

State Fiscal Stabilization Fund Program, Phase II Application: Summary of Draft Priorities, Requirements, Selection Criteria, and Definitions

Prepared by Trish Brennan-Gac, Learning Point Associates

A draft of the materials for [Phase II of the State Fiscal Stabilization Fund](#) was published in the *Federal Register* on July 29, 2009. Comments are being accepted until August 28, 2009. It is anticipated that final materials will be published at the end of September or in early October.

The following summary incorporates direct language from pages 37837–37838 of the *Federal Register* notice.

These materials describe the following:

- The State plans that will be required as part of the application, along with the elements for those plans
- The data States will be required to submit, including a description of the current data States are already submitting and new data States will be required to submit
- The assurance indicators and descriptors, or metrics, against which State progress will be measured
- Proposed new definitions
- Approval criteria

State Fiscal Stabilization Fund Requirements

“The State Fiscal Stabilization Fund program provides approximately \$48.6 billion in formula grants to States to help stabilize State and local budgets in order to minimize and avoid reductions in education and other essential services, in exchange for a State’s commitment to advance essential education reform in key areas.”

1. “A State that receives funds under the Stabilization program to submit an application to the Department . . . we propose specific data and information requirements (the assurance indicators and descriptors) that a State receiving funds under the Stabilization program must meet with respect to the statutory assurances.”
2. “We also propose specific requirements for a plan that a State must submit (the State plan), as part of its application for the second phase . . . of funding under the Stabilization program, describing its ability to collect and report the required data and other information.”

“Together, these two sets of proposed requirements aim to provide transparency on the extent to which a State is implementing the actions for which it has provided assurance. Increased access to and focus on this information will better enable States and other stakeholders to identify

strengths and weaknesses in education systems and determine where concentrated reform effort is warranted.”

“We also intend to use the data and information that States collect and report in assessing whether a State is qualified to participate in and receive funds under other reform-oriented programs administered by the Department.”

“The Department recognizes that requests for data and information should reflect an integrated and coordinated approach among the various programs supported with ARRA funds, particularly the Stabilization, Race to the Top, School Improvement Grants, and Statewide Longitudinal Data Systems programs. Accordingly, the Department will continue to evaluate the proposed requirements for this program.”

State Plan Requirements

The following section incorporates direct language from pages 37841–37842 of the *Federal Register* notice.

1. “The State plan must describe the State’s current ability to collect the data or other information needed for the proposed assurance indicators and descriptors as well as the State’s current ability to make the data or information easily available to the public.”
2. “If the State is currently able to fully collect and report the required data or other information, the State must provide the most recent data or information with its plan.”
3. “If a State is not currently able to collect or report the data or other information, the plan must describe the State’s process and timeline for developing and implementing the means to do so as soon as possible but no later than September 30, 2011, the date by which funds received under the Stabilization program must be obligated.”
4. “The state plan must describe the State’s collection and reporting abilities with respect to each individual indicator or descriptor.”
 - “As discussed above, the data or information needed for an assurance indicator or descriptor is in some cases already reported to the Department by the State, or is provided by the Department. In those cases, it is understood that the State is currently able to collect the data or information; the State’s plan need only address the State’s ability to publicly report the data or information, and the State need not include the data or information with its plan.”
5. “The proposed State plan requirements apply generally across the education reform areas discussed above with the exception of education reform area (b) (improving collection and use of data), for which we propose to apply slightly different plan requirements. Specifically, we propose to require that the State describe in the State plan whether the State’s data system includes the required elements of a statewide longitudinal data system and, if the data system does not, the State’s process and timeline for developing and implementing a system that meets all requirements as soon as possible but no later than September 30, 2011.

6. “Describe whether the State provides teachers with such data [on student performance and estimates of an individual teacher’s impact on student achievement] and, if the State does not, the State’s process and timeline for developing and implementing the means to do so as soon as possible but no later than September 30, 2011.”
7. “Other general requirements for the State plan relating to:
 - “The State’s institutional infrastructure and capacity
 - “The nature of any technical assistance or other support provided
 - “The plan budget, and
 - “The processes the State employs for data and information quality assurance purposes”
8. “The State is encouraged to consult with key stakeholders such as superintendents, educators, and parents as well as teacher union, business, community, and civil rights leaders. Such consultation would ensure that these stakeholders are aware of the State’s current ability to meet the proposed requirements, can provide input on the means the State will develop to comply with the requirements, and can prepare to assist the State in implementing those means.

Analysis of Reporting Requirements for States to Identify New Responsibilities

The following section incorporates direct language from pages 37838–37840 of the *Federal Register* notice.

	Currently Reported	Department Provides Data	New Responsibilities
Achieving Equity in Teacher Distribution			
1. “Student access to highly qualified teachers in high- and low-poverty schools”	X	X	
2. “How teacher and principal performance is evaluated”			X
3. “The distribution of performance evaluation ratings or levels among teachers and principals”			X
Improving Collection and Use of Data			
1. “Indicate whether its data system contains each of the 12 elements described in...the America COMPETES Act.”			X ¹
2. “Indicate whether it provides data to teachers in grades in which the State administers reading/language arts and mathematics assessments.”			X

¹ Previously collected by Data Quality Campaign, but participation is optional.

	Currently Reported	Department Provides Data	New Responsibilities
Standards and Assessments			
1. “Whether students are provided high-quality State assessments”	X	X	
2. “Whether the State is engaged in activities to enhance its assessments”			X
3. “Whether students with disabilities and limited English proficient students are included in State assessment systems”	X	X	X ²
4. “Whether the State makes available information regarding student academic performance compared to student academic performance in other States”	X	X	
5. “The extent to which students graduate from high school in four years with a regular high school diploma and continue on to pursue a college education or technical training”			X
Support for Struggling Schools			
1. “The extent to which dramatic reforms to improve student academic achievement are implemented in Title I schools in improvement..., in corrective action, or in restructuring”			X ³
2. “The extent to which charter schools are operating in the State”	X	X	

Assurance Indicators and Descriptors (previously referred to as “The Metrics”)

The following section incorporates direct language from pages 37842–37843 of the *Federal Register* notice.

(a) “Achieving equity in teacher distribution.”

- “Indicator (a)(1). Confirm, for the State and for each LEA, the number and percentage... of core academic courses taught, in the highest-poverty and lowest-poverty schools, by teachers who are highly qualified;”
 - “Descriptor (a)(1). Describe, for each LEA in the State, the systems used to evaluate the performance of teachers;”
- “Indicator (a)(2). Indicate, for each LEA in the State, whether the systems used to evaluate the performance of teachers include student achievement outcomes as an evaluation criterion;”

² Additional information is required.

³ Will supplement data currently reported on schools in improvement, corrective action, and restructuring.

- “Indicator (a)(3). Provide, for each LEA in the State whose teachers receive performance ratings or levels through an evaluation system, the number and percentage...of teachers rated at each performance rating or level;”
- “Indicator (a)(4). Indicate, for each LEA in the State 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;”
 - “Descriptor (a)(2). Describe, for each LEA in the State, the systems used to evaluate the performance of principals;”
- “Indicator (a)(5). Indicate, for each LEA in the State, whether the systems used to evaluate the performance of principals include student achievement outcomes as an evaluation criterion; and”
- “Indicator (a)(6). Provide, for each LEA in the State whose principals receive performance ratings or levels through an evaluation system, the number and percentage...of principals rated at each performance rating or level.

(b) *“Improving collection and use of data.”*

- “Indicator (b)(1). Indicate which of the 12 elements described in...the America COMPETES Act are included in the State’s statewide longitudinal data system; and”
- “Indicator (b)(2). Indicate 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.”

(c) *“Standards and assessments.”*

- “Indicator (c)(1). Confirm the approval status, as determined by the Department, of the State’s assessment system...with respect to reading/language arts, mathematics, and science assessments;”
- “Indicator (c)(2). Indicate whether the State is engaged in activities...to enhance the quality of its academic assessments;”
 - “Descriptor (c)(1). Briefly describe the nature of any activities indicated in Indicator (c)(2);”
- “Indicator (c)(3). Confirm whether the State has developed and implemented valid and reliable alternate assessments for students with disabilities that are approved by the Department;”
- “Indicator (c)(4). Confirm whether the State’s alternate assessments for students with disabilities, if approved by the Department, are based on grade level, modified, or alternate academic achievement standards;”

- “*Indicator (c)(5)*. Indicate whether the State 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;”
- “*Indicator (c)(6)*. Confirm the number and percentage...of students with disabilities who are included in State reading/language arts and mathematics assessments;”
- “*Indicator (c)(7)*. Indicate whether the State 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;”
- “*Indicator (c)(8)*. Confirm whether the State provides native language versions of State assessments for limited English proficient students that are approved by the Department;”
- “*Indicator (c)(9)*. Confirm the number and percentage...of limited English proficient students who are included in State reading/language arts and mathematics assessments;”
- “*Indicator (c)(10)*. Confirm that the State’s annual State Report Card...contains the most recent available State reading and mathematics NAEP results;”
- “*Indicator (c)(11)*. Provide, for the State, for each LEA in the State, for each high school in the State and, at each of these levels, by student subgroup..., the number and percentage...of students who graduate from high school using a four-year adjusted cohort graduation rate;”
- “*Indicator (c)(12)*. Provide, for the State, for each LEA in the State, for each high school in the State and, at each of these levels, by student subgroup..., of the students who graduate from high school..., the number who enroll in an IHE; and”
- “*Indicator (c)(13)*. Provide, for the State, for each LEA in the State, for each high school in the State and, at each of these levels, by student subgroup..., of the students who graduate from high school who enroll in a public IHE, the number who complete at least one year’s worth of college credit...within two years.

(d) “*Supporting struggling schools.*”

- “*Indicator (d)(1)*. Provide, for the State and for each LEA in the State, 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;”
- “*Indicator (d)(2)*. Provide, for the State and for each LEA in the State, 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;”
- “*Indicator (d)(3)*. Provide, for the State and for each LEA in the State, the number and percentage...of schools in improvement, corrective action, or restructuring that have been turned around, consolidated, or closed in the last year;”
- “*Indicator (d)(4)*. Provide, for the State, 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;”

- “Indicator (d)(5). Provide, for the State, 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;”
- “Indicator (d)(6). Provide, for the State and, if applicable, for each LEA in the State, the number of charter schools that are currently permitted to operate;”
- “Indicator (d)(7). Confirm, for the State and for each LEA in the State that operates charter schools, the number of charter schools currently operating;”
- “Indicator (d)(8). Provide, for the State and for each LEA in the State that operates charter schools, the number and identity of charter schools that have closed (including schools that were not reauthorized to operate) within the last five years; and”
- “Indicator (d)(9). Indicate, 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.”

Proposed Definitions

The following section incorporates direct language from pages 37844–37845 of the *Federal Register* notice.

1. “*Highest-poverty school* means, consistent with section 1111(h)(1)(C)(viii) of the ESEA, a school in the highest quartile of schools (at the State and LEA levels, respectively) using a measure of poverty determined by the State.”
2. “Similarly, *lowest-poverty school* means, consistent with section 1111(h)(1)(C)(viii) of the ESEA, a school in the lowest quartile of schools (at the State and LEA levels, respectively) using a measure of poverty determined by the State.”
3. “*Student achievement outcomes* means outcomes including, at a minimum, one of the following: student performance on summative assessments, or on assessments predictive of student performance on summative assessments, in terms of absolute performance, gains, or growth; student grades; and rates at which students are on track to graduate from high school.”
4. “*College credit (applicable to a degree)* is used as that term is defined by the IHE granting such credit.”
5. “*School that has made progress* means a school whose gains on the assessment, in the “all students” category (as under section 1111(b)(2)(C)(v)(I) of the ESEA), are equal to or greater than the average gains of schools in the State on that assessment.”
6. “*School that has been turned around* means a school that has had a governance change (which must include a change in the school’s principal and other school leadership changes), implemented a new instructional focus, and replaced at least 50 percent of its staff as part of a planned intervention;”
7. “*School that has been consolidated* means a school that has merged with another school so that students from both schools are educated together; and”

8. “*School that has been closed* includes but is not limited to a school that has been closed and reopened under the management of a charter management organization or an educational management organization.”
9. “*Lowest-achieving five percent* is used as that term is defined by the State, except that in defining the term the State must consider both the absolute performance of schools on State assessments in reading/language arts and mathematics and whether schools have made progress on those assessments (see definition of *school that has made progress* above), and except that, if a State has fewer than 100 schools in improvement, corrective action, or restructuring, the State must include at least five such schools.”

Approval Criteria

The following section incorporates direct language from page 37845 the *Federal Register* notice.

(a) “*Quality of the State plan.*”

- (1) “Whether the plan clearly and accurately describes the State’s abilities to collect and to report the data or other information required by an assurance indicator and descriptor; and”
- (2) “If the State is not currently able to fully collect and report the data or information required by an indicator or descriptor—“
 - (i) “Whether the timeline and process for developing and implementing the means to fully collect and report the data or information are reasonable and sufficient to comply with the requirement;”
 - (ii) “Whether any obstacles identified by the State as preventing it from developing and implementing the means to fully collect and report the data or information by September 30, 2011 are sufficient to justify a delay in complying with the requirement; and”
 - (iii) “Whether the reports that the State will provide to the public will be appropriately accessible and will sufficiently indicate the State’s progress in developing and implementing the means to comply with the requirement.”

(b) “*Quality of the State plan with respect to indicators in reform area (b) (improving collection and use of data).*”

- (1) “Whether the plan clearly and accurately describes the State’s ability to meet the plan requirement for the indicator (*i.e.*, in the case of Indicator (b)(1), the requirement to develop and implement a statewide longitudinal data system that includes each of the 12 elements...of the America COMPETES Act; and in the case of Indicator (b)(2), the requirement to provide teachers with data on the performance of their students that include estimates of individual teacher impact on student achievement); and”
- (2) “If the State does not currently meet the plan requirement for the indicator—“
 - (i) “Whether the timeline and process for developing and implementing the means to meet the requirement are reasonable and sufficient to comply with the requirement;”

- (ii) “Whether any obstacles identified by the State as preventing it from developing and implementing the means to meet the requirement by September 30, 2011 are sufficient to justify a delay in complying with the requirement; and”
 - (iii) “Whether the reports that the State will provide to the public will be appropriately accessible and will sufficiently indicate the State’s progress in developing and implementing the means to comply with the requirement.”
- (c) “*Adequacy of the State plan.* In determining the adequacy of the plan submitted by a State, we consider the following:”
- (1) “Whether the institutional infrastructure and capacity of the agency or agencies responsible for the development, implementation, and oversight of the plan, together with any technical assistance or other support provided by other agencies, institutions, or organizations, are adequate to comply with the indicator and descriptor requirements individually and as a whole;”
 - (2) “Whether the funds the State is using or will use are adequate to comply with the indicator and descriptor requirements both individually and as a whole;”
 - (3) “Whether the processes the State employs to review and verify the required data and information are adequate to ensure that the data and information are accurate and of high quality; and”
 - (4) “Whether the processes the State employs are adequate to ensure that, where applicable, the required data and other information are not made publicly available in a manner that personally identifies students.”

Reference

State Fiscal Stabilization Fund. (2009, July 29). *Federal Register*, 74(144), pp. 37837–37872.