do not have information on charter schools. We will try to get that to you on Friday.

Cincinnati:
Goals 2000 $141,500
Technology Literacy $unclear -- $14,707,300 state money
Challenge Fund (TLCF)
Title I Basic grants $19,920,242
Eisenhower $314,446

Philadelphia
Goals 2000 $630,000
TLCF $400,000
Title I Basic grants $85,198,628
Eisenhower $1,537,305

Seattle -- we were unable to reach anyone at the SEA for any of our programs
TLCF = none (WA concentrated grants to rurals)
If we need to get information, the Title I office is 360-753-3220 and the Eisenhower office is Peggy Vatter 360-753-6757 or David Kennedy at 360-753-2574

I hope this is helpful. Happy Thanksgiving!

Catherine