

Snapshot of SIG

A Look at Four States' Approaches to School Turnaround

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Contents

- 1 Introduction and summary**
- 5 The SIG program**
- 11 Selection of case study states**
- 14 Overview of SIG ramp-up in case study states**
- 17 SIG in California**
- 21 SIG in Illinois**
- 24 SIG in North Carolina**
- 27 SIG in Tennessee**
- 29 Cross-case lessons for SIG practice and policy**
- 33 Recommendations for reauthorization of ESEA**
- 35 Conclusion**
- 36 Appendix**
- 38 Endnotes**
- 40 About the author and acknowledgements**

Introduction and summary

Thousands of schools across the country are chronically low performing, and they operate within districts and states that are also struggling to help them improve. The School Improvement Grants program, or SIG, is designed to channel federal funds to states and districts facing the daunting task of turning around struggling schools. SIG, a part of the Elementary and Secondary Education Act, or ESEA, known currently as No Child Left Behind, or NCLB, received a massive influx of funds through the American Recovery and Reinvestment Act in 2009, providing significant potential for change and significant challenges for reforming schools on a large scale.

Enacted in 2001, NCLB established a federal framework for accountability and required schools and districts receiving Title I funds to meet, or be on track to meet, annual objectives for student achievement. In response, states created or refined accountability systems to fit the new federal framework. The fulcrum of these systems was, and still is, a set of state academic standards and a corresponding battery of state achievement tests from which judgments about schools' performance are drawn. Schools unable to meet their student achievement targets face a series of sanctions, the severity of which increases with the duration of failure. The School Improvement Grants program, Section 1003(g) of Title I, also known as SIG, is a vehicle for channeling federal funds to assist schools facing the fury of accountability.

It is easy to forget that some states had already begun to establish accountability systems even before NCLB. These states, one could say, had a running start on the federal requirement. Stanford University researchers Martin Carnoy and Susanna Loeb captured the magnitudes of states' running starts in an index of the strength of state accountability systems during the 1999-2000 school year.¹ Moreover, a positive relationship between this strength and student achievement, as measured by gains on eighth graders' mathematics scores on the National Assessment of Educational Progress, suggests that variation in the strength of states' accountability systems at the dawn of NCLB may be a useful lens for understanding states' behavior as substantial numbers of schools began facing the sanctions associated with chronic underperformance.

It is with this possibility in mind that this paper examines implementation of the SIG program in four states: California, Illinois, North Carolina, and Tennessee. These states differ markedly on the Carnoy and Loeb index. Among these states, North Carolina had the strongest accountability system in 1999-2000, followed by California, Illinois, and Tennessee. Variation in the strength of these states' accountability systems has vanished (see Appendix 1), a result of the common framework imposed by NCLB.

But it is plausible that these states' differing dispositions around holding schools accountable for academic achievement at the outset of the era of federal accountability would show up in their implementation of the SIG program, a provision of NCLB inadequately funded until fiscal year 2007, when it received its first appropriation of \$125 million. Hefty increases in annual appropriations for the 2008 and 2009 fiscal years foreshadowed a massive \$3 billion investment in SIG under the American Recovery and Reinvestment Act of 2009, or ARRA.

The substantial and rather sudden investment in SIG motivates this paper. Data were gathered about the districts and schools that received SIG funds for the 2010-11 school year and a number of State Educational Agency, or SEA, representatives from each of the case study states were consulted. In addition, a handful of district officials were also consulted in order to investigate their experiences with the SIG program, their perceptions of the challenges of SIG implementation in the aftermath of ARRA, and the ways in which accountability did and did not inform SIG work in their states.

The case study analyses produced four main findings:

- **Some districts were reluctant to apply.** Many districts with eligible schools chose not to apply to their SEA for the competitively awarded SIG funds. Some districts determined that they lacked the capacity, resources, and budget to implement and support the major changes required by the federal intervention models. Indeed, many if not most recipient districts across the case study states rely upon external providers and other additional funding sources to make up budget gaps where federal funds fall short. Also, districts were concerned about derailing school improvement efforts already in progress.
- **Some states and districts resisted implementation.** The structure of the SIG program and the timing of its application process greatly affected local perception and participation in state funding competitions. Some states encountered local resistance to the mandatory elements of the federal intervention

models, particularly in districts and schools with existing improvement efforts. Restrictions from collective bargaining agreements and state-level legislation limiting the degree of state involvement in local education affairs greatly affected district decisions on whether or not to apply for SIG funding. Many districts also voiced resistance to the rapid application timelines for the ARRA-enhanced funds, particularly the truncated timeframe of federal and, in turn, state application deadlines and the delay in the distribution of federal implementation guidance.

- **Quality data systems improved how funds were distributed.** Robust data systems allow states to distribute and implement SIG funds more efficiently. The reason is that strong data systems allow them to monitor the changing needs of schools and districts. In this way, these states are more readily able to identify the lowest-achieving districts and schools and award funds in a strategic manner to a targeted list of chosen recipients via state competitions.
- **Refined accountability systems helped target funds.** States with more rigorous definitions of academic proficiency, as measured by how closely they reflect NAEP proficiency levels, have a more refined system by which to identify low-performing students and, in turn, schools and districts. States with higher standards for proficiency thus have a more finely tuned mechanism by which to distinguish the differing needs of schools and districts based on levels of student performance.

These findings represent evidence with some bearing on reauthorization of ESEA. In particular, they suggest that universally high expectations for academic proficiency tied to common standards and assessments would allow states to use SIG money more effectively and promote coherence in the national effort to turn around chronically underperforming schools.

In this sense, competitive programs that encourage states to adopt college and career-ready standards and aligned assessments, such as Race to the Top,² support SIG indirectly, yet the SIG program itself needs attention. Policymakers should consider these recommendations:

- Create more flexible, less prescriptive SIG requirements to allow states to tailor improvement and intervention efforts to eligible schools, particularly in rural districts with limited capacity to replace staff. The currently required intervention models may not make sense for all districts and schools, particularly as they may then limit the number of eligible schools who choose to apply for funding.³

- Lengthen the time period of the SIG application process and allow more time between milestones for funding and guideline distribution. States and districts require time to conduct proper needs assessments to find the most appropriate intervention strategy for the lowest-performing schools in order to target funds more readily to them.
- Provide enhanced guidelines and technical assistance to states around procedures for determining which schools are eligible for the SIG program, and with respect to their responsibilities to oversee and monitor the implementation of SIG funds and, in turn, school turnaround efforts.

Let's examine those steps and the SIG program in more detail.

The SIG program

The School Improvement Grants program, or SIG, is designed to channel federal funds to states and districts facing the daunting task of turning around struggling schools. SIG, a part of the Elementary and Secondary Education Act, or ESEA, known currently as No Child Left Behind, or NCLB, received a massive influx of funds through the American Recovery and Reinvestment Act of 2009, providing significant potential for change and significant challenges for reforming schools on a large scale.

The initial years following passage of NCLB offered little sign that the SIG program would become a heavily funded lever for facing “education’s most intractable challenge: turning around or closing down our Nation’s most persistently low-achieving schools.”⁴ In its early years the program did not receive annual appropriations of its own, but survived exclusively on that portion of regular Title I, Part A allocations that states were required to set aside under Section 1003(g) of the law. In 2003 and 2003, states set aside 2 percent of their Title I funds for SIG, and this percentage increased to 4 percent in 2004.

In many states the adequacy of the set-aside as the basis of a state-driven school improvement effort was questionable, and fluctuation in Title I allocations and infringements on the set-aside from Title I’s hold-harmless provisions militated for a dedicated funding stream for SIG, a recommendation featured in a 2005 Center for American Progress report by Phyllis McClure.⁵

In the 2006-07 school year, nearly 10 percent of the nation’s Title I schools had failed to make Annual Yearly Progress, or AYP—state-defined progress toward the goal of universal proficiency by 2014—for four or more years,⁶ and each new year’s wave of testing information would amplify the need for a funding stream allowing states to carry out NCLB’s most intensive intervention, the restructuring or “turnaround” of chronically underperforming schools.

Congress responded to this need in 2007 and furnished the SIG program with its first line-item appropriation of \$125 million. (see Table 1) Subsequent years saw appropriations of \$491 million and \$545 million, foreshadowing still-higher expectations for SIG. The SIG program’s full burden became apparent in early 2009 with a one-time infusion of \$3 billion under the American Recovery and Reinvestment Act, or the stimulus bill.

At least partly in response to a 2007 report from the Government Accountability Office, the Department of Education, or ED, issued new guidance for SIG.⁷ This new guidance allowed states flexibility in determining strategies to build the capacity of districts and to turn around failing schools. Importantly, SIG funds remained available only to schools receiving Title I funds.

The influx of ARRA funds to the SIG program in 2009 spawned new guidance and a revision of the program’s requirements.⁸ The new requirements allowed SEAs to allocate larger awards to a wider group of schools, and they embodied a new focus on the lowest-performing 5 percent of schools. The revised requirements also turned their gaze on the options available to schools in this category because it was clear that the existing options for schools in “restructuring” status—that is, those that fail to make AYP for five or more years—included something of an escape clause.

TABLE 1
School Improvement Grant funding over the years

Federal SIG appropriations for fiscal years 2007 to 2011

Fiscal year	Applies to school year(s)	Amount (in millions)	Additional funds (in millions)
2011	2012-13	\$535	N/A
2010	2011-12	\$545	\$825 (carryover from fiscal year 2009)
2009	2010-11, 2011-12, 2012-13	\$546	\$3,000 (ARRA)
2008	2008-09	\$491	NA
2007	2007-08	\$125	NA

*Note: Fiscal year 2009 funds plus ARRA were not distributed until spring 2010 to apply to the 2010-11 school year.
Sources: U.S. Department of Education, “School Improvement Grants—American Recovery and Reinvestment Act of 2009; Title I of the Elementary and Secondary Education Act of 1965;” Federal Register 74 (164) (2009): 43101–43114, available at <http://www2.ed.gov/legislation/FedRegister/other/2009-3/082609d.html>; “President’s Budget State Tables for the U.S. Department of Education;” available at <http://www2.ed.gov/about/overview/budget/tables.html>.

Under the old requirements, schools in “restructuring” status are given five options:

- Replace most of the school staff.
- Hire a private management organization to run the school.
- Reopen the school as a charter school.
- Turn operation of the school over to the state.
- Or other major governance restructuring.

But a study by Education Sector revealed that in 2007-08, 76.4 percent of schools selected the least disruptive option, “other major governance restructuring,” while only 15.9 percent elected to replace staff, arguably the most disruptive.⁹ In short, the study concluded, schools in need of serious intervention, on the whole, were predisposed to select the least rigorous intervention model. ED, evidently believing that stronger medicine was in order, nixed the “other major governance restructuring” option and promulgated four models:

- **Turnaround:** Replace the principal and rehire no more than 50 percent of the staff, and grant the principal sufficient operational flexibility (including in staffing, calendars/time and budgeting) to fully implement a comprehensive approach to substantially improve student outcomes.
- **Restart:** Convert a school or close and reopen it under a charter school operator, a charter management organization, or an education management organization that has been selected through a rigorous review process.
- **Closure:** Close a school and enroll the students who attended that school in other schools in the district that are higher achieving.
- **Transformation:** Implement each of the following strategies: (1) replace the principal and take steps to increase teacher and school leader effectiveness; (2) institute comprehensive instructional reforms; (3) increase learning time and create community-oriented schools; and (4) provide operational flexibility and sustained support.¹⁰

Public comments submitted after ED posted its proposed requirements in September 2009 offer a lens on the department’s ambitions. Some comments raised questions about the research basis of the narrowed and refashioned set of intervention options, and about limitations around the number of schools in a district that could use any single option. Other comments raised concerns about

delays in dispersal of these SIG funds, and others expressed anxiety over the lack of district and school capacity to use SIG funds. Comments also showed widespread confusion over the three-tier system for eligibility.¹¹

ED's final requirements set the stage for actual disbursement of the hitherto unknown amounts of SIG funds to states.¹² The requirements incorporated new authority around the distribution of funds included in the 2010 Consolidated Appropriations Act. Several policy changes affected the way SIG funds would flow.

First, the maximum amount of funds that could be awarded to districts was increased. Second, the range of school awards, which had been \$50,000–\$500,000, increased to \$500,000–\$2 million per school year. Third, more schools, especially high schools, would be eligible to receive SIG funds. Still it is hard to say that the confusion expressed in the public comments in 2009 was alleviated. In fact, the rules for eligibility became substantially more complex. (see text box below) Let's take a more in-depth look at the program.

New rules for establishing eligibility for SIG funds under ARRA and the 2010 Consolidated Appropriations Act

The SIG program provided massive amounts of funds for school improvement and it also aimed to prioritize which schools were identified and funded as low performing. For instance, SIG gave a new focus to high schools (see Tier II below) since they traditionally receive less Title I funding than elementary or middle schools. ED required states to identify three tiers of struggling schools.

First, states ranked all schools in the state based on student achievement and graduation rates, as defined by the accountability systems enacted or refined by states in response to NCLB. Then states selected the absolute lowest-performing schools in the bottom 5 percent of schools in the state that could receive SIG funds. Lastly, states were required to divide their bottom 5 percent of schools into three categories, or tiers, themselves in rank order of priority. States could choose to fund schools in all three tiers but they had to prioritize schools in Tier I and Tier II.

The following table outlines the criteria states had to use to categorize their lowest-performing schools into three tiers.

School eligibility for SIG funds

Tier I	Any Title I school in improvement, corrective action, or restructuring that is: <ul style="list-style-type: none">• Among the lowest-achieving 5 percent of Title I schools in improvement, corrective action, or restructuring in the state or the five lowest-achieving such schools (whichever number of schools is greater)• A high school that has had a graduation rate as defined in 34 C.F.R. § 200.19(b) that is less than 60 percent over a number of years
Tier II	Any secondary school that is eligible for, but does not receive, Title I, Part A funds that is: <ul style="list-style-type: none">• Among the lowest-achieving 5 percent of secondary schools or the five lowest-achieving secondary schools in the state that are eligible for, but do not receive, Title I funds• A high school that has had a graduation rate as defined in 34 C.F.R. § 200.19(b) that is less than 60 percent over a number of years
Tier III	Any Title I school in improvement, corrective action, or restructuring that is not a Tier I school.

Source: U.S. Department of Education, "School Improvement Grants," January 23, 2010, available at <http://www2.ed.gov/programs/sif/nastid2.pdf>.

Through the 2010 appropriations process, states were further allowed to fund low-performing schools above the bottom 5 percent. Those schools, however, had to fall in the bottom 20 percent of schools and had to meet the eligibility requirements as outlined in Table 2.

TABLE 2
Final eligibility rules

	Schools an SEA must identify in each tier	Newly eligible schools an SEA may identify in each tier
Tier I	Schools that meet the criteria in paragraph (a)(1) in the definition of “persistently lowest-achieving schools.”	Title I-eligible elementary schools that are no higher achieving than the highest-achieving school that meets the criteria in paragraph (a)(1)(i) in the definition of “persistently lowest-achieving schools” and that are in the bottom 20 percent of all schools in the state based on proficiency rates or have not made AYP for two consecutive years.
Tier II	Schools that meet the criteria in paragraph (a)(2) in the definition of “persistently lowest-achieving schools.”	Title I-eligible secondary schools that are (1) no higher achieving than the highest-achieving school that meets the criteria in paragraph (a)(2)(i) in the definition of “persistently lowest-achieving schools” or (2) high schools that have had a graduation rate of less than 60 percent over a number of years and that are in the bottom 20 percent of all schools in the state based on proficiency rates or have not made AYP for two consecutive years.
Tier III	Title I schools in improvement, corrective action, or restructuring that are not in Tier I.	Title I-eligible schools that do not meet the requirements to be in Tier I or Tier II and that are in the bottom 20 percent of all schools in the state based on proficiency rates or have not made AYP for two years.

Source: U.S. Department of Education, “School Improvement Grants,” January 23, 2010, available at <http://www2.ed.gov/programs/sif/nastid2.pdf>.

The more expansive SIG eligibility system spoke directly to the problem of so-called “dropout factories,” high schools with graduation rates below 60 percent. There are an estimated 2,000 dropout factories in the country,¹³ but many of them do not receive Title I funds, despite being eligible for Title I funds. Formerly, this had been an obstacle to receiving SIG funds, and the policy change highlights a key motivation for this study. The injection of ARRA funds into SIG and the accompanying changes in program requirements afforded states an opportunity to tackle a long-standing problem that NCLB had made more apparent but by no means solved.

Which schools would actually compete for a share of their state’s SIG allocation, of course, would depend on how SEAs carried out the augmented program. The key tasks for SEAs include the following:

- Establishing criteria related to the overall quality of districts’ applications and their capacity to implement the required intervention models
- Identifying Tier I, Tier II, and Tier III schools in need of aid
- Monitoring districts’ implementation of the four required interventions
- Holding each Tier I, Tier II, or Tier III school accountable annually for meeting, or being on track to meet, its district’s student achievement goals¹⁴

After receiving allocations of SIG funds by formula in the summer of 2010, states were charged with awarding these funds to a targeted list of the persistently lowest-achieving schools via state-level competitive grants, eligible for distribution over the course of three years from school year 2010-11 to school year 2012-13. The complexity of the SIG program, and in particular its blend of requirements and options, left plenty of room for states to respond to the challenge differently.

We turn now to the case studies of states selected and the variation in the way SIG was implemented.

Selection of case study states

In 2002 Stanford University researchers Martin Carnoy and Susanna Loeb documented the strength of states' accountability systems in 1999-2000,¹⁵ at the dawn of an era of federally driven accountability in elementary and secondary education. By their criteria, states with the strongest pre-NCLB accountability systems had regular testing of students in elementary and middle schools; they sanctioned and rewarded schools or districts based on student test scores; and they conditioned high school graduation on passage of minimum competency exams.

It seems plausible that a state with a strong accountability system in the late 1990s, before NCLB, would have been in a better position relative to a state with a weak system to use resources strategically to improve student achievement, and to take advantage of a windfall such as the ARRA-augmented SIG allocations to intervene in chronically underperforming schools. Carnoy and Loeb found a positive relationship between the strength of accountability and improvements in student test scores between 1996 and 2000 on the National Assessment of Educational Progress tests of eighth-grade mathematics. This relationship stood out after the researchers controlled statistically for a variety of demographic, funding, and programmatic factors known to affect achievement.

This relationship also suggests that some states might be more opportunistic than others given a chance to address persistent deficits in student achievement, but there is a practical reason why stronger pre-NCLB accountability might play out in post-ARRA implementation of SIG. As expressed in a Center on Education Policy report, "These states had schools reach the restructuring phase of NCLB sooner than most other states."¹⁶ Thus, strong pre-NCLB accountability generated earlier exposure to the challenges of administering NCLB's toughest sanctions.

Figure 1 shows states' values on the Carnoy and Loeb index. The bars highlighted in red correspond to this paper's case study states. The four case study states portray the range of variation on the index. Based on this index, the case study states rank as follows: North Carolina (5), California (4), Illinois (3), and Tennessee (1.5).¹⁷ By 1999-2000 North Carolina and California had essentially

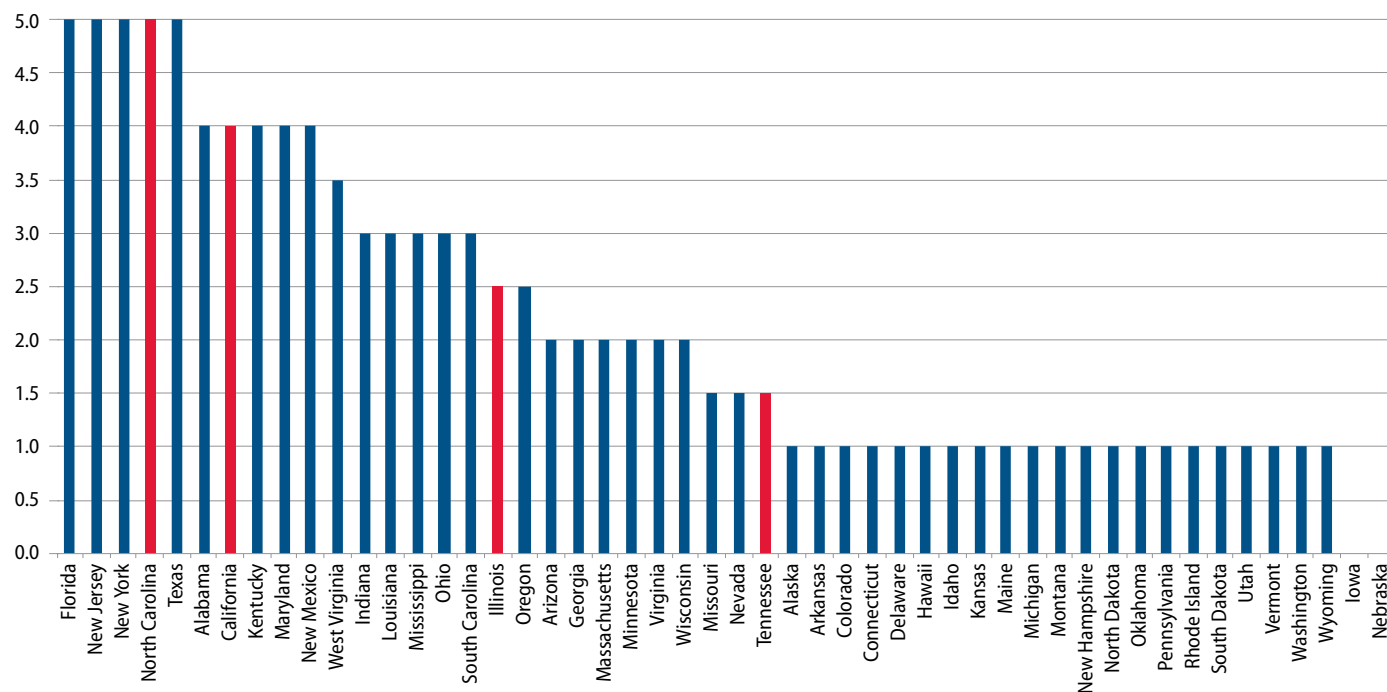
embraced key elements of the eventual federal framework for accountability, whereas Illinois and Tennessee were at earlier stages in this process.

Further, the choice of case study states also incorporates variation that separates the states in a different way. While North Carolina and Tennessee share the southern tendency for strong state-level control and countywide school districts, California and Illinois exhibit the fractured governance and multiplicity of districts typical of the rest of the country. Considering the two dimensions of governance style and pre-NCLB accountability, there is ample reason to expect to see profoundly different experiences across the case study states when the SIG program hit the jackpot in 2009.

States adjusted or elaborated accountability systems in response to NCLB, thus rendering the Carnoy and Loeb index obsolete. By the standards of the 1999-2000 index, all states now have “strong” accountability systems, yet this strength belies three other sources of variation relevant to the turnaround enterprise. First, states vary in their choice of minimum subgroup size for purposes of disaggregat-

FIGURE 1
Varying accountability in SIG case study states

Carnoy and Loeb's strength of accountability index



Source: Martin Carnoy and Susanna Loeb, "Does External Accountability Affect Student Outcomes? A Cross-State Analysis," *Educational Evaluation and Policy Analysis* 4 (4) (2002): 305-331, available at <http://www.stanford.edu/~sloeb/papers/EEPAaccountability.pdf> (last accessed May 2011).

ing student achievement data and determining Annual Yearly Progress, or AYP.¹⁸ Second, states' academic standards vary in many ways and, more importantly, so do their expectations for what constitutes advanced, proficient, and basic performance on tests of student achievement in the academic domains.¹⁹ Finally, states vary in the intensity of their efforts to subject high schools to the sanctions associated with chronic failure to make AYP.²⁰

These sources of variation could also be expected to influence how states coordinate and direct SIG funds in school year 2010-11, but there remains some logic in expecting that states with a running start on accountability going into NCLB might be better able to take advantage of the ARRA-driven spike in SIG funds. Table 3 shows SIG allocations to the four case study states for fiscal years 2007 through 2009, and the figures are striking in two ways.

First, the allocations in fiscal year 2009 to case study states were an order of magnitude larger than the prior year's allocations. Such increases created unprecedented opportunities to address educational challenge but it is fair to wonder whether the infrastructure of states' SIG programs was ready for the increased traffic. Second, these allocations represent big money. California's SIG allocation, for example, is a quarter of the size of its regular Title I allocation of \$1.652 billion for that year, and Title I is the largest of the federal government's elementary and secondary education programs.

The suddenness and sheer size of the ARRA-augmented SIG allocations had serious implementation challenges. Let's turn now to the question of how having had a running start on accountability a decade before ARRA may have given some states an advantage in managing these challenges.

TABLE 3
States get big money for school improvement

Case study state SIG funding totals, fiscal years 2007 to 2009

State	Fiscal year 2007(SY 2007-08) (in thousands)	Fiscal year 2008 (SY 2008-09) (in thousands)	Fiscal year 2009 (SY 2010-11, SY 2011-12, SY 2012-13) (in thousands)
California	\$16,620*	\$61,808*	\$412,977
Illinois	**	\$5,386***	\$146,579
North Carolina	\$2,710	\$10,671	\$91,005
Tennessee	\$5,250	\$3,751	\$67,767

* Amount of \$163,470,594 was distributed in May 2010 and includes fiscal year 2008, fiscal year 2009, plus additional allocations through the State of California SIG QEIA.

** Data unavailable.

*** Total amount distributed to LEAs was \$6,786,259. The State of Illinois requested and was awarded a waiver to carry over a surplus of \$1,400,000 from fiscal year 2008 to fiscal year 2009.

Source: "President's Budget State Tables for the U.S. Department of Education," available at <http://www2.ed.gov/about/overview/budget/tables.html>.

Overview of SIG ramp-up in case study states

Analysis of the early stages of school year 2010-11 rollout and implementation of the SIG funds in four case study states—California, Illinois, North Carolina, and Tennessee—revealed a spectrum of interpretations of and experiences with the SIG program. On the whole, all of the SEA and district officials interviewed for this report acknowledged that the increased funding to the SIG program provided resources vital to improving underperforming schools. States, however, had some significant concerns about the program’s requirements and implementation.

Several states, for example, acknowledged that some of their districts chose not to apply because adopting one of the four SIG models would interrupt existing reforms, and many states expressed frustration with the fairly short timeframe to identify and select districts to receive funds. All in all, such concerns did not prevent states from moving forward with school improvement efforts but they do suggest some changes ED may want to consider as it continues to invest in school improvement.

Table 4 reveals how expansively the changes to eligibility promulgated in 2010 played out in the case study states. For school year 2008-09, California had 1,183 schools and Illinois 358 schools in “restructuring” status, in comparison with 87 schools in North Carolina and only 20 in Tennessee.²¹ But in school year 2010-11, the numbers of SIG-eligible schools are much larger. California, for example,

TABLE 4
More schools qualify for SIG under new rules

Changes in the number of SIG-eligible schools, by state

State	Districts	Schools	2008-09 schools in restructuring	2010-11 SIG-eligible schools
CA	1,043	9,898	1,183	4,693
IL	892	4,262	358	776
NC	233	2,583	87	769
TN	140	1,764	20	118

Sources: State data from: National Center for Education Statistics, “Number of School Districts (District) and Number of Schools (District), 2008-2009.” California data for 2008-09 from: “Education Data Partnership,” available at <http://www.ed-data.k12.ca.us>. Illinois data from: Illinois State Board of Education, “Illinois State Accountability Workbook” (2009), available at <http://www2.ed.gov/admins/lead/account/stateplans03/ilcsa.pdf>.

TABLE 5
Trends in SIG funding in case study schools

School year 2010-11 SIG applications and awards information by state

State	Districts in the state	District applications for SIG	Schools involved	Districts funded through SIG	Schools involved	Tier I schools funded	Tier II schools funded	Tier III schools funded
CA	1,043	60	165	41	92	67	25	0
IL	892	15	31	5	10	4	6	0
NC	233	18	24	18	24	7	17	0
TN	140	*	*	15	72	10	2	60

*Data unavailable.

Sources: State data from: National Center for Education Statistics, "Number of School Districts (District) and Number of Schools (District), 2008-2009." California data for 2008-09 from: "Education Data Partnership," available at <http://www.ed-data.k12.ca.us>. Illinois data from: Illinois State Board of Education, "Illinois State Accountability Workbook" (2009), available at <http://www2.ed.gov/admins/lead/account/stateplans03/ilcsa.pdf>.

saw its roster of eligible schools jump to 4,693, an increase of nearly 300 percent from 1,043. The increases in North Carolina and Tennessee were even greater. These increases reflect the newly eligible status of many underperforming schools not receiving Title I funds, despite being eligible for them.

The number of district applications for SIG funds for school year 2010-11 suggests that many districts were reluctant to compete for them or lacked the capacity to do so. Table 5 shows that only 15 of the 892 districts in Illinois competed for SIG funds but a higher proportion of districts applied in California and Tennessee. Another striking pattern shown in Table 5 is that Tennessee prioritized funding of districts committing to serve Tier III schools. Tier III schools constitute 83 percent of schools receiving SIG funds in that state, as compared to none in the other case study states.

This concentration on funding low-performing Tier III schools shows that Tennessee determined that the needs of other eligible Tier I and Tier II schools had been met, since the revised SIG requirements insist that "an SEA must ensure that all Tier I and Tier II schools are funded before it funds the Tier III schools."²² This pattern suggests that something about Tennessee's education funding and accountability system sets it apart from the other case study states.

A breakdown of SIG-funded schools by grade span provides a further glimpse into the differing priorities and capabilities of the case study states, while displaying the effects of the ED's decision to drive SIG funds to high schools.²³ Table 6 shows that high schools are well represented among those receiving SIG funds in school year 2010-11. This would not have been the case but for the ARRA-induced changes to the program requirements. It stands out that Illinois's SIG funds were directed exclusively to high schools.

TABLE 6
Types of schools funded under SIG

School year 2010-11 SIG-funded schools, by grade span and state

State	Elementary schools	Middle schools	High schools	Combined elementary-middle schools	Combined middle-high schools	Combined elementary-middle-high schools	Total
California	41	20	25	3	0	3	92
Illinois	0	0	10	0	0	0	10
North Carolina	2	2	14	1	4	1	24
Tennessee	1	20	46	0	4	1	72

Source: "Funding Results: School Improvement Grant," available at <http://www.cde.ca.gov/sp/sw/t1/sigreg09result.asp#NF>; "School Improvement Grant — Section 1003(g)," available at http://www.isbe.state.il.us/sos/htmls/sip_1003.htm; North Carolina SIG Application; North Carolina Federal Program Monitoring Division; "School Improvement Grant (SIG) Recipients - 2010-2011," available at http://www.state.tn.us/education/fedprog/doc/SIG_Awards_Table_11-19-10.pdf.

Apart from the tensions around eligibility, a theme that SEA and district officials brought up during their many interviews was that of the intervention models. Table 7 shows the breakdown of intervention models chosen for the SIG-funded schools in the case study states. Across the states, the Transformation and Turnaround models were chosen over the Restart and Closure models by a significant margin. The same pattern holds true across the nation.²⁴

With this background information in place, let's turn now to a snapshot of four states and their approach to implementing SIG. Note: In each of the four states, I consulted a selection of representatives from state educational agencies, as well as a handful of district officials to investigate their experiences with the SIG program on the ground. Specifically, I asked each individual about their perceptions of the challenges of implementing SIG, and the ways in which accountability did and did not inform SIG work in their state.

TABLE 7
Interventions chosen for SIG schools

School-year 2010-11 SIG-funded schools by selected intervention model and state

State	Transformation	Restart	Turnaround	Closure
California	55	5	30	2
Illinois	4	1	4	1
North Carolina	17	1	6	0
Tennessee*	6	0	6	0

*Tennessee also funded 60 Tier III schools that were not required to select an intervention model.

Source: "Funding Results: School Improvement Grant," available at <http://www.cde.ca.gov/sp/sw/t1/sigreg09result.asp#NF>; "School Improvement Grant — Section 1003(g)," available at http://www.isbe.state.il.us/sos/htmls/sip_1003.htm; North Carolina SIG Application; North Carolina Federal Program Monitoring Division; "School Improvement Grant (SIG) Recipients - 2010-2011," available at http://www.state.tn.us/education/fedprog/doc/SIG_Awards_Table_11-19-10.pdf.

SIG in California

The state of California arguably has one of the strongest accountability systems in the country, including a statewide longitudinal data system and rigorous performance measures that predate NCLB. In theory, this well-organized accountability system provided the state with a way to readily identify low-performing schools in need of assistance and with the monitoring systems it would need to manage the implementation of funds to districts and schools. Since the SIG program was first funded in 2007 and then augmented by ARRA in 2009, the state has encountered a large degree of internal resistance to the prescriptive measures of this program, which prevented the full distribution and implementation of funds even after the completion of the state-level competitions.

In fiscal year 2009, the state of California received an allotment of \$412,976,896 through the SIG program to distribute to eligible schools for the 2010-11 school year. The state ultimately funded 92 schools across 41 districts identified from a pool of 165 school applicants representing 60 districts. Only Tier I and Tier II schools were funded, with 27 percent of funds going to high schools. Although the state had the option of rolling out the funds over three years, California decided to distribute its entire apportionment of fiscal year 2009 SIG funds to districts in 2010-11, even though the state received a waiver to roll over 25 percent of these funds into fiscal year 2011.²⁵

In terms of size and demographics, California is in a challenging position with regard to its accountability system and the distribution and monitoring of federal funds, particularly at the scale of the SIG award it received under the one-time ARRA stimulus injection. Like Illinois, California has a large constituency of urban schools. Because the state contains a representatively significant portion of the country's low-performing schools, its state board of education inevitably faces difficult decisions in terms of how best to serve the needs of all its districts and schools.

Unlike most other states, California has a dual accountability system, reporting information in accordance with both federal requirements and state-defined index.²⁶ Established after the California Public Schools Act of 1999, the state accountability system, known as the Accountability Performance Index, or API, predates the federal accountability system under NCLB, and on the whole provides more comprehensive standards and measures for student and school performance than required by the federal system.

Based on results from California's Standardized Testing and Reporting, or STAR, system, the state's API accountability report provides base and growth performance information based on a 200-to-1,000 scale. A 2005 NCES study showed that California's proficiency targets are more rigorous than those in other case study states, though still not as rigorous as the NAEP standards. (see Appendix) While proficiency and growth are important measures when considering the achievement of students and schools, it remains possible for schools that have high growth under California's API system to fail federal AYP due to other factors, including graduation rate and participation rate. In all, despite admitting that a dual accountability system may be confusing, an interviewed SEA representative supported the advantages of more comprehensive reporting in assisting the state in identifying and assisting low-performing schools.

While California's current academic content standards, which were implemented in 1997, are considered to be among the most rigorous in the country, the state, like Illinois, North Carolina, and others, has signed up for the Common Core Standards initiative, which is on track to be implemented by 2013-14. According to former State Superintendent of Public Instruction Jack O'Connell, California's current educational standards have allowed the state to make "significant strides in increasing student achievement. ... progress, however, is slow and the achievement gap persists."²⁷

In addition, California faced major issues with the distribution and implementation of federal funds made available through the SIG program. Due to roadblocks in the state legislature and collective bargaining agreements, the state was prohibited from distributing its fiscal year 2007 and fiscal year 2008 allocations of SIG funds even though it received the funds. The pre-existing state Quality Education Investment Act of 2006, or QEIA, which specifically targets the lowest-performing two deciles of schools, had already set aside approximately \$3 billion from fiscal year 2008 to fiscal year 2013 to fund school improvement efforts to in-need schools identified through the API system. In the end, California received

a federal waiver to roll over its fiscal year 2007 and fiscal year 2008 SIG allocations into the existing QEIA program and distributed \$163,470,594 to 405 schools in 137 districts in May 2010, just a few months before the fiscal year 2009 SIG funds, including the ARRA enhancement, were distributed.

Further, local collective bargaining agreements around California make certain federally mandated requirements—replacing staff—an uphill battle. According to an SEA representative, most districts have no choice but to rotate staff between schools since firing is not an option under collective bargaining agreements.

In an attempt to ensure effective monitoring and implementation, along with analysis of the fiscal year 2009 SIG distribution process, California adopted a multistep strategy. To determine awards for the state grant competition, LEA applications were ranked in priority order based on a rubric, judging both proposed program use based on a stated-needs assessment as well as fiscal expertise and capacity to participate in the state’s required budget management process. Then, after funds were awarded and after initial webinars and workshops about the SIG program were conducted, California has relied upon a regional support system of state employees and consultants to provide onsite visits, ongoing phone calls, and workshops throughout the year to guide LEAs and schools through the implementation process. Schools and districts also must meet quarterly reporting requirements, including budget expenditures and program management reports. Yet critics are concerned about California’s monitoring capacity to oversee effective implementation of federal education funds, including its SIG allocations.²⁸ According to a study by the Center on Education Policy, the state of California “is not required to and does not check to ensure that all schools are actually implementing [NCLB] restructuring strategies.”²⁹

In terms of the composition or type of its “persistently lowest-achieving schools,” California also is piloting differentiated accountability, which allows it to tailor the type and strength of interventions to a school’s needs. California’s approach to differentiated accountability is partially geared toward addressing the needs of students with disabilities and led to the creation of the California Modified Assessments, which replaced an earlier test under the state’s STAR system.

In light of such investments, it is not surprising that California has focused more energy on implementing its state-defined supports for struggling schools than the federally mandated options under NCLB.³⁰ No Tier III schools were funded with the fiscal year 2009 ARRA-enhanced SIG funds, and the money was spread

throughout a selection of in-need Tier I and Tier II schools. Through this state support system, California has attempted to focus on the neediest districts rather than individual schools that failed AYP simply due to the performance of subgroups.³¹

In this way, the strength of California's accountability system has allowed the state to take an arguably more nuanced approach to identifying underperforming schools and directing funds, whether regular Title I funds or windfall SIG program funds. The running start that California had in elaborating an accountability system to fit the requirements of NCLB is apparent in its implementation of SIG, but my interviews also revealed structural resistance and fluctuating perceptions of the SIG program within the state.

SIG in Illinois

Illinois did not have a strong accountability system before NCLB. The state's diverse population, ranging from large urban areas to small rural districts, brought up inevitable questions about how best to establish appropriate criteria by which to define the category of "persistently lowest-achieving schools" and, in turn, issues over monitoring and implementing the SIG program.

In fiscal year 2009 the state of Illinois received an allotment of \$146,578,513 through the SIG program to distribute to eligible schools for the 2010-11 school year. The state ultimately funded 10 schools across five districts identified from a pool of 31 school applicants representing 15 districts. Only Tier I and Tier II schools were funded, with 100 percent of funds going to high schools. Although the state's website reports the full three-year school award amounts, an SEA representative indicates that the state plans to distribute its apportionment of fiscal year 2009 SIG funds over a three-year timeframe.

Like California, Illinois has a significant group of large, diverse urban schools, many of which persistently fail to meet AYP due to the performance of constituent subgroups. Indeed, the state has fewer traditional Tier I schools than other states. It received a federal waiver of paragraph (a)(2) of the definition of "persistently lowest-achieving schools" in order to capture its lowest-achieving Tier II secondary schools that do not qualify as Tier II because they received Title I, part A funds.³² Due to the application for this waiver, the state posted its list of "persistently lowest-achieving schools" later than other states, as it took time to identify the list and have it approved.

In addition to its urban schools, Illinois, like North Carolina and Tennessee, has to consider the needs of low-performing rural districts, most of which are composed of small schools that may lack capacity to replace staff as easily as urban schools, if at all. Also, like other states, Illinois faces ongoing issues in terms of overall student achievement in basic skills areas of reading and math. Similar to the status of students in California, a 2005 NCES study showed that Illinois eighth graders

score barely above “basic” in comparison with NAEP scores, though no data were available for fourth-grade assessments. (see Appendix)

Illinois’s accountability system has undergone evolution in terms of putting standards, assessments, and targets in place by which to evaluate and monitor student, school, and district performance. In 2003 the state accountability system was modified to look more like the federal system, including a mandatory school report card, state testing at the third and eighth grades and a high school exit exam, and an enhanced system of sanctions and rewards for schools that fail to meet established targets.³³

While the state has a longitudinal data system under development, Illinois does not currently utilize a growth model for reporting purposes. Annual measurable objectives and goals for AYP are judged based on 2002 base assessment data with annual student performance data reported for the Illinois State Achievement Test, or ISAT, which tests students annually in grades three to eight, and the Prairie State Achievement Exam, or PSAE, which tests students in the 11th grade.³⁴

Also, Illinois, like California and North Carolina, has begun to focus on college/career readiness by ensuring state assessment results are scaled to the ACT college readiness standards and signing up for the Common Core Standards, though the state does not fully have these standards or accompanying assessments in place.

Finally, while Illinois has a system of rewards and sanctions in place, its mechanisms for rewarding schools and districts that are high-performing and exit improvement status are limited to public recognition and do not include the monetary and nonmonetary rewards that many other states offer, though research is admittedly mixed as to the efficacy of these incentive schemes.

Illinois, however, utilizes differentiated accountability to identify its lowest-performing schools. As a part of the federal Differentiated Accountability Pilot, Illinois, along with Florida, Georgia, Indiana, and Maryland, uses a particular model to “differentiate between underperforming schools in need of dramatic interventions and those that are closer to meeting the goals of No Child Left Behind.”³⁵

When federal funding to the SIG program increased in fiscal year 2007, Illinois, like other states, had to reconcile requirements for this funding with existing school improvement efforts. Reconciling requirements became more difficult to do in fiscal year 2009 with the new rules accompanying the ARRA-enhanced SIG allocations. Due to the new definitions for Tier I, Tier II, and Tier III schools,

even after obtaining a federal waiver, more than 80 schools in cohorts across Illinois that were given grants in fiscal year 2007 and fiscal year 2008 and which were in different years of award and improvement status lost their funding.

For the few that remained on the targeted list for fiscal year 2009, an SEA representative indicated concern that these schools had to basically begin improvement efforts anew, even with ongoing programs, in order to meet the requirements of the new federal turnaround models, which is difficult in both urban and rural districts with already limited budgets.

For the fiscal year 2009 SIG allocations, Illinois adopted a multistep strategy to identify and target funds to schools in need. The state relied upon a competitive bid process to award funds. A committee of internal and external reviewers utilized a rubric to judge LEA applications on proposed budget and plans for program use and then conducted interviews with finalists to determine the most in-need schools.

After conducting a series of initial web-based courses on the SIG program, Illinois then relies upon a regionalized system of external consultants and onsite monitoring units in funded districts to guide and assist implementation. Indeed, awarded LEAs must work with a lead partner from a state-approved list of consultants in order to meet grant requirements. The state also requires LEAs to submit quarterly progress reports, which include measureable metrics defined by the U.S. Department of Education.

At least one SEA representative thought the federal SIG program had benefited Illinois but he also had concerns for the state in terms of federal expectations on the timeframe for results. He felt that while immediate results are possible under the SIG funding, real results would take at least three years to become noticeable and even then sustainability would remain an issue if federal or state funding and support structures are not maintained.

In all, the strengthening of Illinois's accountability system over time suggests it has become better equipped to deal with federal funding streams like the SIG program, though the state is still in the process of improving and investigating new ways to make its processes and systems more effective. And while the state has encountered difficulties in defining its list of "persistently lowest-achieving schools" as well as with incipient issues of the efficacy of program implementation in a variety of school districts, it has identified a targeted group of 10 schools to which to direct funding with the fiscal year 2009 SIG allocations. It is too early to discern program efficiency for this school year.

SIG in North Carolina

Among case study states, North Carolina is the clearest example of the advantages of a strengthening accountability system in relation to a state's ability to identify a more targeted list of failing schools. While this establishes increased state responsibility in terms of monitoring the implementation of funds in districts and schools, North Carolina's multistep approach to the SIG program suggests its recognition of the inherent complexity of assessing the needs of low-performing schools and of the importance for a more tailored approach in determining the most appropriate intervention strategies.

In fiscal year 2009, North Carolina received an allotment of \$91,004,980 through the SIG program to distribute to eligible schools for the 2010-11 school year. The state ultimately funded 24 schools across 18 districts, which encompasses 100 percent of schools and districts that applied. This includes 17 Tier II schools and 7 Tier I schools, including 18 high schools/high school districts. (see Figure 10) North Carolina plans to distribute its apportionment of fiscal year 2009 SIG funds evenly over a three-year timeframe from 2010-11 to 2012-13.

Like Illinois, North Carolina had to consider its balance of urban and rural schools when determining the needs of low-performing schools, particularly where the more severe turnaround models were concerned. An SEA representative credits the state's ability to enact effective reforms and to win federal funding to the evolution and strength of its accountability system, which is known as the ABCs of Accountability. Although the program on which the ABCs of Accountability is based dates back to the 1990s, before the legislation that became NCLB, the state has changed greatly over time, implementing and updating content standards, replacing assessments, adding in a growth model by which to track base and growth performance in 2006, and, beginning in 2010-11, reforming the whole system for a new one that more closely mirrors the federal system.

In October 2010 the North Carolina State Board of Education eliminated the Gateways, a group of end-of-grade assessments at grades three, five, and eight as

well as a high school exit examination. While the Gateways are still administered and used for local and AYP reporting requirements, these end-of-grade assessments are no longer used to make promotion decisions at grades three, five, and eight, nor are they a requirement for students to receive a high school diploma. The state, however, continues to be on track to have more rigorous accountability measures, including college/career readiness standards as a part of the Common Core initiative and a longitudinal data system.³⁶

Like California, North Carolina has had a dual accountability system for a number of years. The ABCs of Accountability was introduced in 2002 and reports both base performance for federal AYP and year-on-year growth information based on a growth model system. For grades three to eight, proficiency is based on the end-of-grade assessments in reading and mathematics; whereas, for high schools, AYP proficiency is determined based on proficiency on English I end-of-course and writing assessments and algebra I end-of-course assessments.

While there is criticism over the efficacy of growth models to identify an accurate list of low-performing schools, North Carolina is the only state among the case studies that funded 100 percent of district applications for SIG funding. A confluence of two forces made this complete coverage possible.

First, many districts with SIG-eligible schools sat out of the competition, content to participate in the state-originated school improvement efforts. Second, the state's tight definition of "lowest-performing schools" meant that districts that did apply for SIG funds planned to serve a limited number of eligible schools involved. This definitional issue implicates the questionable rigor of the state's content standards and assessments, which could be identifying a smaller group of low-performing schools. Indeed, North Carolina fourth- and eighth-grade students scored well below basic in terms of a comparison between proficiency targets on state assessments and NAEP scores in 2005. (see Appendix)

Recognizing the limitations of its accountability system, North Carolina is in the process of replacing the ABCs of Accountability with a new system as a part of the state's Accountability and Curriculum Reform Effort, or ACRE. The new system is being phased in during the 2010-11 school year. The North Carolina Board of Education voted to revise their longstanding accountability system in light of the new focus of federal accountability on longitudinal data systems, performance rewards, and other improved measures.

The initial revision to the SIG program in fiscal year 2007, under which the government allowed states more flexibility in choosing intervention strategies for schools that persistently failed to meet AYP, permitted North Carolina to direct funding to individual schools with the demonstrated greatest commitment to improvement. This early funding, though of significantly smaller proportions than the ARRA-enhanced fiscal year 2009 funds, allowed some schools in improvement status to make progress toward AYP by adding in professional development activities or other resources. As with other states, however, the level of the pre-fiscal year 2009 SIG funding was not enough for North Carolina to implement significant educational reforms to turn around all of its low-performing schools. It is for this reason that SEA representatives felt strongly that the fiscal year 2009 SIG funding would be most effective when used in tandem with funding through other programs.

Like California and Illinois, North Carolina utilized a multistep strategy to identify its list of “persistently lowest-achieving schools” and to determine, distribute, and monitor LEA awards. The state relied upon the competitive bidding process to award funds to LEAs that demonstrated need and capacity to implement funds effectively. To monitor and guide implementation, North Carolina has many systems in place, including a regionalized system of support. The state has a regional roundtable composed of experts from eight regions who meet monthly to discuss issues of implementation, success stories, and to share information on how LEAs and schools are using resources differently or effectively. The state also relies upon onsite monitoring and quarterly reporting in addition to the ongoing Title I onsite visits, reporting, and self-monitoring that is required of schools. According to a SEA representative, these monitoring and guidance systems for the fiscal year 2009 SIG allocations are particularly important because the state now has non-Title I schools receiving SIG funding that were not previously eligible for these federal grants.

Still there are potential problems as it relates to the SIG program and North Carolina’s accountability system concerning the implementation and monitoring of federal funding sources like the SIG program. Since the state’s accountability system is in flux, the efficacy of its program management and monitoring systems becomes difficult to judge. According to the author’s findings, the revisions to the SIG program have forced districts to pay closer attention to how to blend different federal funding sources and distribute them to schools in need. Yet the timing of the fiscal year 2009 allocations in 2010 has been difficult for the North Carolina Board of Education, particularly as SIG allocations came at the same time as funds through other programs, including the State Fiscal Stabilization Fund and Race to the Top.

SIG in Tennessee

Tennessee entered the NCLB era with one of the strongest accountability systems in the country, according to Carnoy and Loeb's original index. The elements of the state's accountability system and its performance measures, however, have greatly evolved over time. Tennessee's accountability system predates the federal system with checks and measures for schools and districts going back to 1998. As amended by the Tennessee Education Improvement Act T.C.A.49-1-602 (2002), the state has a unified single accountability system that requires all schools to be held to the same annual performance objectives and strict rewards and sanctions.

Tennessee utilizes a value-added method for its statewide assessments. This system, known as the Tennessee Value-Added Assessment System, or TVAAS, is aligned to college/career readiness curriculum standards for English/language arts and mathematics that were adopted in 2007-08. These standards will be replaced by the Common Core Standards, which the state adopted in July 2010. For elementary and middle schools, AYP is determined by performance on the Tennessee Comprehensive Assessment Program; and, for high schools, AYP is determined by performance on the English II Gateway and writing assessments at grade 11 and the Algebra I Gateway. In order to report these data, the TVAAS is "a statistical analysis of achievement data that reveals academic growth over time for students and groups of students, such as those in a grade level or in a school."³⁷ The state also utilizes a growth model to provide predictions about student progress based on base-level performance indicators.

In fiscal year 2009, Tennessee received an allotment of \$67,766,991 through the SIG program to distribute to eligible schools for the 2010-11 school year. The state ultimately funded 72 schools across 16 districts, including 60 Tier III schools. No information about the initial number of districts and schools was available. Reportedly, the state plans to distribute its apportionment of fiscal year 2009 SIG funds over a three-year timeframe from 2010-11 to 2012-13. Tennessee has also requested a six-month waiver to allow LEAS to offer supplemental education services instead of public school choice to newly eligible Title I schools.³⁸

As previously mentioned, Tennessee, like other southern states, contains a relatively large number of rural districts and schools in addition to large metropolitan districts. Yet for various reasons, the state has no Tier I rural district schools. Because the state could prove the needs of most of its Tier I and Tier II schools were met, it was able to direct funding to 60 Tier III schools in addition to 10 Tier I and two Tier II schools. And like North Carolina, Tennessee has an influx of funding to its educational system from other federal and nonfederal sources, including Race to the Top and external providers.

Similar to the other case study states, Tennessee adopted a new multitier strategy when awarding fiscal year 2009 SIG funds and determining a plan for implementation and monitoring. The state relied upon a competitive bid process with internal/external reviewers to determine appropriate awarding of funds to LEAs with adequate capacity and a plan for implementation. Once awards were determined, Tennessee, like other states, met with representatives from each district, conducted webinars, and held a three-day conference for these high-priority schools to examine effective practices and implementation issues. The state has also implemented onsite monitoring with grant monitors assigned to one to two schools. These monitors meet regularly to check progress toward established milestones throughout the year. In addition, LEAs also are required to submit a budget and conduct quarterly reports for the state to show that funding is connected to district school and student achievement goals. School districts are also assigned regional consultants who look at the school plans and examine expenditure reports aligned with these plans.

Despite the early strength of Tennessee's accountability system, some critics question the ability of value-added and growth models to provide an accurate picture of a state's failing schools, particularly in relation to the state's low bar for academic proficiency.³⁹ While the state was able to quickly identify a list of low-performing schools due to its growth model, these very measures themselves are under debate. Indeed, Tennessee's fourth- and eighth-graders perform significantly below the "basic" level of the NAEP proficiency levels in 2005, the lowest among the four case study states examined in this paper. (see Appendix)

In all, analysis of Tennessee's accountability system, which more closely mirrors the federal system than any of the other states in this study, reveals that the state has a well-organized system by which to evaluate and determine the needs of schools and to direct funds to those schools that fail to meet expectations. Yet it remains unclear if this register of strength is a bit ephemeral due to questions about the rigor of its performance measures.

Cross-case lessons for SIG practice and policy

The case study states varied widely in the strength of their accountability systems, their identification of low-performing schools, and their implementation of the SIG program. Commenters in the four states, however, hold some strikingly similar views. In particular, they spoke about the reluctance of many districts to apply for SIG funds, resistance among districts (and from state policy) to implement SIG requirements, and the importance of refined data and accountability systems to help target SIG funds to struggling schools.

Let's explore these three areas more closely.

Even though federal funds were awarded to all states, many districts nonetheless chose not to apply for competitive funds to serve eligible schools, regardless of the strength of their state's accountability system. While early insights into implementation of the SIG turnaround models under ARRA has yielded positive feedback on the impact of these funds on schools and the willingness of schools, districts, and even unions to enact dramatic changes, including principal and teacher replacement, some states and districts/schools may have been wary of the new level of federal involvement in school affairs and the prescriptiveness of the school improvement models.

Consequently, they chose not to apply for funding. Some districts determined that they lacked the capacity, resources, and budget to implement and support the major changes required by the federal intervention models. Indeed, many if not most school districts in the case study states rely upon external providers and other additional funding sources to make up budget gaps where federal funds fall short. Also, districts were concerned about the impact of replacing the school improvement efforts already in progress—including those guided by early SIG requirements and funded strictly through the state set-aside—with brand-new models, which would basically mean starting over.

Further, state laws, collective bargaining agreements, existing funding structures and programs, past difficulties with the distribution of state and federal funding, and other factors may have influenced the decision of many districts not to apply for SIG funds. As early as fiscal year 2007, the state of California, for example, despite having a strong accountability system based on both the old and new index, encountered many problems when attempting to distribute its fiscal year 2007 and fiscal year 2008 allotments of SIG funds due to problems with the state legislature as well as issues with union agreements. In the end, California received a federal waiver to roll over its fiscal year 2007 and fiscal year 2008 allocations into the existing QEIA program and distributed funds to a list of schools identified as eligible through the state accountability system in May 2010, just a few months before the fiscal year 2009 ARRA-enhanced SIG funds were distributed.⁴⁰ In a phone interview, a California SEA representative suggested that many districts were frustrated by this delayed timeframe and may have sought alternative solutions for their low-performing schools.

In all, district resistance to applying for SIG funding seems to suggest that there is a large degree of variance among state accountability systems in terms of the latitude allowed to districts in spending federal funds. Even states with strong accountability systems may still have a comparably low level of control and oversight of districts in terms of encouraging them to apply for available federal funds and other grant sources.

The prescriptiveness and timing of the SIG funds greatly affected local perception and participation in state funding competitions. The U.S. Department of Education posted the final state application for SIG on December 3, 2009. States then had 60 days to submit applications for these formula grant awards. Federal funds, however, were not awarded until May 2010, after which the state-level grant competitions opened. LEAs then had approximately 30 days to apply for SIG funding in their respective states. Once the LEA competitions closed, many SEAs delayed announcement of their LEA award decisions until updated federal implementation guidelines were posted, which did not occur until November 2010. Interestingly, this period overlapped with the application deadline for fiscal year 2010 grants, which closed December 3, 2010.

As a result, states, districts, and schools did not have much time to strategize or conduct proper needs assessments to determine appropriate interventions for their schools.⁴¹ This may have led to districts deciding not to apply for funding or, perhaps worse, selecting an inappropriate turnaround model. Also, many states postponed announcing and distributing LEA awards in 2010-11 due to the delay

until November 2010 of updated federal SIG implementation guidelines. While many parties interviewed for this report voiced concerns that the newly implemented models might force some schools to start from scratch in terms of their school improvement efforts, others felt that the newly key role of the SIG program and its significant increase in funding had the potential to make a difference but “it was too soon to tell” whether or not it was an effective way to turn around identified “persistently lowest-achieving schools.”

Robust data systems and definitions of proficiency matter when it comes to the strength of state accountability systems and the distribution and implementation of SIG funds. States with stronger data systems in place and more rigorous definitions of student proficiency have a greater ability to identify failing districts and schools and to monitor their changing needs. State participation in federal pilot programs, federal waiver requests, state-level legislation, unions, and related policy matters all impact SIG eligibility and the list of schools that ultimately receive awards. Among case study states, the clearest example is Tennessee, which uses a value-added system to determine year-on-year performance. Since districts can use predictive data to qualify for AYP, fewer schools in sum are identified as in need of improvement. This is in contrast to California and Illinois, who rely on different proficiency measures and who, together with two other states (New York and Florida), constitute nearly 50 percent of the country’s low-performing schools.⁴² Indeed, based on 2008-09 data, California had 1,183 schools and Illinois 358 schools in “restructuring” status, in comparison with 87 schools in North Carolina and only 20 in Tennessee. California, in particular, has more rigorous academic standards as well as large schools with significant subgroups that make these schools more at risk to fail AYP.⁴³

Variances between accountability systems in terms of the method by which proficiency is determined as well as state-level priorities in terms of their school improvement needs significantly affected the number and composition of schools identified as eligible for SIG funds. Indeed, based on the definition of “newly eligible schools” for the fiscal year 2009 SIG allocations, 4,693 schools in California were eligible for SIG funding, in comparison with 776 in Illinois, 769 in North Carolina, but only 118 in Tennessee. The latter’s utilization of a value-added model to determine district and school proficiency targets mean fewer schools qualify as low performing based on the nature of the data predictions. Other differences in state prioritization in the process of identifying its list of SIG-eligible schools occurred in Illinois, which requested a waiver in March 2010 on paragraph (a)(2) of the definition of persistently lowest-achieving schools:

... in order to capture, among its persistently lowest-achieving Tier II secondary schools, Title I secondary schools that are lower achieving than one or more Tier II schools but do not qualify as Tier II schools because they are receiving Title I, Part A funds and do not qualify as Tier I schools because they are not among the lowest-achieving 5 percent of such schools (or lowest achieving five such schools) in the state. Any Title I secondary school that is identified, through this waiver, as being among the persistently lowest-achieving schools in the state would be identified by Illinois as one of the state's Tier II schools.⁴⁴

Recommendations for reauthorization of ESEA

In all, this study reveals several strengths and weaknesses of the current SIG program in relation to accountability. The lessons garnered from the four case studies elaborate the similarities and differences between states' accountability systems and the common challenges they encountered with the ARRA-enhanced SIG funds. In this way, this study suggests some direction for approaching the concept of a reauthorized ESEA. Indeed, the findings of this study suggest that a high standard for student proficiency and a common system for standards and assessments would allow states to use SIG money more effectively, especially if a refined federal vision of accountability is intended to turn around chronically failing schools.

Current efforts, such as the ARRA-funded Race to the Top and Investing in Innovation Fund, as well as the CCSSO-NGA activities in relation to the Common Core Standards for Reading and Mathematics, are on the right track toward producing a more efficient and sustainable way to turn around low-performing schools and districts. Yet policymakers may find interest and value in the following recommendations:

Create more flexible, less prescriptive SIG requirements to allow states to tailor improvement and intervention efforts to eligible schools, particularly in rural districts with limited capacity to replace staff. States need the ability to select school improvement solutions that are logical to the needs of the district and schools. The fact that some districts chose not to apply for federal funding in part due to worry over the new intervention models suggests that more flexibility is needed in relation to federal funds like the SIG program. Also, restrictions on the type and implementation of the intervention models may not be appropriate for all districts, particularly rural ones, where capacity and resources are limited. While some small rural districts were allowed some latitude in selecting a less rigorous intervention model for their schools, this was not uniformly the case for all rural districts. Officials in the case study states were clear that there is a tradeoff between prescriptive intervention models and the level of district-funding applications. An

alternate plan for districts and schools with extant improvement efforts would seem more appropriate, especially given the time it takes for longer-term changes, like improvements in student achievement and program efficiency, to occur.

Lengthen the time period of the SIG application process and allow more time between major milestones for funding and guideline distribution. States and districts require time to conduct needs assessments to better target funds to the neediest schools. Also, states, districts, and schools need established milestones for the distribution of funds and affiliated guidelines in order to direct funds to awarded schools in a timely manner. The shortened timeframe of the 2009 SIG federal application process affected the efficiency of state grant competitions, as it limited the amount of time districts had to adequately assess and prioritize the needs of their lowest-performing schools. Additionally, delays in the rollout of funds and in the subsequent distribution of guidelines may have significantly impacted states' and districts' ability to spend funds, particularly for programs designated for the 2009-10 and 2010-11 school years. As a consequence, milestones should be set in advance of the applicable school year for application deadlines, funding awards, and guideline distribution to allow states and districts time to evaluate district and school needs and to target funds in a strategic and efficient manner.

Provide enhanced guidelines and increased assistance to states in relation to accountability in order to help them put more rigorous systems in place to determine eligible low-performing schools and to oversee and monitor the implementation of SIG funds and, in turn, school turnaround efforts. Accountability is not one-size-fits-all. States should be encouraged to perform ongoing needs assessments and implement monitoring systems to track program efficacy and resource management. States should have the ability to tailor program elements to their needs and introduce initiatives and policies that are appropriate and sustainable, particularly where the lowest-achieving schools are concerned. Indeed, many states with a strong accountability system face an uphill battle when it comes to the implementation and monitoring of SIG funds. And while they may have an organized method by which to determine eligible schools, states with strong accountability systems, like those with weaker systems, can be impeded by capacity issues, particularly when they have a more significant population of low-performing schools, as is the case in California and Illinois.

Conclusion

By investing significantly in School Improvement Grants, the federal government has brought unprecedented attention and resources to bear on chronically low-performing schools. Yet with significant funding has also come significant challenges for implementing a program with such an ambitious agenda.

This paper has made the case that states with a more refined or sophisticated accountability system—sometimes called a stronger accountability system—are in a better position to identify and target such massive funds to schools. In general, that appears to be the case, though the numbers and percentages of schools alone do not tell the whole story about how efficiently states steer improvement funds to low-performing schools. How states prioritize schools and create conditions that allow districts and schools to implement SIG are equally important. At the same time, the structure and timing of the federal program has to complement the ongoing efforts of states and districts in order to avoid working at cross-purposes. The recommendations for improving SIG offered in this paper should help in this regard and ensure federal funds are used as efficiently and effectively as possible.

Appendix

2010-11 SIG 1003g case study models by state and by tier

		Tier I	Tier II	Totals
California	Closure	2	0	2
	Restart	5	0	5
	Transformation	36	19	55
	Turnaround	24	6	30
	Total	67	25	92
Illinois	Closure	0	1	1
	Restart	1	0	1
	Transformation	0	4	4
	Turnaround	3	1	4
	Total	4	6	10
North Carolina	Closure	0	0	0
	Restart	0	1	1
	Transformation	4	13	17
	Turnaround	3	3	6
	Total	7	17	24
Tennessee	Closure	0	0	0
	Restart	0	0	0
	Transformation	4	2	6
	Turnaround	6	0	6
	Total	10	2	12

*Tennessee also funded 60 Tier III schools that were not required to select an intervention model.

Source: "Funding Results: School Improvement Grant," available at <http://www.cde.ca.gov/sp/sw/t1/sigreg09result.asp#NF>; "School Improvement Grant — Section 1003(g)," available at http://www.isbe.state.il.us/sos/htmls/sip_1003.htm; North Carolina SIG Application; North Carolina Federal Program Monitoring Division; "School Improvement Grant (SIG) Recipients - 2010-2011," available at http://www.state.tn.us/education/fedprog/doc/SIG_Awards_Table_11-19-10.pdf.

Comparison of 2005 case study proficiency targets against NAEP targets

State	NAEP grade 4 reading equivalent score (cut scores: basic–208; proficient–238)	NAEP grade 8 reading equivalent score (cut scores: basic–243; proficient–281)	NAEP grade 4 math equivalent score (cut scores: basic–204; proficient–249)	NAEP grade 8 math equivalent score (cut scores: basic–262; proficient–299)
California	210	262	231	N/A
Illinois	N/A	245	N/A	276
North Carolina	183	217	203	247
Tennessee	170	222	200	230

Source: National Center for Education Statistics, Mapping 2005 State Proficiency Standards Onto the NAEP Scales (Department of Education, 2007), available at <http://nces.ed.gov/nationsreportcard/pubs/studies/2007482.asp>.

Endnotes

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Acknowledgements

The author thanks the following individuals for their assistance with this study: Cathy Grimes, *The Daily Press*, Newport News, VA; Sarah Sparks, *Education Week*; Mark Coscarella, Michigan Department of Education; Michael Radke, Michigan Department of Education; Renee Palakovic, Pennsylvania Department of Education; George Hancock, North Carolina Department of Public Instruction; Julie Baltazar, California Department of Education; Susan Essman, California Department of Education; Fred Balcom, California Department of Education; Monique Chism, Illinois State Board of Education; Marti Woelfle, Illinois State Board of Education; Rita Fentress, Tennessee Department of Education; Trish Kelly, Tennessee Department of Education; Debbie Owens, Tennessee Department of Education; Carlas McCauley, U.S. Department of Education; and Maria Lamb, Maryland State Department of Education.

The Center for American Progress would like to thank the Broad Foundation for its generous support for this report.

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