SB 909 Work Group
Sept. 30, 2011
Governor's Conference Room, State Capitol Building
Salem, OR 97310

Work Group Members Present
John Kitzhaber; Hanna Vaandering; Kay Toran; Richard Alexander; Julia Brim Edwards; Mary Spilde; Yvonne Curtis; Matt Donegan; Ron Saxton; Samuel Henry; Nicole Maher; David Rives; Mark Mulvihill

Advisors Present
George Pernsteiner, Chancellor, OUS; Josette Green, Director, Oregon Student Asst. Commission; Ed Dennis, Deputy Supt of Public Instruction

Members/Advisors Excused
Nancy Golden, Chair Designee; Camille Preus, Commissioner of Community Colleges

Staff/Other Participants

Tim Nesbitt	Mgr, Education Investment Project	Sarah Ames	Communications, Ed Inv. Proj.
Margie Lowe	Policy Ad., Education Investment Proj.	Ben Cannon	Gov's Education Policy Analyst
Jan McComb	Interim Work Group Admin.	Cheryl Yehling	Exec. Support, EIT\P

Convening/Organizational Matters
Chair Kitzhaber convened the SB 909 Work Group at 1:30 pm and asked members to introduce themselves. He reviewed the proposed work groups and their members:

Data Base Plan: Mark Mulvihill, chair; Yvonne Curtis, Nichole Maher
Chief Education Officer Selection Process: Julia Brim-Edwards, chair; Hanna Vanndering; Kay Toran, Lynne Saxton, John Minahan
Outcomes-based Investment Strategies: Ron Saxton, Chair; David Rives, Duncan Wyse, Sue Hildick, Sandy Husk, Roger Bassett, Dave Yaden

The Governor noted upcoming meeting dates for the work group: Oct. 10; Oct. 26; Nov. 10. He expected the Oregon Senate to confirm his executive appointments to the Oregon Education Investment Board at the November meeting and that the OEIB would meet Nov. 21 and Dec. 7.

Education Spending in Oregon
John Tapogna, EcoNorthwest

Topogna reviewed his analysis of how sources of education funding are expended, per learner, across learner groups: Oregon PreK-Head Start; K3 Regular Instruction; 4-5 Regular Instruction; 6-8 Regular Instruction; 9-12 Regular Instruction; Alternative Education and charter Schools; CCSD Lower Division; CCWD Professional Technical; OUS Lower Division; OUS Upper Division; OUS Masters; OUS Doctorate; OUS Professional; Early Intervention/Special Education; Special Education-Inside Regular Classroom; Special Education-Outside Regular Classroom; K-12 English as a Second Language; Adult English as a Second Language; Adult K-8; Adult Alternative Secondary; Adult Continuing Education; K-12 Student Transportation (handout).

People want to know why $5 billion isn't enough for education and what is that $5 billion delivering? The goal is to think of a better way to organize the budget debate and "unpack" the data. How much are we spending in total resources with different learner groups? How much does raising tuition harm access? He then re-organized the prior groups into the groups identified during the Learn Works exercise: Ready to Learn (Head Start, Pre-Kindergarten); Numeracy/Literacy Fluency (K-3

regular education); Ready for Rigor (4-8 regular education); College and career preparation (grade 9-12 regular education, alternative/charter schools); Local and Globally Competitive (community colleges and higher education); Learners with special needs; English language learners (ESL); compensatory education (adult learners); and K-12 student transportation.

The costs are organized in terms of annual costs; that's how people think. Lots of money is spent on learners with special needs and those who do not speak English. How we spend in the future will affect whether we meet the 40-40-20 goal. He noted that averages can be deceiving.

The chart shows expenditures in various learner groups and how that has changed from 2000 to 2009. There has been 4% growth in Oregon Pre-kindergarten. Spending for regular students was flat. The current funding formula isn't good for declining enrollment districts. Federal/other spending has grown in double digits. While federal support is trending up, he did not expect that to continue. College enrollment is up slightly 0-4%. Spending on community college students had gone up 3-4%, but is down for higher education (-1 - -2%). Tuition is rising 7%. Overall spending in postsecondary is growing 3-4% a year. Special education growth is 1-2%; the 1990s saw more growth—growth has probably leveled off. ESL has grown 4% and he expected this category will continue to grow.

Tapogna made the following recommendations:

1. Institutionalize this type of analysis and update it routinely.
2. Pull in all non-traditional education expenditures, e.g. other agencies that are doing educational activities.
3. Transition away from spending per student/seat toward spending per outcome.
4. Instead of arranging learners by age, organize them by proficiency/abilities.

Some have attempted to estimate expenditures per diploma; the data and methodology are not yet mature to be dependable. Oregon's K-12 data is better than most states'. However, some districts, like Hood River, may not accurately categorize ELL students because there are so many.

No Child Left Behind Waiver Update

Ben Cannon, Education Policy Advisor, Office of the Governor

Cannon described where the state was in its seeking a waiver from the federal No Child Left Behind law. The feds have outlined the requirements. The Council of Chief State School Officers played an important role in developing the waiver criteria. He stated that NCLB was unsuccessful in several ways:

1. It measured different cohorts of students, which may or may not be comparable.
2. The sanctions and interventions that were required might not be the best fix to the particular problem.
3. Federal and state report cards were based on different criteria and might come to different conclusions; the public found this confusing.
4. The focus on a few subjects narrowed the curriculum and took time away from other subjects.

For example, a school might "fail" because one student group failed to make adequate progress and a consequence might be that the district has to spend $600,000 on outside tutoring.

On a positive note, NCLB put a bright light on students that may have been overlooked in the past.

The goal is to build a better accountability system. With the waiver, the feds are delegating accountability to the states. The states must have developed college and career-ready standards; a plan for underperforming schools and recognizing high performing schools; and a way to evaluate teacher and administrator effectiveness. He is working with the Superintendent and advisors on the waiver application and will have work groups on various topics. He is working with the feds to clarify requirements and timelines. The intent is that the 2011-12 school year is the last year Oregon schools will be operating under NCLB. A new accountability system should support the goals of SB

909 and the 40-40-20 Goal. The current thinking is that districts will be held to "tight" outcomes but will have "loose" requirements on how they achieve those outcomes. High performing schools would win fewer regulations. The state would use "achievement compacts" with districts to identify district student achievement targets. Issues:

1. How do we provide data to the public that is understandable, meaningful, and motivating?
2. How do we maintain focus on getting all students to standards?
3. How do we make new accountability system motivating to educators?
4. Is there any role for this board regarding the waiver? It will depend on the timing of the state's submission.

Outreach & Communications Plan
Sarah Carlin Ames, Communications Director, Education Investment Project

Ames reviewed the outreach and communications plan. There was a great deal of interest in the OEIB and what it will do. She has begun to develop lists and coordinate presentations to various stakeholder groups. Such groups include the Oregon School Boards Association, Stand for Children, the Nov. 1 OUS Symposium, and the Oregon Community Foundation. Work group members are welcome to accompany staff to these scheduled events. Ben Cannon has also embarked on a "listening tour" at school districts around the state. She gave her e-mail and asked those who were interested in hearing a presentation of OEIB to contact her.

Longitudinal Database
Marjorie Lowe, Education Investment Project, Office of the Governor

Nesbitt noted that the database was one of SB 909's key deliverables. There is work currently underway, funded through a federal grant, and SB 909's database will build on that work. He noted that this was a work group topic.

Lowe noted that the SB 909 language concerning the database was broad and general. July 1, 2012 is the operational target date for the database. ODE and CCWD are working to link their systems (Project ALDER), but there are challenges, such as no shared student id number to ensure Sue Summers who graduated from Reynolds High School is the same Sue Summers who enrolled in Portland Community College. The ultimate goal of such a data system is to answer specific questions about individual students and that is way beyond the capabilities of the current system and will be expensive. They will also need to define, "return on investment," and that will require a lot of technical work on the part of school business managers. Project Alder's focus is on student outcomes and that gives us half of what SB 909 asks for. We don't have financial information or some data on early learning that we have for K-12 students.

Lowe stated that about $1 million of the $3 million appropriated for SB 909 this biennium will be used on developing the database and other early learning grants. They were looking to add investments in early learning and early social system supports. While they are hoping for additional federal grants, those will not be available in the next year. Foundations might be a source of funding or C.O.Ps.

Learn Works Presentation

Nesbitt described those who participated in the "Learn Works" exercise as educators and community leaders, who were tasked to examine certain concepts (PP slides handout).

Dena Hellums, a teacher in the Reynolds School District and Learn Works participant, described Learn Works. The Oregon Business Council hosted a 12-day discussion and workgroup of 30

education stakeholders to make recommendations to the Governor concerning the redesign of education—its structures and practices.

Eduardo Angula, the director of the Salem-Keizer Coalition for Equality and Learn Works participant, stated that the process was committed to equity and meeting the needs of all learners. They recognized that a successful public education system prioritizes equity and opportunity for all learners, regardless of socio economic status, learning needs, geography, ethnicity, gender or native language.

Hellums stated that the "tight-loose" approach honors the professionalism of teachers to make classroom decisions. She gave a personal example of trying to make her Advanced Placement English class more diverse and overhead one child describing her selection as going to the "white students' class." She hoped we would not hear that again. Local communities are best equipped to figure out how to meet clear outcomes.

Emily Nazarov, Stand for Children and Learn Works Participant, explained that "Ready to Learn" meant that by age 5, learners have the cognitive, social, emotional, and behavioral skills necessary for kindergarten. How do we know when children are ready to learn? Learn Works suggests using the percentage of children who meet milestones in health, language, literacy and learning, social/emotional development; parent, family, and support development; and cognitive development. "Numeracy and Literacy Fluency" meant that by age 9, learners are proficient in literacy and numeracy and can apply those skills in a variety of contexts. How do we know when students are proficient? By the percentage of learners who can read and use number skills by about age 6, and the percentage of learners who can by about age 9, read, comprehend, and communicate about a variety of texts and apply number skills to solve problems.

Hellums stated that "Ready for Rigor" meant that by their mid-teens, all learners are establishing academic behaviors: acquiring reading, writing, math, and thinking skills; and developing core knowledge that allows them to explore new and challenging learning experiences across varied content areas. How do we know if students are ready for rigor? Indicators would be the percentage of students who consistently demonstrate academic behaviors that enable them to become self-directed learners as they enter high school; the percentage of students who consistently demonstrate key cognitive strategies across content areas as they enter high school; and the percentage of students who consistently demonstrate developmentally appropriate proficiency in Oregon's Common Core content knowledge and essential learning skills as they enter high school. The years 10-14 are where the "wheels come off" for a lot of learners and students begin to not perform academically and fall prey to risky behaviors.

Sarah Denny, English teacher, Hillsboro School District and Learn Works participant, explained that "Ready for College or Career Entry" meant that by their late teens, learners earn a "full-option" diploma and have the skills necessary to enter college or a career. She noted that she was a proficiency-based teacher in a non-proficiency-based system. Indicators would be the percentage of students who are on pace to earn a full-option diploma measured at established intervals from early childhood through late teens; and the percentage of students, employers, and higher ed faculty who report students are ready for college and career success.

Greg Hamann, Linn-Benton Community College President and Learn Works participant, explained what was meant by "Locally and Globally Competitive." This concept refers to when a majority of learners obtain a post-secondary degree or certificate that attests to their ability to think and learn, and provides them with a durable competitive advantage in the local and global economy. Indicators of success would be the percentage of learners who progress toward completion and complete degrees/certificates by age 25 and/or through lifelong learning pathways; number of degrees, certificates and research funds that respond to and meet the demands of the local and global economy; and the percentage of population that is productively engaged in the community. The question is whether we fill Oregon jobs with Oregon graduates? Do wages go up? Are employers satisfied with the product of the education system?

Anne Erwin, Eugene International High School and Learn Works participant, stated that to create a proficiency-based education system, you needed articulated standards across a "curricular continuum." David Conley's work is guided by this. What are the skills needed for students to make them robust scholars? This includes key content knowledge ("KNOW"); key cognitive strategies ("THINK"); key learning behaviors ("ACT"); and key transitional skills ("GO"). A key skill is persistence—that's a valuable skill that can be developed.

Robin Kobrowski, Beaverton School District and Learn Works participant, stated that once you have identified what you want students to know, how do you measure it? She described the difference between formative and summative assessment. She described the current assessment system as "disjointed" and "non-relevant to classroom practice." The ideal assessment system would be ongoing classroom assessment embedded within the instructional cycle. Students needed flexible pathways and she described the elements of a proficiency-based teaching and learning environment.

Erwin stated that teachers needed a data system to tailor instruction. Key data system goals are to inform teachers what they need to teach, to help counselors assist students with their goals and monitoring progress toward those goals, and to help administrators provide leadership and support to their staff. The data should inform students, their families, policymakers, and researchers.

Hamann reviewed the Budgeting for Outcomes slides. Different students will require varying amounts of time and support to meet their goals. Current state funding, allocated on the basis of time, is inadequate to achieve the 40-40-20 Goal. The state needs to fundamentally change the philosophy and methodology by which we fund educational organizations. He went through some outcome-based budgeting principles:

- Fund outcomes, not inputs/process costs.
- Fund the culture/system that produces the outcome, not the intervention for having failed to do so.
- Funding should recognize and reflect the differences between educational sectors and individual institutions.
- Different sectors and institutions will have different missions, different populations served and different cost models.
- Use funding to incentivize the pursuit of outcomes and use policies to mitigate perverse incentives or unintended consequences.
- Funding needs to be stable enough to minimize monetary risks associated with delivery system redesign.

Nazarov described the proposed "sustainable/performance component" of outcome-based budgeting. Money would not be taken away from schools if they failed to perform. Schools that make progress toward their student performance goals would have access to more money and have fewer reporting requirements and oversight. Schools that fail to make progress would be subject to a formula of increasing interventions, ultimately resulting in "receivership."

The work group adjourned at 4:00 pm.