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November 5, 1996

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Executive Summary: Accountability, Choice, and Excellence (ACE):
An Initiative to Help America's Cities Make Their Public Schools More Effective
November 5, 1996

The Need for an Urban Schools Initiative:

Since the 1980s, communities and states have undertaken reform efforts to raise standards and improve teaching and learning. However, urban schools and school districts face serious challenges, and many are not making progress at the same pace as their counterparts serving suburban areas and smaller cities.

Meanwhile, just as the nation is demanding more from our schools and children, far too many urban public schools and school systems need serious improvement in order provide a quality education to our children. The urban schools initiative is designed to place national attention squarely on this challenge: helping America's cities to restore confidence in urban public schools and school systems and to provide children with the education they need for work, college, and productive citizenship

How the New Initiative Would Work:

To help ensure that urban schools can fully benefit from promising educational reforms, the ACE urban schools initiative would place a special focus on the challenges facing urban districts, and provide extra support and funding for urban districts prepared to take up the challenge. This initiative would accelerate the boldest education reforms, supply fresh support and energy to urban communities prepared to turn around troubled public schools and school systems, and spur other communities to take up the challenge:

Round 1 of the initiative would provide preliminary \$1 million competitive grants to help participating urban districts -- working with respected educators and outside organizations -- to conduct reviews of their management and instructional performance, and to strengthen their capacity to make effective use of local, state, and federal resources.

Round 2 of the initiative would provide much larger multi-year grants -- ranging from \$10 million to \$25 million per year -- to districts that undergo the intensive review of management and instructional performance, and that develop serious and credible strategies for ensuring good management, rigorous but fair accountability, public school choice, and excellence in the district's workforce of teachers and principals. Round 2 grants would support comprehensive reform efforts aimed at raising academic standards, and continued receipt of these funds would be linked to demonstrable progress toward goals set in the initial application.

Districts that already have completed comparable reviews may bypass the first round, applying immediately for a second-round grant.

This initiative would complement other efforts to improve urban public education:

A critical aspect of the ACE urban initiative is to help ensure that federal, state, and local funds are thoughtfully and efficiently spent on improving teaching and learning, so that urban districts can take maximum advantage of existing and new sources of funding. Indeed, the fundamental improvements carried out by ACE districts would enhance the ability of any educational program or reform to make an enduring difference in the lives of children. Schools will simply perform better and students will learn more -- under any reform effort or program -- in school districts with good management, empowered parents, high-performing teachers and principals, and accountability for results. Moreover, evidence of these kinds of fundamental change would help to restore public confidence in urban public schools, and to sustain public support for other efforts to improve urban education generally.

Just as this initiative would ensure better use of existing funding, ACE would also complement -- and maximize the potential of -- other new federal investments in urban education:

- Improving America's High Schools -- The Improving America's High Schools initiative would provide concentrated support to high schools to carry out whole school improvement efforts, with a strong emphasis on implementing school-to-work systems at the school level. High schools have often been overlooked as school districts focus reform efforts at the elementary and middle school levels. This initiative would help ensure that urban high schools are full participants in standards-based reform.
- The President's Reading Initiative -- The reading initiative will play a critical role in improving the reading level of urban children -- 47% of whom scored below the basic level on the 1994 NAEP. Funds will be used to support individualized tutoring programs after school, on weekends, and in summers. The President's work study proposal -- calling for half of all new work study funds to support community services, with 100,000 reading tutors -- provides a unique opportunity for college students to be involved in teaching needy children how to read under the America Reads Challenge, with an added benefit of additional mentoring and community service.
- Title I Concentration Grants -- School districts in high-poverty urban centers will receive large increases in funds because of a 49% increase in Title I Concentration Grants in FY 1997. These grants provide formula funds to school districts with high numbers or percentages of poor children -- 68 percent of the FY97 increase for Title I LEA Grants went to Concentration Grants.
- Urban Community Service -- The Department has requested a substantial increase in funding for the Urban Community Service program. This program supports college and university-based projects aimed at improving the quality of elementary and secondary education in urban areas. Colleges and universities establish linkages with school districts to work jointly on solving locally-identified educational problems.

Accountability, Choice and Excellence (ACE): Urban Public Schools For the Twenty-First Century

November 5, 1996

The future of urban children -- and therefore the future of our cities -- depends significantly on whether students attend well-managed public schools with demanding academic standards, high-quality teachers and principals, and a safe, disciplined, and drug-free environment. The urban schools initiative would place national attention squarely on this critical challenge, helping cities to restore confidence in their public schools and to provide children with the education they need for work, college, and productive citizenship.

Targeting the special challenges facing urban public school districts and building on existing reform efforts, the urban schools initiative would provide communities with funding and encouragement to accelerate existing reform efforts and to shake up troubled public schools and school systems. The initiative would help communities tighten urban school system management, strengthen accountability for results, improve the quality of teaching and school leadership, broaden public school choice, and commit to long-term improvements that will improve their schools and raise academic standards for all students.

A Sharper Focus on Improving the Quality of Urban Public Schools

Communities, states, and the federal government have been working hard to raise standards and improve teaching and learning in schools across the country. Nationally, an expanded Head Start and other early childhood efforts, "seed funds" to improve schools through Goals 2000 and School-to-Work, a revamped Title I program to better assist disadvantaged students, and new start-up funds for charter schools and educational technology are beginning to generate results -- more challenging academic standards, higher college entrance scores, more innovative public schools, and more classrooms connected to the information superhighway.

However, just as new demands are being placed on our educational system and our young people, many urban schools and school districts are facing special challenges and are not making progress at the same pace as their counterparts serving suburban areas and smaller cities. In many urban districts, test scores lag, dropout rates remain high, and many students leave school without receiving the education they need in an economy that is demanding substantially higher levels of education, skills and knowledge than ever before.

While there are excellent schools in virtually every urban public school district across the nation, the dominant perception -- and, in many cases, the reality -- of urban school systems is that they have been overwhelmed with the combined problems of child poverty, drugs, safety and student discipline. Moreover, the challenges of educating children from struggling families and

neighborhoods often seem to have been exacerbated by large, impersonal school systems with poor management practices, insufficient accountability, and an inadequate focus on excellent instruction and choices for families. The result has been that many urban districts have been unable to take full advantage of efforts to raise academic standards and improve public education, feeding a growing frustration among parents and community members anxious to see all students attending good schools.

There is much at stake in how well this nation's public schools prepare urban children for the 21st century. Unlocking the potential of urban children is the key to providing opportunity for those willing to work for it. Furthermore, it is only with revitalized urban public schools that cities can attract employers and jobs, rejuvenate economically, provide an attractive and safe place to live for all families including the middle class, and place the American dream within reach for our cities' children and families.

To help ensure that children attending urban schools fully benefit from broader school improvement efforts, a new initiative is needed to place a special focus on some of these challenges. This initiative would provide extra support and funding for those urban school districts prepared to address the challenges head-on.

Overview of the New Initiative

The centerpiece of this initiative would be a new ten-year competitive grant program: **"Accountability, Choice, and Excellence in Urban Public Schools" (ACE)**. The program would help accelerate the boldest urban education reforms, supply fresh support and energy to urban communities prepared to shake up and turn around troubled schools and school systems, and spur other districts to take up the challenge. The grants would fund activities to improve management, strengthen accountability, expand public school choice, and help teachers and principals meet high standards of professional excellence. These activities would be central elements in reforms targeted at raising academic standards, and improving teaching and learning throughout a school district.

Grant competitions would be held in two stages. First, preliminary grants would be awarded to participating districts to support in-depth reviews of management and instructional performance. A second round of grants, entailing much larger awards, would help districts draw on findings from their reviews to bring greater accountability, choice and excellence to their schools. School districts that have recently undergone comparable management and instructional performance reviews could bypass the first round, and apply immediately for second-round funds without undergoing new reviews.

In order to participate, districts would have to demonstrate widespread support from parents, teachers, school board members, superintendents and other local officials for becoming an ACE District and raising academic standard. Districts would set measurable goals for carrying out their reform strategies and for improving such results as student achievement, drop-out rates, and attendance. Continuation of ACE funds would be linked to making demonstrable progress toward many of these goals.

Appropriation Levels and the Grant Program

In order to catalyze serious urban education reform benefitting a large number of America's neediest children, the ACE program would provide substantial four-year competitive grants to urban school districts willing to take up the challenge. **Under the preferred option**, ACE funding would start at \$500 million in FY98, climb to \$950 million, then come back down to about \$100 million in FY2007. *See Attachment A for detailed budget analysis of all 5 options.*

- ▶ **Preferred Funding Option: Catalyze serious education reform in 92 urban school districts over 10 years.** Over the 10-year life of the program, ACE would provide 92 urban school districts with four-year grants averaging \$15 million per year. Grant sizes would vary based on student enrollment, need, and quality of proposal -- ranging from \$10 million-\$25 million a year, large enough to provide significant incentives and encouragement for districts to boost accountability, broaden public school choice, and improve the quality of the workforce of teachers and principals.

Under the preferred funding option, ACE grants could catalyze needed reforms in districts serving 43% of the nation's poor children. Most of the lower-cost alternatives described below would diminish the initiative's impact on America's cities, substantially reducing the number of children served, and/or reducing the potential of these grants to catalyze serious reform in individual school districts.

- ▶ **Funding Option 2: Reduce the number of districts receiving reform grants from 92 to 54, while leaving intact the average grant amount at \$15 million per year.** Under this option, funding begins at \$250 million in FY98, climbing to \$570 million before dropping back down to \$130 million in FY2007. Preserving the average grant size would enable ACE to catalyze real reform in each district, but would scale back the number of cities benefitting from reform of their school systems. This lower-cost option would still be a viable urban reform strategy.
- ▶ **Funding Option 3: Reduce the number of districts receiving reform grants even further, providing only 31 grants over the life of the program.** Under this option, funding would begin at \$100 million in FY98, scaling up to \$320 million before coming back down to \$90 million in FY2007. While average grant size would remain at \$15 million per year, the benefit of the initiative would be further reduced. Preserving the average grant size would again enable ACE to catalyze real reform in each district, but would significantly diminish the initiative's national impact and further scale back the number of cities benefitting from reform.
- ▶ **Funding Option 4: Preserve funding to about 90 urban school districts, but dramatically reduce the average grant size.** Under this option, the grants would be converted into "glue money" to help bring together and upgrade existing reform efforts and programs. Criteria for awarding these funds could include the quality of

a district's local consolidated plan under IASA. Under this option, funding would begin at \$100 million in FY98, scaling up to \$210 million before coming back down to \$40 million in FY2007. The average grant size would be reduced to \$3 million per year. While this option would preserve limited funding for a large number of districts, the ability of this program to catalyze serious change in individual school districts would be substantially diminished. Instead, this program would provide potentially helpful "glue money" to support district efforts to better coordinate an array of existing reforms and programs; it probably wouldn't catalyze the kind of fundamental changes and improvements needed in most urban districts.

Possible link to the local consolidated plan. Receipt of grant funds under this option could be tied to the strength of a district's local consolidated plan under IASA. This strategy could stimulate greater school district attention to the development of high-quality consolidated plans for federal program funds, thereby encouraging better use of federal funds to support local school improvement efforts. On the other hand, tying this program to local consolidated planning risks placing too great an emphasis on simply making better use of federal program funds, rather than catalyzing change throughout district schools.

While the Department intends for local consolidated planning to support broader local reform efforts, our experience so far suggests that a broader strategy is needed to bring about critical and difficult changes in urban school districts.

- ▶ **Funding Option 5 -- Provide a mix of larger reform grants to 30 districts and "glue money" grants to about 90 more districts over 10 years.** Under this option, funding would begin at \$200 million in FY98, scaling up to about \$500 million before coming back down to about \$120 million in FY2007. This would provide major reform grants averaging \$15 million per year to a limited number of major urban districts over the 10-year life of the program, and "glue money" to others. This approach might be responsive to different situations of school districts interested in participating in this program. However, this approach might also wind up providing smaller -- and perhaps inadequate -
- "glue money" grants to 2nd-tier applicants that are the most in need of major new funding to leverage real change.

See table on page 8 for a comparison of all five options.

FUNDING OPTIONS-Urban Schools Initiative								
	FY 98	Total Approp, over 10 years, FY98-FY2007	Average size of annual grants	Number of urban districts awarded major reform grants over 10 years	Number of urban districts awarded "glue-money" grants over 10 years	Number of poor students in urban school districts awarded major reform grants	% of nation's poor students in urban school districts awarded major reform grants	Total number of students in urban school districts awarded major reform grants
Option 1	\$500 million	\$5.8 billion	\$15 million	92	0	4 million	43%	9.7 million
Option 2	\$250 million	\$3.5 billion	\$15 million	54	0	2.3 million	25%	5.7 million
Option 3	\$100 million	\$2.1 billion	\$15 million	31	0	1.3 million	14%	3.3 million
Option 4	\$100 million	\$1.3 billion	\$3 million	0	96	-	-	-
Option 5	\$200 million	\$3.4 billion	Mix of \$15 million and \$3 million	40	40	1.7 million	18%	4.2 million

FIRST ROUND: MANAGEMENT AND INSTRUCTIONAL PERFORMANCE REVIEW

First-round grants would support a performance review with two distinct, but related, elements. A key feature would be a summary of existing reforms, and how they fit together to support raising standards and student achievement. Competitive grants would be awarded after peer reviewers assess the depth and breadth of local commitment to rigorous performance reviews and reform.

- **Management Performance Review** -- In order to be considered for a second-round grant and designation as an ACE district, participating districts would first conduct a rigorous management performance review in conjunction with respected independent organizations. The review would cover such systems as student accounting, budgeting, personnel, payroll, acquisition of materials and equipment, transportation, food service and facilities planning and maintenance. The review would help ensure that each participating district is prepared to take maximum advantage of a much larger ACE grant -- as well as resources from foundations, business, higher education, and other state and federal programs including new federal school construction and technology initiatives and the expected influx of new volunteers under the President's Reading Initiative -- and harness those resources to improve teaching and learning.

Together, based on the results of the review, each district and its partners would design a strategies for upgrading systems of financial management and reinventing district and school operations. These strategies would involve the use of technology to improve cost, efficiency and service to better support the district's instructional mission. The strategy would include improvement benchmarks, such as targets for increasing the proportion of district funds making it to the classroom and greater levels of parental involvement.

- **Instructional Performance Review** -- Participating districts would also agree to bring together their best teachers, principals, and outside experts to undertake a review of how the schools and school system are achieving their instructional goals. A review would examine, for example, whether a districts and its schools have adopted challenging academic standards and whether assessments and curricula are challenging and aligned with standards. A review could also examine the effectiveness of instructional practices in the classroom, as well as the effectiveness of district systems for results-based accountability -- including benchmarks and time lines for improved student performance. A review could also examine how effectively a district and schools use available funds to recruit and provide professional development to prepare teachers and principals to help children achieve high standards. Finally, districts could compile and review data on truancy, safety, and discipline, examine current strategies to deal with these issues, and conduct parent, teacher, and student surveys to better understand how to address them.

Performance reviews and the development of an action plan would be conducted with support from first-round grants. For districts receiving an ACE designation, regular review and follow-up activities would be conducted with support from second-round grants.

SECOND ROUND: ACCOUNTABILITY, CHOICE, AND EXCELLENCE INITIATIVES

Once districts have completed performance reviews and initial strategy development, they could apply for designation as ACE districts to qualify for second-round funding. Building on and implementing the performance findings and strategies developed in round one, districts would use second-round grants to address each of the following areas:

IMPROVING STUDENT ACHIEVEMENT THROUGH IMPROVING MANAGEMENT AND INCREASING ACCOUNTABILITY

- **Implementing Strong Management Practices** -- ACE districts would strengthen management and fiscal accountability by implementing key improvements identified in the first-round management performance review.
- **Building Systems of Rigorous and Fair Accountability, with Consequences for School and Student Performance** -- ACE districts would custom-design and implement effective school performance and information systems, including school report cards, in order to hold teachers, schools, and principals accountable for student achievement. Systems would be anchored on challenging academic standards and assessments aligned with those standards, along with high-quality, disaggregated data on student and school progress toward achieving tougher standards, and other measures such as improved attendance, discipline, safety, and dropout rates. These systems would help parents and others get involved in improving education by ensuring that they have meaningful information about the success or failure of district schools. Grant funds could be used, for example, to improve student assessments to make sure students are prepared for college and promising careers, to establish integrated data systems, to engage parents and community members in designing school reports, and to help identify schools that need "fixing." Grant funds could also be used to place school report cards on the Internet, as the President has suggested. Among other benefits, the resulting accountability systems could play a critical role in expanding public school choice.

Rewards and interventions discussed in the next sections could be triggered under rigorous but fair systems of accountability.

- **Rewarding Successful Schools** -- ACE districts would develop and implement fair and attractive incentives to acknowledge and reward successful schools based on progress toward challenging academic achievement objectives and other measurable results such as reduced dropout rates, student and teacher attendance, and improved preparation for college and careers. Incentives should be based on whether all student groups within a school are staying in school and progressing, including minority, LEP, disabled and low-income students, and the students who previously have been lowest-achieving. In addition to providing extra encouragement to teachers and principals working together to help all children learn, public incentives will also help parents make more informed

choices about the quality of options for their children's schooling. Reward strategies -- described in a district's grant application -- could include greater school autonomy, financial incentives, and the provision of release time or well-trained substitutes to enable teachers and principals to visit and learn from their peers in other successful schools.

- **Taking on Failing Schools and Making Them Work or Replacing Them** -- Finally, ACE districts would develop and implement fair and effective strategies for identifying, assisting, and, if necessary, overhauling or closing failing or unsafe schools, consistent with state and district accountability efforts. Districts could use grant resources to develop effective technical assistance efforts, including the provision of intensive professional development and sharing of best practices. Districts could also intervene in struggling schools, removing ineffective principals, shifting teaching staff, or overhauling instructional programs. They could use ACE funds to develop new, more successful schools when old ones are failing, including the development of public charter schools. Districts would describe intervention strategies in applications for second-round grants.

IMPROVING STUDENT ACHIEVEMENT THROUGH EXCELLENCE IN TEACHING AND SCHOOL LEADERSHIP

- **Fostering Outstanding Teachers and School Leaders** -- Building on the findings from instructional performance reviews relating to professional development efforts, ACE districts would devise and carry out effective strategies for recruiting, training, supporting and retaining talented teachers and principals in order to improve student learning.

As the President wrote the Secretary on September 12, 1996, "every child needs -- and deserves -- dedicated, outstanding teachers, who know their subject matter, are effectively trained, and know how to teach to high standards and to make learning come alive for students." To help achieve this goal, ACE districts can:

- ▶ Recruit paraprofessionals for teacher certification. In order to develop a professional workforce that can help all children achieve to higher levels of performance and improve discipline, urban districts could form consortia with institutions of higher education to facilitate certification of outstanding paraprofessionals (particularly minorities) to become teachers. Such paraprofessionals often are familiar with the urban education environment, possess a language or cultural background that helps them connect with urban students, and possess a strong commitment to their communities.
- ▶ Improve teacher preparation and alternative routes to certification. Using similar consortia, urban districts could work with states to improve pre-service training for teachers bound for urban schools, ensuring that new educators receive rigorous preparation for teaching to high standards in an urban environment. Districts may also use ACE funds to develop alternative routes to teacher certification for

persons with valuable knowledge and experience, perhaps from a first career, that could enrich teaching and learning in urban schools.

- ▶ Promote peer mentoring, release time, and National Board certification. As part of district-wide and school-based professional development, ACE districts could also invest in strategies to free up time for teachers to participate in high-quality training or peer mentoring programs, or to compensate teachers who become certified by the National Board for Professional Teaching Standards .
- ▶ Systematically nurture the development of outstanding principals and good school leadership. Equally important to good teaching are good principals and effective school leadership. Considerable experience and research over the past decade has shown the central role of outstanding leadership in creating and sustaining successful schools. Districts could invest in strategies for recruiting, and supporting good principals as well as providing ongoing professional development to strengthen leadership among principals and others directly involved with districts' instructional programs. Strategies would help principals provide good instructional leadership, manage budgets and decision-making (needed especially in charter schools and other schools assuming greater roles in decision-making), engage the community, and involve parents. These strategies would help school leaders continually move school instructional programs forward to support teaching and learning to high standards.
- ▶ Develop systems of rewards and consequences linked to effective teaching and school leadership. Grant funds could be used to develop and implement district strategies for identifying and rewarding good teaching and school leadership, counseling those who need assistance, and removing those who are incompetent quickly and fairly.

IMPROVING STUDENT ACHIEVEMENT THROUGH PUBLIC SCHOOL CHOICE

- **Empowering Families to Choose Their Public Schools** -- ACE Districts would use funds to design and implement strategies to create, broaden, or overhaul districts' public school choice options. These public school choice strategies would ensure that all parents at any selected grade levels can choose the public school that their child will attend, with a focus on creating smaller, more personalized learning environments. Districts might pursue either system-wide or public school choice strategies in surrounding neighborhoods, involving open enrollment, cross-district enrollment, charter schools, magnet schools, alternative schools, schools-within-schools, expanded choices of advanced classes, and postsecondary options for high school students.

ACE Districts could also use funds to plan or start up parent information and outreach centers, transportation, and other systems needed to effectuate real public school choice.

They could also use funds to plan and start-up of new public schools, like charter schools and schools-within-schools. All of these strategies would be aimed at empowering families to make meaningful choices among safe, disciplined schools that focus on excellence and achievement.

Public school choice plans in ACE districts should be driven by key underlying principles, geared to expanding high-quality choices for all students and their families.

- Provide more family choice of schools within broader efforts to raise academic standards and improve a district's entire public educational system.
- Let all parents choose what public school their child attends.
- Provide parents with the information and assistance needed to make informed choices about what school and after-school program their child will attend.
- Ensure adequate transportation for students.
- Provide opportunities for teachers and others to start new public schools, such as charter schools or schools-within-schools with accountability for results.
- Maintain open and fair admissions policies, and full compliance with civil rights requirements and other guarantees of equal educational opportunity.

BUILDING LONG-TERM CAPACITY TO IMPROVE TEACHING AND LEARNING

In order to be considered for designation as ACE districts, second-round proposals would have to describe how districts will sustain activities begun or accelerated with support from ACE after the grant expires. Districts must show how they will develop a capacity to continue these activities, and how carrying out their proposal will support long-term, comprehensive efforts to raise academic standards and improve teaching and learning for all children.

ACE: National Activities

The new initiative would also contain a small amount of funding for national activities targeted at evaluation, sharing of best practices and lessons learned, and other critical strategies for accelerating reform in urban school districts around the nation.

- **Evaluation.** A thorough and independent evaluation would be conducted examining and comparing ACE district efforts to ensure accountability, public school choice and excellence throughout their school systems, as well as the effect of these efforts on

measurable goals including student performance. The evaluation would document best practices, costs, conditions for success, and unanticipated results. The evaluations would be designed not only to measure the effectiveness of the reforms, but also to foster continuous improvement and sharing of successful models with others.

- **Dissemination and Sharing of Best Practices.** Results from the reforms and the evaluation would be shared in a variety of ways. National activities would include ongoing opportunities for educators, parents, and community leaders in ACE districts and their schools to learn from one another, and to share lessons learned with others in a variety of ways -- including documents, well-structured workshops, a carefully developed and updated web page, and a moderated list-serves on selected topics (e.g., teacher evaluation systems and networking, or rewards for schools).
- **Other Critical National Leadership Activities.** Other possible strategies to bolster ACE reform efforts include support for world-class principal academies, funding for the development of an assessment for initial teacher certification, model school report cards, guidebooks for parents on how to choose a public school, and other activities targeted at boosting accountability, choice, and workforce excellence. Leading educators and reformers in ACE districts would help design these strategies over the life of the program.

Expected results

The project will maintain a clear focus on boosting student achievement and achieving other tightly focused goals. Districts will use a portion of their funds to document and assess progress toward goals such as:

- Improved student achievement, reduced dropout rates, reduced discipline and safety problems, and improved student and teacher attendance.
- Increased postsecondary enrollment, retention, and completion.
- Higher proportions of students attaining advanced-placement credits, completing a challenging core of academic courses at the high school level (i.e., algebra I & II; geometry, chemistry, biology and computer and technology applications), and completing the classes needed in middle school to be prepared for this work
- Improved management practices, more dollars directed to the classroom, serious accountability strategies for schools, teachers, and students, and improved quality of teachers and principals.

Attachments

ATTACHMENT A - APPROPRIATION LEVELS AND THE GRANT PROGRAM

November 5, 1996

This attachment describes five funding options under the ACE initiative, with appropriations ranging from as much as \$500 million in the first year, to as little as \$100 million. Pages 14-16 describes the major features of each option, and pages 15-18 provide detailed, year-by-year back up material for the first three options.

There are two major variables affected by funding strategy and level of appropriations:

- the number of urban school districts that can participate, and consequently the number of children and poor children that could benefit from this initiative. (Option 1, starting at \$500 million in FY98, would catalyze reform in 92 major urban school districts over 10 years. Option 2, \$250 million in FY 98, would catalyze reform in 54 districts. Option 3, \$100 million in FY 98, would catalyze reform in 31 districts.)
- whether the grants are intended to help districts overcome serious structural barriers -- such as lack of accountability, choice, and overall strategy to upgrade and hold the workforce to high standards -- or whether they are seen primarily as "glue money" to help bring together and upgrade a districts' disparate reform efforts and programs. While options 1-3 would provide annual grants averaging \$15 million to catalyze serious reform, options 4 and 4 would provide smaller grants averaging \$3 million in "glue money" to help districts better plan and coordinate existing efforts.

OPTION 1 -- Catalyzing Large-Scale Reform in 92 Urban School Districts Over 10 years, benefitting about 4 million poor children (43% of poor children nationwide) and almost 10 million children overall. The program would be authorized for 10 years, with \$500 million in FY98, scaling up to \$950 million before coming back to \$145 million in the final year.

Over the 10-year life of the program, a total of \$5.8 billion would be appropriated to provide substantial four-year grants to catalyze education reform in 92 major urban school districts. While the size of these grants would vary by student enrollment and need, the average grant size would be \$15 million per year, for an average total of \$60 million per district over four years. The program would also fund approximately 78 performance audits that would generally be required in order for a district to be eligible for the larger grant.

The first-year appropriation would provide reform grants to 30 urban school districts, and grants for performance audits in 20 others. Districts would be encouraged to conduct performance reviews before ACE is enacted, both in order to accelerate needed reforms and to ensure that an adequate number of applicants apply for second-round grants as soon as the program begins.

Option 1: Breakdown of Funding and Grant Awards by Year				
	Total appropriation (including national activities)	Number of urban districts awarded new, round 2 reform grants	Number of urban districts conducting round 1 performance reviews	Number of grant continuations
FY 98	\$500 million	30	20	0
FY 99	\$710 million	15	10	30
FY 00	\$830 million	8	10	45
FY 01	\$950 million	8	10	53
FY 02	\$620 million	8	18	31
FY 03	\$620 million	15	10	24
FY 04	\$610 million	8	0	31
FY 05	\$490 million	0	0	31
FY 06	\$370 million	0	0	23
FY 07	\$145 million	0	0	8
Total over 10 years	\$5.845 billion	92	78	—

OPTION 2 -- Catalyzing Large-Scale Reform in 54 Urban School Districts Over 10 Years, benefitting about 2.3 million poor children (about 25% of poor children nationwide) and about 5.7 million children overall. The program would be authorized for 10 years, with \$250 million in FY98, scaling up to \$570 million before coming back down to \$130 million in the final year.

Over the 10-year life of the program, a total of \$3.5 billion would be appropriated to provide substantial four-year grants to catalyze education reform in 54 major urban school districts. The average grant size would be the same as in option 1: approximately \$15 million per year, for an average total of \$60 million per district over four years. The program would also fund approximately 55 performance audits that would generally be required in order for a district to be eligible for the larger grant. In the first-year, the \$250 million appropriation would provide reform grants to 15 urban school districts, and grants for performance audits in 10 others.

Option 2: Breakdown of Funding and Grant Awards by Year				
	Total appropriation (including national activities)	Number of urban districts awarded new, round 2 reform grants	Number of urban districts conducting round 1 performance reviews	Number of grant continuations
FY 98	\$250 million	15	10	0
FY 99	\$365 million	7	10	15
FY 00	\$470 million	7	10	22
FY 01	\$570 million	7	5	29
FY 02	\$410 million	4	10	21
FY 03	\$410 million	7	10	18
FY 04	\$400 million	7	0	18
FY 05	\$295 million	0	0	18
FY 06	\$245 million	0	0	14
FY 07	\$130 million	0	0	7
Total over 10 years	\$3.545 billion	54	55	—

OPTION 3 -- Catalyzing Large-Scale Reform in 31 Urban School Districts Over 10 Years, benefitting 1.3 million poor children (about 14% of poor children nationwide) and 3.3 million children overall. The program would be authorized for 10 years, with \$100 million in FY98, scaling up to \$320 million before coming down to \$90 million in the last year.

Over the 10-year life of the program, a total of \$2.1 billion would be appropriated to provide substantial four-year grants to catalyze education reform in 31 major urban school districts. The average grant size would be the same as in option 1: approximately \$15 million per year, for a total of \$60 million per district over four years. The program would also fund approximately 38 performance audits that would generally be required in order for a district to be eligible for the larger grant. In the first-year, the \$100 million appropriation would provide reform grants to 5 urban school districts, and grants for performance audits in 7 others.

Option 3: Breakdown of Funding and Grant Awards by Year				
	Total appropriation (including national activities)	Number of urban districts awarded new, round 2 reform grants	Number of urban districts conducting round 1 performance reviews	Number of grant continuations
FY 98	\$100 million	5	7	0
FY 99	\$175 million	5	7	5
FY 00	\$250 million	5	7	10
FY 01	\$320 million	5	5	15
FY 02	\$290 million	3	5	15
FY 03	\$265 million	3	7	13
FY 04	\$255 million	5	0	13
FY 05	\$180 million	0	0	11
FY 06	\$145 million	0	0	8
FY 07	\$90 million	0	0	5
Total over 10 years	\$2.07 billion	31	38	—

OPTION 4 -- “Glue-Money” to Help Bring Together Existing Programs and Reform Efforts in 96 Urban School Districts Over 10 Years. The program would be authorized for 10 years, with \$100 million in FY98, scaling up to \$220 million before coming back down to \$40 million in the final year.

Over the 10-year life of the program, a total of \$1.3 billion would be appropriated to provide “glue money” to help bring together and upgrade existing reforms and programs in 96 urban school districts . The average grant size would be \$3 million a year, for a total of \$12 million over four years. ACE would provide grants for 95 performance audits that would generally be required for a district to be eligible for a larger grant. In the first year, the \$100 million appropriation would provide “glue money” to 25 urban school districts and grants for performance audits in 15 others.

Option 4: Breakdown of Funding and Grant Awards by Year				
	Total appropriation (including national activities)	Number of urban districts awarded “Glue Money” grants	Number of urban districts conducting round 1 performance reviews	Number of grant continuations
FY 98	\$100 million	25	15	0
FY 99	\$140 million	12	16	25
FY 00	\$180 million	12	16	37
FY 01	\$220 million	12	16	49
FY 02	\$175 million	12	16	36
FY 03	\$175 million	12	16	36
FY 04	\$155 million	11	0	36
FY 05	\$115 million	0	0	35
FY 06	\$75 million	0	0	23
FY 07	\$40 million	0	0	11
Total over 10 years	\$1.375 billion	96	95	—

Option 5 -- Provide a mix of 40 larger reform grants and 40 “glue money” grants to urban school districts over ten years. The program would be authorized for 10 years, with \$200 million in FY98, scaling up to about \$480 million, before coming back down to about \$100 million in FY2007.

Under this option, the program might address the needs of school systems prepared to undertake quite different types of efforts. The smaller awards could be helpful for those that simply need additional support in pulling together disparate efforts, while a small number of larger grants would support districts prepared to undertake major school improvement efforts. However, this funding strategy might be flawed, providing “glue money” (small grants unlikely to catalyze serious reform) to districts in most need of dramatic change. Larger grants would likely be awarded to districts with the most ambitious reform plans, leaving smaller “glue money” grants to the second tier. This problem would need further consideration before option 4 is selected.

Over the 10-year life of the program, a total of \$3.1 billion would be appropriated to provide substantial four-year grants to catalyze education reform about 40 major urban school districts, and to provide “glue money” for about 40 more. The average grant size for the reform grants would be approximately \$15 million per year, for a total of \$60 million per district over four years. The average grant size for the “glue money” grants would be about \$3 million per year, for a total of about \$12 million over four years. The program would also fund 70 performance reviews that would be required in order for a district to be eligible for larger grants. In the first-year, the \$200 million appropriation would provide reform grants to 10 urban school districts, “glue money” to about 10 districts, and grants for performance reviews in 10 more.

See Option 5 table on page 21.

Option 5: Breakdown of Funding and Grant Awards by Year					
	Total appropriation (including national activities)	Number of urban districts awarded new, round 2 reform grants	Number of urban districts awarded "glue-money" grants	Number of urban districts conducting round 1 performance reviews	Number of reform and "glue-money" continuation grants
FY 98	\$200 million	10	10	10	0
FY 99	\$300 million	5	5	12	20
FY 00	\$390 million	5	5	12	30
FY 01	\$480 million	5	5	12	40
FY 02	\$390 million	5	5	12	30
FY 03	\$390 million	5	5	12	30
FY 04	\$375 million	5	5	0	30
FY 05	\$285 million	0	0	0	30
FY 06	\$190 million	0	0	0	20
FY 07	\$100 million	0	0	0	10
Total over 10 years	3.1 billion	40	40	70	—

FUNDING OPTIONS-Urban Schools Initiative (Identical to table on page 8)								
	FY 98	Total Approp, over 10 years, FY98-FY2007	Average size of annual grants	Number of urban districts awarded major reform grants over 10 years	Number of urban districts awarded "glue-money" grants over 10 years	Number of poor students in urban school districts awarded major reform grants	% of nation's poor students in urban school districts awarded major reform grants	Total number of students in urban school districts awarded major reform grants
Option 1	\$500 million	\$5.8 billion	\$15 million	92	0	4 million	43%	9.7 million
Option 2	\$250 million	\$3.5 billion	\$15 million	54	0	2.3 million	25%	5.7 million
Option 3	\$100 million	\$2.1 billion	\$15 million	31	0	1.3 million	14%	3.3 million
Option 4	\$100 million	\$1.3 billion	\$3 million	0	96	—	—	—
Option 5	\$200 million	\$3.4 billion	Mix of \$15 million and \$3 million	40	40	1.7 million	18%	4.2 million

URBAN INITIATIVE -- Q's and A's from OMB
November 5, 1996

Question 1. Please provide the most current written information about this initiative. Include an identification of the problem to be addressed, a discussion of why the problem requires a new Federal approach, the substantive components of that approach, and anticipated funding levels both for FY 1998 and the out years.

This packet contains a paper describing the initiative, an attachment that lays out five options for appropriation levels and anticipated funding levels under each option for FY98 and the outyears, a set of answers to the 15 questions from OMB, and selected examples of the types of reforms that ACE could support.

Question 2. ED outlined a set of 5 areas that urban initiative grantees would have to develop in order to receive funding: 1) management systems with outside partners; 2) comprehensive plans to enhance instructional outcomes; 3) system-wide public school choice models; 4) recruiting and professional development activities; and 5) an accountability system. Each of these components has an existing analogue in terms of current programs, for which much funding presumably goes to urban areas already: Title I, Goals 2000, Eisenhower Professional Development, Charter Schools, and Magnet Schools. ED indicated in the hearing that it would provide data on how much money goes to urban areas for these purposes now. ED has sent certain information based on programs from prior years. Please provide a break-out of both current (FY 1997) urban funding and that proposed in FY 1998, both for these four programs as well as Title I (if actual data are not available, please provide the Department's best estimate). Discuss how the urban initiative would fill a need not met by these programs, and how the proposed urban initiative monies would be coordinated with these existing activities.

In a number of ways, the urban initiative will enhance and complement a number of federal programs that are either significantly smaller than ACE (e.g., see attached table, p. 24a on Goals 2000 funding), or not targeted at fundamental systemic change. Moreover, this initiative will help address the special challenges facing urban districts, helping to ensure that other federal, state, and local funds are thoughtfully and efficiently spent on improving teaching and learning. Indeed, the fundamental improvements carried out by ACE districts with substantial new funding -- tightening management, ensuring accountability, expanding public school choice, and improving the quality of the workforce of teachers and principals -- will enhance the ability of other programs to make an enduring difference in the lives of children.

Below are estimates of federal funding going to urban school districts, and discussions of how ACE reforms, such as accountability and workforce development, build on and accelerate other federal programs and initiatives.

Charter Schools:

We have no data, although the law requires that States award subgrants throughout different areas of the State, including urban and rural areas.

Eisenhower:

Approximately 35 percent of Eisenhower funds go to urban LEAs. For FY 1996, that would translate into approximately \$72.2 million. For FY 1997, the amount would be \$81.5 million and for our FY 1998 request, the amount would be \$171.9 million.

Goals 2000:

No overall estimate of the proportion of Goals 2000 funds going to urban LEAs is available. However, preliminary evaluation data indicate that only about half of all urban districts (central city in a metropolitan statistical area) received a Goals 2000 subgrant (as of June 1996), although this proportion is higher than that of either rural districts (those not in an MSA) or suburban districts (in an MSA not central city). The data did not indicate the relative size of the grants to the urban areas. Less than 1/5 of urban respondents did not know whether their district had received a grant or were unaware of the option.

Some specific examples (see attached table. P. 24a) suggest that individual large urban districts may be getting less than their fair share of Goals 2000 state grant funds. In Texas, for example, while it did receive an FY 94 grant, the Houston Independent School District received no LEA grant from FY 95 funds (\$29.8 million for the state overall), despite having over 12 percent of the state's public school enrollment; the same is true of Fort Worth. In Michigan, the Detroit City Schools received less than one percent of the SEA's Goals 2000 grant, despite having nearly 5 percent of the state's enrollment. And in California, the Los Angeles Unified School District received just 3.7 percent of the state's grant, although it serves almost 12 percent of the state's public schoolchildren.

Even if urban districts do get more Goals 2000 funding, however, their share of funding will always be far less than they could get under ACE. Moreover, the programmatic focus of Goals (while critical in supporting efforts to set standards and assessments and develop reform plans) does not call on districts to take such tough, but essential, steps as tightening management and instituting serious accountability for high standards throughout a school district.

Magnet Schools

Close to 98 percent of the \$95 million for the Magnet School Program and Innovative Programs goes to urban areas. In 1998, we will conduct a new competition for magnet schools, so the numbers may change. Throughout its history, however, the program have been heavily urban.

Title I

Based on the 1990 Census data, we estimate that about 20 percent of the 1997 appropriation for Title I LEA grants will go to counties that contain large cities and another 20 percent will go to counties with smaller cities. Approximately 29 percent will go to other metropolitan counties. These percentages, which may change once we receive updated poverty data from the Census Bureau, would be approximately the same in 1998.

Goals 2000 FY95 Funds Granted to Urban Areas in California, Michigan, Texas

State/City	School District	Goals 2000 FY95 LEA Grant	Goals 2000 FY95 SEA Grant	% of Goals 2000 FY95 SEA Grant Going to Designated LEA	Total District Enrollment	Total State Enrollment	% of Total State Enrollment Attending LEA
California			\$42,909,245			5,328,558	
Long Beach	Long Beach Unified				76,783		1.44%
Los Angeles	Los Angeles Unified	\$1,594,040		3.71%	639,129		11.99%
Sacramento	Sacramento City Unified	\$305,280		0.71%	61,631		1.16%
San Diego	San Diego City Unified	\$204,950		0.48%	127,258		2.39%
San Francisco	San Francisco Unified	\$102,320		0.24%	49,997		0.94%
		\$2,206,590		5.14%	954,798		17.92%
Michigan			\$29,625,422			1,599,377	
Detroit	Detroit City Schools	\$118,161		0.81%	173,295		4.80%
Flint	Flint Community Schools	\$49,420		0.34%	26,206		0.73%
Grand Rapids	Grand Rapids Public Schools	\$69,433		0.47%	27,092		0.75%
		\$237,014		1.62%	226,593		6.28%
Texas			\$14,643,573			3,608,262	
Dallas	Dallas Independent	\$300,000		1.01%	142,652		8.92%
El Paso	El Paso Independent	\$147,167		0.50%	64,141		4.01%
Fort Worth	Fort Worth Independent	\$0		0.00%	72,114		4.51%
Houston	Houston Independent	\$0		0.00%	200,445		12.53%
San Antonio	South San Antonio Independent	\$354,372		1.20%	59,544		3.72%
		\$801,539		2.71%	538,896		33.69%

NOTES: 1) District enrollment figures from Fall 1993. See Digest of Education Statistics 1995, pages 98-102

'2) Total enrollment figures from Fall 1993. See Digest of Education Statistics 1995, pages 54-55

24a

With respect to how the urban initiative would work with existing programs, as well as proposed programs, and meet needs not met by them, first, the President's initiative would help participating urban districts review their management and instructional strategies, strengthening their capacity to make effective use of local, state, and federal resources. Second, the initiative will further reinforce the importance of raising academic standards and strongly focus on reform strategies designed to address challenges common to urban areas. Third, the initiative would create models of effective reform that other urban districts can use. Key elements are as follows:

- **Better Management --** The initiative would help ensure that federal, state, and local funds (including Safe-and-Drug Free Schools, Title I, and School-to-Work Opportunities) are thoughtfully and efficiently spent, translating into maximum effective instruction and services for kids in urban districts. Likewise, the initiative would help to insure that urban districts can act quickly and get the maximum benefit from the President's proposed School Construction program, from a major new influx of volunteers and college work-study students expected under the President's Reading Initiative, and from free access to the information superhighway under the e-Rate proposal pending before the FCC. No district would be allowed to continue receiving funds under the urban schools initiative unless it demonstrates needed progress in improving its management practices.

Unlike any of the current programs, the initiative would help troubled urban districts get control of functions such as personnel and payroll, budget and funds control, procurement, food services, facilities planning and maintenance. Of the current programs, only Goals 2000 would seem to apply to these matters at all. However, aside from concerns about the amount of Goals 2000 funds reaching poor, urban districts, Goals is mainly focused on academics (not management).

- **Higher Standards: More Accountability --** The President's initiative would ensure that state and local standards-setting efforts supported under Goals 2000 lead to more challenging standards, curricula and assessments for students in urban schools. Moreover, the initiative would move urban districts toward providing better information for parents and the community on whether schools are improving student achievement and reducing dropouts, and toward aggressive implementation of Title I provisions that authorize intervention when schools fail. Again, while Goals 2000 funds could be used for this purpose, the current volume of funds and focus of the program does not ensure that public accountability, especially, in terms of highly accessible information for parents and the community, would be sufficiently well-addressed. This is an area that the President has specifically highlighted as critical to improving education.
- **Excellent Teachers and Principals --** The initiative would support the efforts of urban districts to recruit, train, and hold accountable high quality teachers, as called for in the President's directive to the Secretary on promoting excellence and accountability in teaching. Likewise, the initiative would press urban districts to select and prepare only high quality school leaders.

Through the instructional performance review, the initiative should spur urban districts to make more effective use of their Eisenhower funds. However, the Eisenhower program is

currently primarily in-service and teacher-focused; urban teacher recruitment (such as through paraprofessional certification strategies) and induction, as well as urban school administrator needs, would be more directly addressed through this initiative.

- Expanding Public School Choice -- The President has said that every parent should have the freedom to choose their child's public school. The initiative would help make the President's call a reality in participating districts, catalyzing wider public school choice that provides meaningful, attractive school options for all parents. The initiative would help districts take full advantage of the existing federal Public Charter Schools Program and Magnet Schools Program funds, and foster comprehensive public school choice strategies benefiting all families. While existing charter school and magnet programs primarily fund individual schools, the initiative would catalyze choice across an entire urban district or, depending on local circumstances, for all students within a subset of a district.

Question 3. As we discussed at the hearing, this initiative would target Federal funds on urban areas in a way that differs from relying on States to allocate funds consistent with their systemic reform activities. What has led ED to believe that States are not targeting funds sufficiently on urban areas to require a new initiative composed of new programs? How is the initiative consistent with the Administration's existing strategy of relying on State systemic reform efforts through Goals 2000 and other programs?

Goals 2000, Title I and other Department programs that support systemic education reform are very important to improving urban schools in that they have helped begin to create a framework within which reform of urban schools can take place. However, it has become evident that the problems in many of our urban school systems are both more pronounced and more stubborn than they are in schools generally. While helpful, the resources provided by Goals 2000 are insufficient in volume and in the degree to which they are targeted to the special problems of urban school systems to catalyze the important changes that are needed. Likewise, Title I funds, while very important to improving education in urban schools, especially through schoolwide program, do little to address district-wide concerns such as management, expanded public school choice, improving recruitment and preprofessional training of teachers, and improving principal leadership.

Beyond addressing the actual *problems* of urban public schools, a targeted urban initiative is also necessary to address public *perceptions* about urban public schools, which are so severely negative in many areas as to pose a threat to the vitality of public schools generally. A highly visible initiative which directly takes on some of the most important public concerns about urban public schools, but that also highlights some of the things that some urban districts are already doing to improve their schools, would help restore confidence as it restores quality.

Question 4. What vehicle would ED use to implement this initiative? Would ED propose new legislation? Does ED envision that regulations would have to follow, or would the Goals/STW model be used?

ED would propose new legislation. As with Goals 2000 and School to Work, our expectation is that no new regulations would be issued.

Question 5. Alternatively, could ED have proposed an “urban initiative” through increased funding of existing programs that achieve the proposed objectives, with targeting of all or a portion of the increase on urban areas? For example, could ED establish funding priorities in the existing programs (as proposed for OPE’s Urban Community Service program, which ED’s submission identified as in support of the Urban Initiative)? Could ED arrange for dissemination of successful practices by or about States that have done well in targeting urban areas, through conferences, materials, etc.? If there are legislative barriers to such an approach, what are they and what would ED’s view be of proposing legislative amendments in the context of the budget process?

After considering other possibilities, the Department has determined that the most effective strategy would be to establish a single new grant program that would provide powerful incentives for participating districts to address each of the key areas covered in the initiative. In order to address the real challenges that districts face, and to regain public confidence in urban public schools, districts need to confront seriously each of these key areas in a coherent fashion, although precisely how and to what degree they do so would vary from district to district. Simply putting priorities into existing programs would be unlikely to result in districts each of the covered areas in a concerted, coherent fashion.

In the past, the Department has sometimes attempted to restructure programs through the appropriations process. While there can be a place for this strategy, our experience has generally been that this is not a role appropriators welcome and that we don’t get our proposals. Overall, if we seek a significant new set of policies, our experience has been that the best approach is to pass new legislation. Moreover, it would be awkward to push a major urban initiative through a relatively small program like Urban Community Service.

Nothing in the initiative, as proposed, would be inconsistent with other activities that ED may conduct in terms of disseminating successful practices. In fact, some such activities are already underway in a joint venture on urban education between OERI and OESE, and through the New American High Schools Initiative of OVAE and OESE. However, conferences, mail-outs, and similar activities alone would not have the impact of a major funding initiative.

Question 6. Why does this initiative not include an explicit component that targets the achievement of challenging academic standards by students in urban areas, consistent with other key Departmental priorities?

Accountability and, in particular, developing effective methods for helping all student to meet high academic standards, is a key feature of the urban initiative. The initial grant award would require a performance audit that would measure, among other things, whether the districts and their schools have adopted challenging academic standards, whether their assessments and curricula are challenging and aligned with standards, and whether the districts have effective student results accountability systems. Moreover, the second stage grants would be targeted toward the development and implementation of systems that are anchored on challenging academic standards and aligned assessments.

Question 7. How would the Urban Initiative relate to the Improving America's High Schools initiative, both in substantive goals and what districts/schools would be served?

Both the Urban Initiative and the Improving American's High Schools Initiative target populations that, in many cases, have not taken advantage or have been unable to take full advantage, of broad efforts to raise academic standards and improve public education. Urban schools have often suffered the consequences of weak management systems, lack of accountability and ill-prepared professionals. High schools have often been over-looked, as school districts focused their reform efforts at the elementary and middle school levels. These two initiatives are designed to maximize the benefits of federal education investments by providing incentives to ensure that both urban schools and urban high schools are full participants in standards-based reform.

Both initiatives support standards-based reform in urban school districts, with the urban initiative focusing on key priority areas that can span entire districts and all grade levels, with the high school initiative focusing specifically on high school level reform, especially as it relates to integrating school-to-work concepts, with funding within each LEA primarily going to support activities in two to three reform-oriented high school sites. Through its emphasis on strong management and instructional performance, the urban initiative would facilitate successful implementation of the high school initiative. At the same time, the high school initiative would complement public school choice element of the urban initiative, by helping to develop a wider range of attractive high school options.

A greater degree of linkage between the two could be obtained by providing a competitive preference for those districts participating in the urban initiative for purposes of the high school initiative competition.

Question 8. ED expects to fund 20-30 districts through this initiative. How would the districts be selected? Would each district have to participate in all components?

(See revised paper and attachment for estimated number of districts to be funded under this initiative. Please note that initial estimates of 20-30 districts were based on funding for the first year or two of the program. The revised paper estimates that -- depending on the option selected for the level of appropriations -- anywhere from 31-92 districts will receive substantial grants over the 10-year life of the program.)

Criteria for selection of districts are still under consideration. However, selection of districts would likely focus on urban districts with a high incidence of poverty. Proposals would be selected on a peer review basis, with likely site visits by peer review teams. Each district would be required to address each of the principal components of the initiative in its proposal, but it would not necessarily be required to use grant funds to address a given component, particularly if it were already doing so.

Question 9. Would Federal funding end at some future date? If so, how would the program ensure permanent, systemic change is made and retained after Federal funding ceases? Has ED given any thought to requiring matching funds to ensure that cities

have a stake, or State matches to build a tie between the Urban Initiative activities and State systemic reform activities?

Funding for the program would end after 10 years, and for individual sites within 5-7 years, or earlier if sufficient progress toward initiative objectives were not being made. Much of the activity funded by the initiative would be long-term capacity-building kinds of activities, such as the development of a strong accountability system, the development of a choice plan, and the creation of a long-term management strategy. Because of the relatively specific nature of the activities called for in the initiative, and the likelihood that implementing the plans would entail substantial local expenditures anyway, this initiative does not seem like a good candidate for a match. Successful applications would certainly be expected to draw coherent connections between any ongoing systemic reform activities and the activities funded under this program.

Question 10. How does a grant to 20-30 cities address problems that are comprehensive throughout urban areas? What would this program or other programs do for cities that do not receive grants?

(Again, please note that the revised paper estimates that as many as 92 urban districts could receive major grants under this program over 10 years, if the appropriation is set at the high-end funding option.)

In addition to building long-term capacity in the funded districts, which would provide good examples of reform for other urban districts to learn from, this initiative would help create a national climate supporting these types of improvements. Information about successful implementation and management strategies would be shared with other urban areas through peer technical assistance and other forms of formal and informal information sharing.

Moreover, witnessing the turn-around of major urban school systems should help spur other communities to take note and attempt similar reforms in their own schools. For example, an overhaul of the Minneapolis public school system would trigger considerable interest and discussion across the river in St. Paul.

Question 11. Would ED build incentives into the urban initiative funds to establish or strengthen ties to other social service programs? Isn't a comprehensive approach critical to achieving positive outcomes in an urban setting?

The management improvements undertaken with the grant assistance of the urban initiative would provide opportunities for districts to take better advantage of existing programs, -- for example Title XI, which provides flexibility to fund school districts to fund comprehensive services. Enhanced management structures would also allow districts to improve their ties to existing programs, by having more accurate information about them and improved ability to coordinate with social service programs.

Question 12. Existing literature points to the need for a dynamic school leader as a positive correlate to success. How would this initiative promote strong school leadership?

Considerable research and experience suggests that an outstanding principal and strong school leadership is a critical component in launching and sustaining serious school improvements. For this reason, a focus on principals and school leadership -- as part of broader efforts to raise standards and improve schools -- would be an essential component of reforms funded under this initiative. (Indeed, the nature of high-quality principals and strong school leadership is the subject of a document recently published by the Department, and a study group on school leadership is currently working with OERI).

The urban schools initiative would promote strong school leadership in three significant ways. First, any district applying for an ACE grant would need to show how it would systematically nurture the development of outstanding school principals and school leadership (see page 8 of revised paper). District activities could include networking like-minded principals, establishing apprenticeship and peer mentoring programs; identifying and nurturing promising teachers that appear well-suited to the role of the principal; developing appraisal systems that could be used to improve and evaluate school leadership; and providing leadership training tied to certain models of school reform and instructional leadership used in the district. Districts could also develop creative partnerships with graduate schools of business, education, and the business community to provide training for principals in charter schools and other schools with new authority over such issues as the budget, payroll, and curriculum development.

Second, a portion of national activities funding would likely be used to support activities related to the recruitment, networking, and training of outstanding principals and school leadership teams (see page 11 of revised paper). For example, these funds might be used to help to create a world-class "urban principals and school leadership academy".

Third, a focus on the importance of the principal and school leadership would be an important aspect of how the urban initiative is explained to the public. President Clinton already cites the importance of good principals in many of his education speeches, and this initiative would give him and the Secretary a vehicle for addressing this issue in greater depth. Public dialogue about the central role of principals and school leadership can help focus the attention and resources of school districts, communities, and universities on this critical issue.

Question 13. ED proposed certifying "paraprofessionals" in the professional development component "as fully qualified teachers." Is this feasible given existing State law, LEA policy and/or collective bargaining agreements in urban areas?

The Department proposes allowing districts to use grant funding to facilitate achievement of full teacher certification by paraprofessionals. It does not propose to exempt paraprofessionals from meeting the requirements of existing state law, district policy or collective bargaining agreements. Rather, the initiative would encourage the recruitment of a promising source (paraprofessionals have significant classroom exposure and a demonstrated interest in education) of talented and motivated individuals to complete the necessary educational and other requirements in order to become fully certified teachers. Funds could be used by districts to develop innovative strategies to bolster the number of paraprofessionals seeking the additional education and training to become certified teachers. Districts would provide the financial assistance and support services that these (generally low-income and often minority) individuals need in order to complete certification requirements while continuing in their

paraprofessional position.

Question 14. How would ED manage this initiative? Would new FTE be required? If yes, how many? If no FTE are requested, how would existing staff resources be utilized?

The initiative would be managed by the Office of Elementary and Secondary Education. We are considering whether additional FTE would be required or whether the program could be accommodated under existing FTE.

Question 15. How would ED measure the results of this initiative?

ED would fund an evaluation, or series of evaluations, that would look at, among other things, improving achievement and reduced dropout rates among students in participating urban districts, increased numbers of families who can choose the school their child attends, increased proportion of funds going for instruction-related activities, improved management of the districts, and an increase in the number of board certified teachers.

Selected Examples of Current Efforts to Promote Accountability, Choice, and Excellence in Urban Public Schools: Pushing Ahead With Critical Reforms

November 1, 1996

The proposed urban initiative can help districts build on existing examples of accountability, excellence and choice, broadening their reach to affect many more urban public schools and students. The following examples illustrate the kinds of reform needed in many urban districts to regain public confidence and improve student achievement.

Higher Standards

- In 1993, the chancellor of the **New York City Schools** required all students to take math and science at the level of the state's Regents honors exam. In 1995, State Education Commissioner Richard Mills announced that all students would be required to take Regents-level classes starting with this fall's freshman class (the graduating class of 2000). Since the City University of New York (CUNY) began its College Preparatory Initiative with the district, the number of New York City freshmen with four years of English has risen by 59 percent, the number of students passing CUNY math entrance exams has increased by 7.5 percent, and the number of Hispanic and black students who passed the science test has more than doubled. Entering freshmen at the City University of New York are reportedly the best prepared academically in two decades.
- The **San Diego** Unified School District has developed a set of curriculum frameworks and high achievement standards for students in grades 4, 8, and 10 based on rigorous model standards developed by the New Standards Project. By this fall, the district is expected to have examples of student work and performance that meet the standards in all 12 grades.

Accountability for Results

- In **Cincinnati**, school district administrators' pay raises are now linked to job performance, with automatic cost-of-living adjustments and salary rates being replaced with new criteria, including performance on several measures such as student test scores and graduation rates. For students, promotion is now based on specific standards designed to prepare students to graduate.
- Under its Comprehensive School Improvement Plan (CSIP), the **San Francisco** Unified School District reconstitutes failing schools, replacing the entire staff with a new principal, teachers, and support personnel. Under CSIP, the district places low-performing schools on a one-year probationary period, during which they are expected to improve student performance. At the end of that year, a team consisting of the superintendent, two assistants, and a former principal review the

school's test scores, attendance and suspension rates, student portfolios, improvement plan, and other measures before selecting those that will be reconstituted. The Board hires a new principal, who in turn hires a new teaching staff as well as janitorial and cafeteria personnel. The new team must then put together an improvement plan to raise student achievement and other outcomes. Since the beginning of CSIP, eight schools have been reconstituted.

- The **Charlotte-Mecklenburg** school system distributes to parents easy-to-read student learning goals at the beginning of the school year. The district then follows up with school report cards on student attendance and performance that are distributed to parents and every household in the district, and are published in the newspaper. The district also gives financial rewards to schools where student achievement improves, with special incentives for schools that raise achievement among their lowest performing students.
- In **Chicago**, 109 public schools were recently placed on probation due to low student achievement. These schools will be targeted for aggressive intervention strategies by the district, such as providing intensive help and training from expert teams of educators, or, where necessary, replacing ineffective principals and teachers. In the event of persistent failure, the district may shut down and reorganize the schools. This year, 6,700 students who performed below minimum standards were required to participate in a seven-week "SummerBridge" program and pass a test before moving on to the next grade.

Better Management and Focusing More Resources on the Classroom

- In **Seattle**, the school district has substantially shrunk its central administrative staff and is working to help principals cut through unnecessary red tape and expand their authority to hire their own staff. The school district and the teacher's union recently agreed to an innovative 8-page "trust agreement" that commits both to a collaborative partnership and to move towards school-based decision-making. They hope to replace 300 pages of documents with a 25 page contract.
- **Cincinnati** created a new position to handle the school district's daily administrative duties, freeing up the superintendent to focus on broad efforts to improve education. The district also streamlined its central office, reducing staff by 70 percent. Now Cincinnati is preparing to shift resources and decision-making to individual schools and teams of teachers to custom-make programs to meet the needs of their students.
- Under **Philadelphia's** Children Achieving initiative, "communities of learners" in each school are being formed throughout the district's schools. The

communities provide the foundation for a new organizational structure in which teachers, students, parents, community members, and principals will make decisions together and assist students in meeting high academic standards. The district plans to restructure its central office to provide services purchased by these school communities and ensure accountability, equity, and responsiveness to the public.

High Quality Teachers and Principals

- **New York City's** Community District 2 places an unusually strong emphasis on providing ongoing opportunities for teachers to build skills and learn from one another. For example, the district has created a laboratory in which visiting teachers observe and practice with a highly accomplished teacher for three weeks while their classrooms are taught by another experienced teacher. District 2 registered the second highest standardized test scores in math and reading in the city.
- In **Cincinnati**, the district has worked with outside partners to develop a world-class training academy for teachers, the innovative Mayerson Training Academy. The school district is also working hard to help recruit and prepare future urban teachers, with programs like the High School for Teaching Professions, and the Cincinnati Initiative for Teacher Education, in which college students spend a fifth undergraduate year as interns in the city's public schools.
- In **St. Paul**, the school district is collaborating with the teachers' union and the University of Minnesota on Project 20/20 to support teachers through the National Board for Professional Teaching Standards (NBPTS) certification process. The district pays the application fees and the university and other partners develop and conduct professional support programs for the candidates.

Empowering Families to Choose Their Public Schools

- In **Boston**, all parents choose their child's public school, and have a wide array of options ranging from neighborhood schools, magnet schools, and pilot and public charter schools which operate under performance contracts that provide them with greater autonomy and accountability for results.
- The **San Diego** school district has helped parents, teachers, and principals create more than a dozen public charter schools that stay open only as long as they do a good job. These are all schools of choice, publicly accountable and open to students from around the school district.
- **Cambridge** allows every family to choose a public school for their child. The school district provides information on every school and has created parent centers to help parents learn about and choose a public school for their child. More than 90% of parents get their first choice of kindergarten for their child, and most get

one of their top picks at all grade levels.