

**State Fiscal Stabilization Fund
Notice of Proposed Requirements, Definitions, and Approval Criteria**

**INITIAL SUMMARY "BLUEPRINT" FOR STATE PLANNING AND DEVELOPMENT
AUGUST 14, 2009**

Secretary of Education Arne Duncan issued on July 24, 2009 – and published in the July 29, 2009, *Federal Register* – a notice of proposed requirements, definitions, and approval criteria for Phase 2 of the State Fiscal Stabilization Fund (SFSF), authorized by the American Recovery and Reinvestment Act of 2009. Two-thirds of the SFSF funds have already been released to the states based on an initial, streamlined application. The proposed requirements, definitions, and approval criteria in this notice would govern grants to states for the remaining one-third of SFSF funds. Public comments on the notice are due to the U.S. Department of Education (USED) August 28, 2009. This notice does not solicit state plans or applications for Phase 2 of SFSF. There will be a subsequent notice inviting the plans, presumably concurrent with the issuance of final requirements and approval criteria following the public comment period.

The notice includes information requirements (referred to as “indicators and descriptors”) for each of the four statutory reform assurances: standards and assessments; teacher effectiveness and equitable distribution of teachers; improved collection and use of data; and supports for struggling schools. A chart listing the specific indicators and descriptions is provided below. Under the notice, states would be expected to make these data transparent within the state and to include the data in their plan or describe in the plan steps that they will take to develop the data by no later than September 30, 2011. The notice also includes criteria that USED officials and peer reviewers will use to review the plans.

The fundamental approach taken by USED is to prescribe detailed requirements for the collection and public/federal reporting of information on where the state and its local educational agencies (LEAs) and schools stand in meeting each of the assurances. There are no requirements or criteria that address the progress or quality of efforts within the state to meet the substantive requirements. For example, there are no criteria or requirements that assess what percentage of LEAs in a state use student achievement data in evaluating teachers. Rather, the requirements and criteria address whether the state provides transparent data on that percentage or, if not, its plans to do so. The plan criteria assess the quality of the state’s plan in providing or planning to provide the required data no later than September 30, 2011. With respect to the assurance on data systems, the plan must provide for developing and implementing a statewide longitudinal data system with all required elements under the America Competes Act by no later than September 30, 2011.

State Fiscal Stabilization Fund: Proposed Indicators/Descriptors

Assurance: Achieving equity in teacher distribution		Notes/Comments
Indicators		
Confirm for the State and each LEA...	<input type="checkbox"/> The number and percentage of core academic courses taught, in high and low-poverty schools, by HQTs	
Provide for each LEA...	<input type="checkbox"/> The number and percentage of teachers rated at each performance rating or level (for those whose teachers receive performance ratings or levels through an evaluation system) <input type="checkbox"/> The number and percentage of principals rated at each performance rating or level (for those whose principals receive performance ratings or levels through an evaluation system)	
Indicate for each LEA...	<input type="checkbox"/> Whether the systems used to evaluate the performance of teachers include student achievement outcomes as an evaluation criterion <input type="checkbox"/> Whose teachers receive performance ratings or levels through an evaluation system, whether the number and percentage of teachers rated at each performance rating or level are available for each school in the LEA in a manner easily accessible and a format easily understandable by the public <input type="checkbox"/> Whether the systems used to evaluate the performance of principals include student achievement outcomes as an evaluation criterion	
Descriptors		
Describe for each LEA...	<input type="checkbox"/> The systems used to evaluate the performance of teachers <input type="checkbox"/> The systems used to evaluate the performance of principals	
Assurance: Improving data collection and use of data		Notes/Comments
Indicators		
Indicate...	<input type="checkbox"/> Which of the 12 America COMPETES Act elements are included in the State’s longitudinal data system <input type="checkbox"/> Whether the State provides teachers of reading/language arts and mathematics in grades in which the State administers assessments in those subjects with data on the performance of their students on those assessments that include estimates of individual teacher impact on student achievement, in a manner that is timely and informs instruction.	

	Assurance: Standards and Assessments	Notes/Comments
Indicators		
Confirm...	<ul style="list-style-type: none"> <input type="checkbox"/> The approval status, as determined by USED, of the State’s assessment system under ESEA in reading/language arts, mathematics, and science assessments <input type="checkbox"/> Whether the State has developed and implemented valid and reliable alternate assessments for students with disabilities that are approved by USED <input type="checkbox"/> Whether the State’s alternate assessments for students with disabilities, if approved by USED, are based on grade level, modified, or alternate academic achievement standards <input type="checkbox"/> The number and percentage of students with disabilities who are included in State reading/language arts and mathematics assessments <input type="checkbox"/> Whether the State provides native language versions of State assessments for limited English proficient students that are approved by USED <input type="checkbox"/> The number and percentage of limited English proficient students who are included in State reading/language arts and mathematics assessments <input type="checkbox"/> The State’s annual State Report Card contains the most recent available State reading and mathematics NAEP results 	
Indicate whether the state...	<ul style="list-style-type: none"> <input type="checkbox"/> Is engaged in activities (described in Sec. 6112(a), ESEA) to enhance the quality of its academic assessments <input type="checkbox"/> Has completed, within the last two years, an analysis of the appropriateness and effectiveness of the accommodations it provides students with disabilities to ensure their meaningful participation in State assessments <input type="checkbox"/> Has completed, within the last two years, an analysis of the appropriateness and effectiveness of the accommodations it provides limited English proficient students to ensure their meaningful participation in State assessments 	
Provide for the State, each LEA, each high school, at each of these levels, by student subgroup...	<ul style="list-style-type: none"> <input type="checkbox"/> The number and percentage of students who graduate from high school using a four-year adjusted cohort graduation rate <input type="checkbox"/> Of the students who graduate from high school (using the four-year adjusted cohort rate), the number who enroll in an institution of higher education (IHE), as defined in sec. 101(a) of the HEA <input type="checkbox"/> Of the students who graduate from high school (using the four year adjusted cohort rate), who enroll in a public IHE, the number who complete at least one year’s worth 	

	of college credit (applicable to a degree) within two years	
Descriptor		
Briefly describe the nature...	<input type="checkbox"/> Of any activities to enhance the quality of its academic assessments	

	Assurance: Supporting Struggling Schools	Notes/Comments
Indicators		
Provide for the State and for each LEA...	<input type="checkbox"/> The number and percentage of schools in improvement, corrective action, or restructuring that have made progress on State assessments in reading/language arts in the last year <input type="checkbox"/> The number and percentage of schools in improvement, corrective action, or restructuring that have made progress on State assessments in mathematics in the last year <input type="checkbox"/> The number and percentage of schools in improvement, corrective action, or restructuring that have been turned around, consolidated, or closed in the last year	
Provide for the State...	<input type="checkbox"/> Of the schools in improvement, corrective action, or restructuring, the number and identity of schools in the lowest-achieving five percent that have been turned around, consolidated, or closed in the last year; <input type="checkbox"/> Of the schools in the lowest-achieving five percent of schools in improvement, corrective action, or restructuring that have been turned around, consolidated, or closed in the last year, the number that are secondary schools <input type="checkbox"/> The number of charter schools that are currently permitted to operate (and if applicable, provide for each LEA as well)	
For the state and each LEA that operates charter schools provide...	<input type="checkbox"/> The number of charter schools currently operating <input type="checkbox"/> The number and identity of charter schools that have closed (including schools that were not reauthorized to operate) within the last five years <input type="checkbox"/> For each charter school that has closed within the last five years, whether the closure of the school was for financial, enrollment, academic, or other reasons.	

State Plan

Under the proposed notice, the state plan for Phase 2 SFSF grants must for each indicator/descriptor describe its current ability to collect and publicly report the data annually or, if it cannot do so, the process, milestones, and timeline for doing so as soon as possible, but no later than September 30, 2011, including obstacles such as state law or policy, how often the state will report to the public on its progress, and the amount and sources of funds to be used. The plan must also include any of the required information that the state currently is able to report under the indicators/descriptors.

The state plan also must meet general requirements, including describing the state agency or agencies responsible for development, execution, and oversight of the plan (including the infrastructure and capacity relating to these tasks); the agencies or organizations providing technical assistance; the budget for the development, execution, and oversight of the plan; the process used by the state to verify the required data; and the processes used to ensure that personally identifiable data are not improperly made available to the public.

Plan Approval Criteria

The notice also includes the following proposed criteria for approving the Phase 2 SFSF plan: quality of the plan with respect to its clarity and accuracy in describing the state's ability to collect and report the required data; for states unable to fully comply at the current time, reasonableness and sufficiency of the timeline to collect and report the required information; whether the reported obstacles justify a delay in complying with the requirement; and the accessibility and adequacy of public reports on progress toward compliance with the data requirements.

The criteria also examine the adequacy of the state plan, including considering institutional infrastructure and capacity; adequacy of funding; processes for verifying accuracy of the data; and processes to ensure non-disclosure of personally identifiable information to the public.

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If you have questions about USED's ARRA RTTT notice, or other ARRA issues, please contact **Scott Palmer**, Managing Partner, at scott.palmer@educationcounsel.com or (202) 545-2916; **Reg Leichty**, Partner, at reg.leichty@educationcounsel.com or (202) 545-2918; or **Steve Winnick**, Senior Counsel, at steve.winnick@educationcounsel.com or (202) 545-2913.

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