Nov. 21, 2011

To: OEIB Members

From: Tim Nesbitt

Re: Summary of Reports Transmitted to the Governor and the Board

This is intended as a recap of the work products developed since the passage of Senate Bill 909 that were intended to inform your work as the Oregon Education Investment Board – and as a checklist for confirming agreement or registering concerns with the recommendations contained in these reports.

Background

This memo summarizes four reports and comments received in response to these reports.

1. The Governor's Oregon Education Investment Team (OEIT) produced a report on how to build a unified, outcomes-based 0-20 education system that supports innovative teaching and learning. This is referred to as the "Progress Report."

2. A subcommittee of the OEIT developed a strategy paper on how to achieve our 40/40/20 goals. This report is titled "Oregon Learns."

3. Many of the findings and recommendations in the first two reports were "ground tested" by educators and community leaders in the Learn Works group, whose recommendations are captured in a slide pack developed for a presentations to the Governor's SB 909 Work Group. This is called the "Learn Works Report."

4. The Board of Education compiled a report, entitled "Recommendations to Governor Kitzhaber and the Oregon Education Investment Board," following a Board retreat and presentations from the Governor's staff in August. This report was transmitted on Oct. 4, 2011.

Progress Report

Vision: 40/40/20.

<u>Case for Change</u>

- Falling test scores.
- Low graduation rates, esp. for students of color, English language learners and low-income students.
- Workforce needs and opportunities.

Innovations Needed

- Student-focused, proficiency-based teaching and learning
- Collaboration and coordination among educators
- Tools (e.g. data base), support and freedom they need
- Support for families to ensure learners are prepared to learn

Obstacles

- Focus on current services model – "How much money is necessary to keep education delivery the same?"
- Funding based on enrollment
- Funding based on designation (e.g. ELL) rather than achievement
- Lack of coordination and coherence for early learners
- Silos and isolated budgets impede progress

Transformation Strategy

- Change funding model from one centered on inputs and enrollments to an outcomes-based approach
- Maximize outcomes with the resources available
- Develop a plan for 40/40/20

Three Fundamental Outcomes

- Solid start (birth through 3rd Grade)
- College- and Career-Ready HS Diploma
- Post-Secondary Degree Opportunities

Roles and Responsibilities

- Tight-loose: "State intervention in education delivery must be limited and strategic…Evidence for state involvement must be clear and compelling…additional oversight or control must occur only when outcomes are so poor that student equity demands state intervention."
- State is focused on outcomes, standards and assessments
- Learning organizations and educators offer personalized, proficiency-based education with multiple options for learners
- Learners participate actively, supply practice skills
- Parents, families and communities supply needed support and services

Features of a New Budget Model

- A "learner matrix" should be used, with example of seven "groups of learners"
- State should organize its budget around outcomes and indicators
- An adequately funded central research capacity
- Include programs that affect education but are outside traditional education setting, such as Early Head Start, Head Start and Relief Nurseries

- Distinguish between outcome-based and performance-based
- Address educational priorities not directly tied to learners, such as university research, public service programs and capital investment

Essential Work in 2012

- Develop an outcomes-based budgeting framework
    - Sustainable grants
    - Proficiency/outcome funds
    - Strategic grants
- Launch early childhood system work: Birth to Age 8
- Cost savings through efficiencies
    - Mandate relief
    - SB 250 and ESDs
    - Consolidation of smaller districts, shared services etc.
- Build system capacity

Issues Raised by Oregon Education Association

1. Top down approach to system change
2. Outcomes-based thinking, without renewed investment, will undermine real innovation
3. Need a more robust analysis if resources needed for adequate, equitable and stable funding
4. Ignores and potentially undermines the Quality Education Model
5. Conflicting messages re: student-paced learning or "the drive to push students through the education process as quickly as possible"
6. No connection made between decline in educational achievement and decline in funding
7. No acknowledgement that "seat time" has been driven by state and federal requirements; under federal requirements, educators have no control to make necessary changes
8. Share the vision of student-centered and differentiated approach to teaching and learning; but these approaches require more time to work with students
9. Need to identify specific barriers to innovation, not just assert that the system blocks innovaton
10. Disagrees with characterization of QEM, which should be viewed in terms of "What does it take to reach and succeed with all learners"
11. Disagrees with over-designation of special ed students; offers data to the contrary
12. Funding model causes great concern; who determines what it should cost to deliver results
13. Remediation needs at community colleges reflect the older age of its students
14. Expresses profound concern about the introduction of value-added measures
15. The state need to re-invest in the overall capacity of the Dept. of Ed, not just in data collection
16. Concerned with statement that funding models will rise and fall with performance
17. The QEM is a funding model "best practice"
18. Concerned that predictable funding won't grow to QEM adequacy

19. Early Learning plans should recognize work of K-12 teachers in K-3 and the fact thatg children under seven years of age are not required to enroll in school
20. Lack of evidence for efficiencies through district consolidation, ESD defunding and transportation block granting
21. Concerned that Early Learning agenda could lead to privatization of K-3
22. Approach to efficiencies could lead to privatizing public schools

Oregon Learns (Strategy for 40/40/20)

Developed by the Budget Design Team; intended as guidance to the OEIB on what it will take to achieve the 40/40/20 goals.

Findings

- 10% of working age adults in Oregon have not completed high school; 42% have only a high school diploma; 18% have an associate's degree or post-secondary credential; 30% have a bachelor's degree or higher
- Only 75% of Oregon high school students graduate on time = US average
- Less than half of Oregon's high school graduates enroll in college
- Of those who enroll, too few earn a degree: Oregon ranks 47th among the states by one measure
- Only half of Oregon's African-American, Hispanic and limited English students graduate on time
- At current rates of enrollment and degree completion, attainment rates will remain flat between now and 2025

Goals

Applying 40/40/20 to the entire adult population would deflect from productive improvements in the 0-20 system.

Proposes to apply the 40/40/20 goals to "graduating young adults" in 2025

Gaps

- High school graduation rates need to improve by 0.6 percent each year, (8% more diplomas over 14 years). Note: This is not based on on-time graduation rates but eventual attainment of a HS diploma. Drop-out rates are a critical concern.
- Post-secondary certificate attainment rates need to improve by six percent each year (129% more over 14 years). Note: Lack of information on the current workforce.
- Associate degree attainment rates need to improve by three percent each year (57% more over 14 years). Note: Only a quarter of associate-degree-seeking students earn a degree within three years.

- Bachelor's degree attainment rates need to improve by two percent each year (29% more diplomas over 14 years). Note: Universities are roughly on track but faces challenges – classroom and human capital, staying affordable and serving the rapidly-growing population of students from low-income and minority families.

Strategies

Overall, the state needs more educational capacity and better performance of the capacity it has. This strategy focuses more on the latter. Recommend ten elements for a strategy.

1. Outcomes-driven investment
   - State will measure what it values and get more of what it pays for.

   (See "Investing in Outcomes," below.)

2. Seamless, learner-centered system
   - Unity and consistency across standards, data and budgets.
   - Increase freedom for educational organizations to achieve outcomes.
   - Achievement goals for all learners.
   - Positives: SB 909 and the OEIB; Unified Education Enterprise of the Board of Education and OUS; Oregon Career Information System.

3. Proficiency
   - Time must shift from the controlling element to a flexible variable, allowing students to learn at their own best rates and teachers the opportunities for continuous collaboration.
   - Retool professional development.
   - Formative tests at the local level, standardized tests at the state level.

4. Early start
   - More systematic investment in, and monitoring of, early learners.
   - Standard assessments to measure kindergarten readiness and first grade reading.
   - Enhanced accountability.
   - Coordinate service delivery, e.g. by use of family support managers.

5. Motivation and college-going culture
   - Key criterion for every initiative: Whether it taps the intrinsic motivation of learners.
   - Apprenticeships and work outside the classroom could contribute to increased learner responsibility.
   - Importance to first-generation college students of affordability and pathways.
   - Start early: savings accounts at birth, college pennants in elementary schools, targeted financial aid counseling, college coursework in secondary schools.

6. Innovation in learning
   - Benefits of online learning.
   - Small schools = reduced dropout rates and higher achievement.

7. Teacher effectiveness
   - Number of licensed teachers exceeds job opening. Colleges of education could make entry into their programs more selective.
   - Mentoring and professional development for new teachers.
   - Tie teacher compensation to new responsibilities.
   - Oregon's CLASS project doing innovative work.

8. Mainstream middle skills
   - Focus on high-demand, well-paying jobs, e.g. welders, electricians, imaging technologists, law enforcement workers. 27% of these jobs pay better than jobs for BA holders.
   - 70% of high school grads go on to college in two years, byt only 40% of that group end up with a two-year or four-year degree by their mid 20s.
   - Community college programs are key.
   - State should explore credentials that learners can acquire in a shorter time frame.

9. Affordable and equitable access
   - Link and integrate tuition with financial aid.

10. Integrated support system
    - Link education with social and health services.

<u>Investing in Outcomes</u>

Reorganize the state's budget around groups of learners:

- Early learners (Birth to around age 8)
- Middle learners (Grades 4-8 or age 9-14)
- Learners with special needs
- English language learners
- College and career preparation and entry (Learners enrolled in high school, alternative schools, community colleges and universities who are attempting to complete HS diplomas, associate or technical degrees)
- Higher degree learners (Learners in upper division baccalaureate, graduate and professional degree programs, focused on which degree are needed)
- Lifelong learners (Adults seeking retraining or remedial education)

State should ask for each group:

- How many learners are moving through the pipeline?

- What are the outcomes, how do we know we're making progress?
- How can we align incentives and use evidence-based practices?
- What parts of the system are ripe for redesign?
- What investments are necessary to achieve our outcomes?

Next, decide how much to invest.

- Competition with health care and corrections cost.
- Will the state continue to spend about 6% of personal income on education or can that percentage be increased?
- Longer budget horizon is needed.

Investments should take three forms:

- Sustainable operation grants with outcomes-based contracts.
- Proficiency/outcome funds.
- Strategic grants.

Boost the rigor of resource allocation decisions:

- What impacts can be expected from an investment by when?
- What's the cost required to deliver the impacts?

Issues Raised and Comments Received in Discussion at the OEIT and Following

1. Issue of skills vs. degrees.
2. Should 40/40/20 apply to all Oregonians or younger Oregonians in the education pipeline and adults needing retraining?
3. Importance of investment in educator quality.

From OEA:

4. Who is accountable for the 40/40/20 goal?
5. New investment is key to achieving 40/40/20.
6. Counselors are critical to building a college-going culture.
7. Is higher education affordable now?
8. Proficiency is not a silver bullet
9. Teacher effectiveness should include principals
10. Communication and training are key to scaling up
11. Role of parents should be addressed
12. Recommendations re: testing and assessments should comport with "loose"
13. Need data on first generation college students
14. Need data on online learning
15. QEM was never fully funded
16. Need data on number of licensed teachers exceeding job openings

17. Professional development is also being done by districts and teacher associations
18. Integrated support system should be first priority
19. Outcomes model does not recognize tough choices districts must make, especially in hard times
20. Is the report recommending full immersion for learners with special needs
21. There should be a willingness to discuss revenue reform
22. Three tiers of funding not recommended

Learn Works

Defined education continuum according to the follow categories, with indicators for each:

- Ready to Learn
- Numeracy and Literacy Fluency
- Ready for Rigor
- Ready for College and Career Entry
- Locally and Globally Competitive

Offered examples of proficiency-based teaching and learning

Reinforced the need for an integrated 0-20 data base

Provided three-step model for interventions when educational institutions fail to achieve

Provided sample of outcomes-based funding for community colleges

Provided sample achievement compact

Offered alternative approaches for English Language Learners

Board of Education Recommendations

<u>Funding: Stable, Equitable & Adequate</u>

- Stabilize funding
- Sustainable level of financial support must be adequate; the proficiency/outcome level must be worth the effort
- Equitable funding must be the guiding principle; current weights used for the State School Fund formula, such as special education, ELL and small schools, must be the foundation

<u>Equity: Funding and Learning Opportunities</u>

- Address cultural diversity
- Ensure the system supports equity; there are inherent inequities in local control

Design & Implementation

- Champion others' efforts/successes in this reform; don't make this a Governor's initiative/legacy; gain momentum and support from the field
- Have fewer, rather than more metrics, and make them meaningful
- Build on proven successful practices

Communication

- Engage education profession and locals in the process (no top-down approach)
- Rebrand the 40-40-20 goal; communicate around student experience and opportunity
- Clarify the message using clear language – elements and 40/40/20 title – what does it mean to families? It needs context/branding