



# Status Quo vs. Innovation

## How Will Congress Choose to Invest in Our Schools?

Melissa Lazarin

President Barack Obama delivered a budget to Congress in February that prioritized innovation and targeted new federal dollars in competitive funding to drive education reforms. And Congress will soon have the opportunity to act on the president's priorities when it takes up the fiscal year 2011 education funding bill known as the Labor, Health and Human Services, and Education appropriations.

Policymakers and education advocates may question whether the focus on innovation and the competitive investments that drive it are misguided or whether it's the right time given our burdened economy. But they can't ignore that the status quo as evidenced by persistent academic achievement gaps and low-performing schools—is clearly not working.

Federal investments in educational innovation can help transform our schools to meet the demands of the 21st century. Here's a brief look at why we need to shake up the status quo and invest in innovation, and why the right time is now.

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**STATUS QUO:** We can't afford to invest in new reforms and innovation while our economy is in dire straits.

**INNOVATION:** The need for innovation has never been greater. Our education system is failing to adequately prepare the 21st century workforce that we need for a healthy economy. Only about a third of eighth graders are proficient in math and reading, and black and Latino students have a 50 percent chance of earning a high school diploma. New ways of schooling are needed to ensure that American students and schools keep their competitive edge with students in countries where investment in innovation has been paramount. Innovation will help dig our economy out of these trying times and put our country on a path to economic prosperity.

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**STATUS QUO:** We should not level fund major formula education grant programs like Title I and increase investments in competitive grant programs at a time when schools are burdened and cash-strapped.

**INNOVATION:** A strained economy requires responsible and effective public spending. Competitive grant funding can inspire innovative and new ways of schooling, which can in turn inform how major formula education grants, such as Title I and Title II, are spent in the future. Activities that lead to improved educational outcomes and results could be identified and rigorously evaluated, and future spending across major formula grant education programs could then help support such reforms across all high-poverty schools.

A shift toward investing new dollars in competitive grants would be balanced by the essential formula grant investments that Congress and the administration made under the American Recovery and Reinvestment Act. The recovery package added \$10 billion in Title I funding, \$12.2 billion for the Individuals with Disabilities Act, \$3 billion in school improvement grants, and \$39.8 billion in State Fiscal Stabilization Fund education dollars, all of which were allocated to states as formula grants.

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**STATUS QUO:** The administration's proposed investments in competitive grants will increase educational inequities by putting high-poverty and rural school districts at a disadvantage.

**INNOVATION:** Hallmark federal education funding streams that were established to level the field—such as Title I dollars for the country's poorest schools and the Title II teacher improvement state grants—remain as formula-based programs in the administration's proposal. In fact, more than three-fourths of the proposed education budget would continue to be formula based.<sup>1</sup> What's more, some of the competitive grant programs, such as the Teacher and Leader Innovation Fund, are targeted to high-need areas, and the current Investing in Innovation Fund, or i3 fund, includes a special priority for rural schools.

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**STATUS QUO:** Investing in the Teacher and Leader Innovation Fund instead of the Title II formula-grant program will hinder access to effective teachers.

**INNOVATION:** The Teacher and Leader Innovation Fund builds on the existing Teacher Incentive Fund, or TIF, and awards competitive grants to states and districts that are willing to consider fresh, new approaches to recruiting and retaining effective teachers and principals, particularly in high-poverty districts and schools where there is the most need. Evaluations of TIF-supported pay-for-performance programs—such as the Mission Possible program in Guilford County, North Carolina, and the Teacher Advancement Program—have demonstrated positive preliminary outcomes for student achievement.<sup>2</sup>

There is little evidence that indicates, on the other hand, that Title II has supported activities that improve student learning. Title II supports a wide range of activities, which limits its impact. And the activities in which school districts choose to use the majority of Title II dollars—professional development and class-size reduction—are not cost effective and lack evidence of effectiveness.<sup>3</sup>

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**STATUS QUO:** There is not enough evidence to justify a continued federal investment in Race to the Top or the Investing in Innovation Fund.

**INNOVATION:** The Race to the Top fund has been part of the federal education agenda for only a short period, but it has already yielded some of the most significant outcomes in education. Ten states changed their laws to better their chances in the competition, including lifting restrictions on charter school development and expansion, and enabling the link between student outcomes and teachers, all before even a penny of the program was released.<sup>4</sup>

The Investing in Innovation Fund, or i3 fund, features tiered grants in which the largest grants are reserved for innovations and models that demonstrate the highest evidence of effectiveness, while smaller grants are available for promising but more novel school reforms. This evidence-check system ensures that valuable federal dollars are targeted to the most effective reforms. The i3 fund also requires applicants to secure a 20 percent private sector match, which will extend the reach of the federal government's investment and help sustain the reforms for the long term.

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**STATUS QUO:** Expanding the 21st Century Community Learning Centers program to award competitive grants to schools to expand the school calendar and establish community schools will dilute funding for afterschool programs, stress instruction time over enrichment time, and diminish the role of community-based organizations.

**INNOVATION:** CCLC dollars are currently limited to activities during nonschool hours, which prohibits the expansion of expanded learning time and establishment of community schools.

ELT schools formally incorporate traditional out-of-school activities such as the arts and service opportunities into the official school calendar so all students, including those living in the highest poverty, have access. Afterschool programs can help address both students' academic and nonacademic needs, but participation in these programs is voluntary—a significant drawback.<sup>5</sup> What's more, low-income and disadvantaged students who are most likely to benefit from such programs are often less likely to participate.

ELT schools often elevate the role of community providers in the school by allowing them to become active partners within the school by co-teaching classes with regular full-time teachers and participating in the school's leadership and management structure.<sup>6</sup>

Community schools transform schools to serve not only students but entire communities. They are fully equipped to tackle “out-of-school” barriers such as inadequate health and social services and provide each student an equal chance at college and career.

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**STATUS QUO:** Valuable programs are being consolidated or eliminated to support competitive grant programs, including Race to the Top and the i3 fund.

**INNOVATION:** Many of the programs that the president's budget proposes for elimination are small grant programs that serve niche purposes and have limited reach such as the Arts in Education and Close Up Fellowship programs. There are also multiple programs that share a similar purpose, such as the Mental Health Integration in Schools and Safe and Drug-Free Schools programs. Consolidating these programs into competitive grant programs with an expanded budget can free up resources and maximize the impacts of these programs.<sup>7</sup> Streamlining programs more effectively would also “reduce states' burdens in juggling multiple programs,” according to the Council for Chief State School Officers, a national organization representing state superintendents of elementary and secondary education.<sup>8</sup>

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## Endnotes

- 1 U.S. Secretary of Education Arne Duncan, Testimony before the Senate Committee on Health, Education, Labor, and Pensions, “ESEA Reauthorization: The Obama Administration's ESEA Reauthorization Priorities,” March 17, 2010.
- 2 SERVE Center, “Guilford County Schools Mission Possible Program: Year 1 (2006-07) External Evaluation Report” (Greensboro, NC: SERVE Center at University of North Carolina at Greensboro, 2008); Matthew G. Springer, Dale Ballou, and Art (Xiao) Peng, “Impact of the Teacher Advancement Program on Student Test Score Gains: Findings from an Independent Appraisal” (Nashville, TN: National Center on Performance Incentives, 2008), available at [http://www.performanceincentives.org/data/files/news/PapersNews/Springer\\_et\\_al\\_2008.pdf](http://www.performanceincentives.org/data/files/news/PapersNews/Springer_et_al_2008.pdf).
- 3 Robin Chait and Raegen Miller, “Ineffective Uses of Elementary and Secondary Education Act Title II Funds” (Washington, DC: Center for American Progress, 2009) available at [http://www.americanprogress.org/issues/2009/08/esea\\_funds.html](http://www.americanprogress.org/issues/2009/08/esea_funds.html).
- 4 Alan Greenblatt, “States ‘Race’ to Adopt Obama's Schools Policies,” NPR, March 4, 2010, available at <http://www.npr.org/templates/story/story.php?storyId=124316925>.
- 5 Harvard Family Research Project, “What Are Kids Getting into These Days? Demographic Differences in Youth Out-of-School Time Participation” (2006).
- 6 Kathleen Traphagen and Christine Johnson-Staub, “Expanded Time, Enriching Experiences” (Washington, DC: Center for American Progress, 2010) available at [http://www.americanprogress.org/issues/2010/02/expanded\\_time.html](http://www.americanprogress.org/issues/2010/02/expanded_time.html).
- 7 See Glenda Partee, “Doing What Works in Education Reform: Recommendations for Eliminating or Consolidating Federal Education Programs” (Washington, DC: Center for American Progress, 2010).
- 8 Steve Sawchuk, “Teachers' Unions Slam Obama K-12 Budget Proposals,” *Education Week*, March 17, 2010, available <http://www.edweek.org/ew/articles/2010/03/17/27appropriations.h29.html>.