Creating a World-Class Education System in Ohio
This report is intended for Ohio policymakers and all other stakeholders interested in moving Ohio’s K-12 system to world-class levels. The report was commissioned by Achieve, Inc., with its fact base, international benchmarking of Ohio’s K-12 system, and identification of best practice implications for Ohio (in order to attain the goal of a world-class system) conducted by McKinsey & Company, drawing upon the work of leading international education experts.¹
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Creating a World-Class Education System in Ohio

Introduction

“...the people of Ohio are sending us a clear message to... focus on the core issues... creating living-wage jobs, building an education system, from pre-school through college, that doesn’t just compete with our neighbors like Indiana and Kentucky, but rivals the best schools in the world...”

Governor Ted Strickland, statement on gubernatorial election victory, November 7, 2006

Ohio – more so than nearly anywhere else in this country – has felt the impact of the globalizing economy. Manufacturing, long the state’s largest industrial sector, has lost an estimated 200,000 jobs to outsourcing in the last decade alone. Ohio has had to move toward a knowledge-based economy, one in which the fast-growing and higher paying jobs increasingly require higher levels of education. As such, there is growing recognition that Ohio’s economic competitiveness depends on the ability of its school system to produce an educated and skilled populace.

This goal, however, is not just about economics. Rather, there is a moral purpose to raising the bar for all students in Ohio. This means eradicating achievement gaps for subgroups so that all students, regardless of background or geography, can access the same high-quality educational opportunities. Doing so would strengthen the state both economically and socially, ultimately making Ohio a better place to live and work.

It was in this context that, in October 2006, the Ohio State Board of Education asked Achieve, Inc., a bi-partisan, nonprofit organization located in Washington, D.C., to evaluate and benchmark Ohio’s K-12 policies and practices against best-in-class international standards. Achieve, Inc., works with states to raise academic standards and improve accountability systems, and it had conducted an earlier benchmarking study for Ohio in 1999. That report, entitled “A New Compact for Ohio’s Schools,” evaluated Ohio’s educational reform strategies of the time against domestic best practices. It was particularly focused on standards, assessments, and accountability and contributed significantly to the success of Ohio’s subsequent reform efforts.

This new effort shifted the focus to an international one. The State Board requested a comprehensive perspective on the strengths and weaknesses of Ohio’s K-12 system when compared with the best systems in the world, as well as an understanding of what it would take to close any gaps. To complete the research within four months, Achieve limited the study to Ohio’s K-12 education system; it does not encompass Ohio’s early childhood and higher education systems, except to identify those instances where better linkages between the three are merited.

The Bill and Melinda Gates Foundation generously agreed to fund the study, incorporating it into Achieve’s ongoing grant for assisting Ohio with the American Diploma Project. Achieve then asked a team from McKinsey & Company, an international management consulting firm with both domestic and international experience in the education sector, to undertake research on the characteristics of high-performing systems and conduct a comprehensive review of Ohio’s current K-12 education system against those international best practices. Achieve collaborated with McKinsey throughout the entire process, and the effort benefited from cooperation from the Ohio Department of Education.

To ensure a robust and balanced understanding of the current situation in Ohio, the project team personally interviewed over 100 leaders who have a significant role in the State’s education system. The interviewees were in government, education, business, and other stakeholder groups. To complement these insights, the team also reviewed a comprehensive set of written reports detailing various aspects of Ohio’s educational system, recent legislative advances, and student performance over the last 5-10 years. The team also drew upon the work of a wide range of internationally recognized experts in education. Finally, primary research on Ohio’s student performance data built a better understanding of recent trends and challenges.

The project team considered the features of global educational systems and organizational best practices using data collected from global benchmarking; it also used secondary research to identify specific best-practice examples from around the world. The characteristics of high-performing systems were then embedded in the team’s system performance review, which was used to evaluate individual dimensions of Ohio’s K-12 system and identify opportunities for improvement.
The following report, “Creating a World-Class Education System in Ohio,” is based on all of this research. It is intended to provide relevant information as well as indications for the way forward for all key decision makers, including the newly-elected Governor, State Superintendent, State Board members, legislators, and others with a continuing responsibility for state education policy. From the benchmarking, a holistic set of implications, each supported by detailed diagnostic findings are described, which would help Ohio reach its goal of a world-class educational system. However, this report does not claim to comprehensively consider all the issues. Rather, it is intended to be a starting point for a new, forward-looking conversation among Ohio’s leaders about what it would take for Ohio to achieve the goal set out by Governor Strickland on the day of his election: create a world-class education system in Ohio.
Creating a World-Class Education System in Ohio

In a global economy where employers can choose workers from across the world, it is increasingly clear that Ohio’s future economic competitiveness depends on the ability of its education system to produce students who can compete globally. This mandate is made even stronger by Ohio’s historical reliance on the manufacturing sector, which has consistently eroded in recent decades. Given these realities, it is likely that making Ohio’s educational system world-class is the one action that would most improve Ohioans’ future standard-of-living. A world-class education system would raise the skills of all young people entering Ohio’s workforce and provide a foundation to help ensure the success of more targeted efforts, such as the current STEM initiative which aims to increase the number of science, technology, engineering and mathematics graduates.

Ohio has enacted several important education policy advances over the last decade, with a focus on standards and accountability but also covering a broad range of issues including school choice, which together have moved Ohio’s K-12 system forward in several important ways. Ohio Senate Bill 1 (2001) established the State’s first academic content standards and called for new assessments to match the standards. Senate Bill 55 (1997) created an accountability system for districts, and Senate Bill 1 (2001) expanded it to include schools as well, both of which preceded the federal No Child Left Behind (NCLB) law. Ohio thereafter incorporated subgroup performance to its accountability system with House Bill 3 (2003). Senate Bill 2 (2004) made strides for teachers by creating the Educator Standards Board and establishing guidelines for professional development. In the area of school choice, Ohio’s actions have made it a national leader. House Bill 215 (1997) established community schools (commonly known as “charter schools”), and House Bill 364 (2003) gave ODE oversight of them; House Bill 66 (2005) created the Educational Choice Scholarship Program (EdChoice) to provide vouchers to students in underperforming public schools to attend private schools.

These reforms have, on the whole, been fruitful: the State has enjoyed significant improvements in student achievement. In almost every grade level and subject area, both average and absolute test scores have risen. Better still, Ohio’s traditionally disadvantaged subgroups—Black, Hispanic, and economically disadvantaged students—made gains at rates faster than the average Ohio students. On the whole, Ohio’s students also perform well in comparison with other states, with National Assessment of Educational Progress (NAEP) scores in math, reading, and science that are all above the U.S. average for both 4th and 8th grade. In fact, Ohio was recently ranked 10th among U.S. states on Education Week’s comprehensive achievement index, which includes overall NAEP performance, Advanced Placement (AP) test scores, and graduation rates.

However, a high ranking within the United States is no longer enough in a globalizing economy, and Ohio continues to fall short when evaluated against a world-class standard. Though a consensus is emerging that college-readiness is the minimum requirement for competitiveness in the 21st century, Ohio does not even keep up with other U.S. states on this important metric. Though Ohio does not participate in comparative international assessments, a look at Ohio’s performance relative to the United States—and the U.S. performance relative to the world—suggests that Ohio’s students still have a large gap to close with the best in the world.

In addition, though Ohio’s own aggregate test scores have grown impressively, this growth masks large and persistent achievement gaps for economically disadvantaged, Black, and Hispanic students. Though race and economic status are correlated, each contributes separately and significantly to inequalities in student outcomes. This problem is most clearly reflected in the growing number of schools and districts that have not been meeting Adequate Yearly Progress (AYP) in recent years, and it is particularly acute amongst urban districts, which enroll large concentrations of disadvantaged students and are overrepresented among schools that do not meet AYP. All in all, Ohio’s recent trends indicate that progress has been made, but that substantial reform is necessary to build on and complete the work of the last decade.

But what should guide Ohio’s reform? This report looks domestically and internationally at systems that consistently achieve high results for answers to that question. The world’s highest-performing educational systems exhibit three common attributes, which reinforce each other to ensure system alignment and focus on delivering high levels of student achievement.
• **High challenge.** Sets high expectations for student achievement for those people most responsible for student achievement (students, teachers, principals, and superintendents)

• **High support.** Provides the necessary resources to and builds the capabilities of those same people to ensure that they can meet those high expectations of student achievement

• **Aligned incentives.** Includes both positive incentives and negative consequences for meeting (or failing to meet) those expectations of student achievement

Simply put, these systems offer an important and balanced deal to students, teachers, principals, and superintendents: in exchange for accountability for delivering high levels of student achievement (high challenge and aligned incentives), they provide the resources, opportunities, information, development, and targeted help necessary (high support) so these expectations can successfully be met.

A detailed benchmarking of Ohio’s K-12 system against the characteristics of high-performing systems globally has produced a set of seven key implications for Ohio. Research suggests that if these were acted upon in a holistic, integrated manner, Ohio would achieve its goal of creating a world-class education system.

1. **Ensure readiness for college and the global economy by continuing to raise Ohio’s standards and improve assessments**

Research indicates that the best systems in the world create a high challenge for their children that includes high standards and rigorous, equitable assessments. This will require Ohio to go beyond the strong progress in this area over the last 10 years by aligning K-12 standards with knowledge and skills needed for success in postsecondary education and the global economy and by benchmarking its standards against those of high-performing states and especially nations that compete with the United States.
It will also require steps to increase the rigor and relevance of the high school assessment system. Statewide end-of-course exams in core subjects, which should replace local final exams, are needed to ensure equity and consistency in the content and rigor of instruction. These exams in advanced courses can also help determine whether a student is ready to do college level work or needs additional help before graduating from high school. As more rigorous assessments are phased in, consideration should be given to phasing out the Ohio Graduation Test (OGT).

2. Empower principals to function as instructional leaders

In the best school systems, principals have a clear instructional mandate with performance incentives tied to meeting high student achievement goals. Principals are central to the system’s ability to create environments where students can meet the high challenge set out for them. As instructional leaders, principals can coach and develop those who have the greatest impact on student achievement: teachers. However, today Ohio’s principals are caught between the need to be excellent building managers and the need to provide instructional leadership. To address this tension, districts should adopt clear expectations that define the principal as an instructional leader and create rigorous evaluations that align to those expectations. Flowing from this, districts should provide principals the time, resources and authority to lead, a transition that the State can support with targeted resources. Finally, districts should offer principals performance incentives that tie to an instructional leadership role.

3. Align clear expectations for teachers with evaluation, professional development, and consequences

The best systems not only set clear teacher expectations but invest in systems that ensure they are trained and rewarded for meeting them. Teachers must be challenged and supported to deliver an excellent lesson every time they enter the classroom. First, their body of professional knowledge should be better leveraged by providing them with opportunities to take on additional responsibilities (e.g., coaching, mentoring, curriculum development) while still remaining in the classroom. This could be done by utilizing a career lattice. To transition to a career lattice, districts should work with unions to adopt clear expectations—based on the components of effective teaching—for each role within the lattice.

To ensure that teachers know how they are performing relative to those expectations, a rigorous evaluation process must also be developed, along with performance-based incentives that celebrate teachers’ increasing accomplishments and ensuring fair but rigorous action where there is consistent underperformance. To support teachers’ work, the Ohio Department of Education (ODE) should collect, develop and disseminate tools (e.g., short-cycle assessments, curriculum, sample lessons) that will help teachers diagnose student needs and improve student achievement. Finally, districts—with support from the State and key stakeholders—should move towards a professional learning approach that is job-embedded, ongoing, data-driven, and built into the school’s weekly schedule.

4. Motivate and holistically support students to meet high expectations by addressing their unique needs

Research shows that students receiving targeted support and encouragement perform better. All students, but especially those who face particular challenges—academic or non-academic—deserve to be educated in a system characterized by high-challenge, high-support, and aligned incentives. If these needs are not addressed, it significantly reduces that student’s likelihood of succeeding in school and in life. Ohio law requires districts to provide academic intervention services to students who score below the proficient level or who fail to perform at their grade level based on the results of a diagnostic assessment.

In addition to those measures, Ohio should develop comprehensive guidelines for diagnosing academic and non-academic needs. Second, Ohio should ensure that all students have their identified needs met. The best way to ensure that all students’ needs are met is to actively pursue collaborative solutions with community members, other government agencies and non-profit organizations. In addition a statewide campaign should be mounted to raise the aspirations of students and communities in relation to education. Finally, Ohio should explore ways to introduce additional positive incentives for students such as providing college scholarships for lower-income students who take a college-ready course load and demonstrate strong performance on standardized tests.
5. Ensure that funding is fairly allocated and linked to accountability

Financial support for principals, teachers, and students is the bedrock of the system, but it is well established that Ohio’s school funding system is broken. Based on reviews of other systems, a step-by-step approach, with each step dependent on the preceding one, would best create a basis for broader reforms. In order to make all other reforms possible, Ohio should increase the transparency of school fiscal data, and hold schools accountable for improving efficiency. This assures taxpayers that their tax dollars are being spent well, and helps policymakers to better understand the true costs of a high-quality education. With fiscal accountability established, Ohio should implement a weighted student funding program to ensure that dollars follow students to their schools. This, along with the devolution of budget authority, will give principals the support that they need to deliver results.

Ohio should simplify and redesign its funding formula to account for the true costs of efficiently educating each student to the level of the new standards. Ohio should then reform its tax system to deliver the funding for the redesigned formula to each school on a predictable and stable basis. This would reduce the number of local levies that districts must ask for each year and reduce inequalities in district revenue. This would inevitably involve a stronger role for the State. Finally, Ohio should establish a process to periodically update and revise its formula.

6. Increase effectiveness of school and district ratings and interventions

Once excellent support is established both professionally and financially, the system should have an accurate way of identifying and intervening in schools that are underperforming. Ohio has been among the most forward-looking states in terms of rating schools and districts based on student performance. The state established a ratings and accountability system in 1997, before No Child Left Behind (NCLB) was enacted at the federal level. To take this system to the next level, Ohio should better align its ratings and consequences to focus upon schools and districts most in need of support.

First, the State should use its full range of student performance measures in addition to AYP to determine the right set of consequences for underperforming institutions. Second, Ohio should more fully develop the capacity to diagnose school performance. Today, this function is the responsibility of individual districts, whose efforts are not coordinated. Third, Ohio should build its ability to intervene in struggling institutions and districts. Today districts intervene in schools according to their own discretion, and there is little visibility into the quality of these efforts. The plethora of regional service providers does not seem to offer the necessary interventional support to districts nor to be wholly accountable to either their customers or the State for the interventions they make.

7. Provide all students with access to high-quality, publicly-funded school options

These international best practices envision a single system that consistently sets a high challenge and provides a high level of support for leaders at every level, from district to classroom. The current reality in Ohio, however, is actually a patchwork of multiple systems—including traditional, community, and EdChoice schools—that are inconsistently regulated and operate in a market with imperfect information. Students are exposed to “market risk” from bad schools because no attempt is made to shut down poor providers or to limit entry of the school market based on performance. At the same time, the promise of choice is limited by regulations that keep community schools from competing on a level playing field with their traditional counterparts.

In school systems that meet best practices, students are empowered to attend any school and are given the information that they need to choose wisely. Second, there is a common framework for the school system. For this reason, Ohio should bring community and EdChoice schools into a common accountability framework with traditional schools. This would limit market risk by ensuring that all schools are thoroughly evaluated and that poor performers exited the market as soon as possible. Third, Ohio should evaluate new school providers and only allow those with proven or high potential academic performance to open schools. Finally, with these accountability safeguards in place, Ohio should make it easier for parents to choose from the range of school options by increasing resources available, easing (and eventually eliminating) numerical and geographic limitations on new schools, and actively seeking innovative school providers from around the world to open new schools and turn around existing ones.
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<tr>
<th>State</th>
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<tr>
<td></td>
<td>• Sets content standards</td>
<td>• Creates a culture of high expectations for all</td>
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<tr>
<td></td>
<td>• Assigns ratings to districts and schools</td>
<td>• Sets world-class content standards</td>
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<tr>
<td></td>
<td>• Works with districts to hold schools accountable, but leaves final decision-making up to them</td>
<td>• Diagnoses the key drivers of school success and failure and mandates school interventions accordingly</td>
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<tr>
<td></td>
<td>• Issues broad standards for the teaching profession</td>
<td>• Articulates a framework for the teaching profession that is clear, compelling, and performance-based</td>
</tr>
<tr>
<td></td>
<td>• Lacks sufficient capacity to meet the need for quality technical assistance to individual schools and districts</td>
<td>• Establishes and oversees a system-wide capability for identifying and diagnosing student needs</td>
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<tr>
<td></td>
<td>• Oversees a funding system that is opaque and inequitable</td>
<td>• Provides high quality technical assistance to schools and districts based on statewide best practices</td>
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<tr>
<td></td>
<td>• Provides little accountability for community schools or private schools that enroll state-funded EdChoice students</td>
<td>• Provides sufficient, transparent, and stable funding and holds schools accountable for using resources well</td>
</tr>
<tr>
<td></td>
<td><em>Services</em> include professional development, student supports, and basic procurement within the frameworks laid out by the state</td>
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<tr>
<th>Regional providers</th>
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<tr>
<td></td>
<td>• Are loosely aligned with statewide goals; ESCs receive state funding and are governed by locally elected boards</td>
<td>• Are directly accountable to their customers (schools) and compete to provide support services* to those customers</td>
</tr>
<tr>
<td></td>
<td>• Are of uneven quality</td>
<td>• Are aligned with statewide goals for schools</td>
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<tr>
<th>Districts/ sponsors</th>
<th>From</th>
<th>To</th>
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<tbody>
<tr>
<td>Districts actively manage schools:</td>
<td>• Districts provide strategic management and support:</td>
<td></td>
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<tr>
<td>– Hire and allocate school personnel</td>
<td>– Manage schools by aligning school principals around a strategy for delivering against state standards</td>
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<tr>
<td>– Allocate funding to schools</td>
<td>– Carry out mandated interventions in schools</td>
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<tr>
<td>– Hold ultimate responsibility for intervening in schools</td>
<td>– Devolve funding, staffing, and management to schools</td>
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<tr>
<td>– Provide a range of support services</td>
<td>– Provide services* to schools that purchase them</td>
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<tr>
<td>– Have autonomy, but little support or accountability, in providing student supports</td>
<td>– Manage a portfolio of schools and secure quality for students</td>
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<tr>
<td>• Fragmented sponsor system has little accountability to state standards; sponsors support and hold community schools accountable inconsistently</td>
<td>• Sponsors play a similar role vis-à-vis their community schools, holding them strictly accountable for performance</td>
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<tr>
<th>Schools</th>
<th>From</th>
<th>To</th>
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<tr>
<td>• Operations directed by districts</td>
<td>• Organized around instructional leadership of principals and teachers</td>
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<tr>
<td>• Building managed by principal</td>
<td>• Receive funding based on a weighted student formula</td>
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<tr>
<td>• Follow district guidelines and instructions to deliver education services to students</td>
<td>• Are accountable for delivery against state standards:</td>
<td></td>
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<tr>
<td>• Community schools and EdChoice schools operate within different systems and have autonomy without accountability</td>
<td>– Student performance</td>
<td></td>
</tr>
<tr>
<td>• Teachers have uniform roles and compensation based on years of service</td>
<td>– Implementation of teacher career lattice in cooperation with unions</td>
<td></td>
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<tr>
<td>• Standards mandatory in schools, but leaves final decision-making to the teaching profession that is clear, compelling, and performance-based</td>
<td>– Provision of student supports based on systemic diagnosis</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Efficient resource management</td>
<td></td>
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<td></td>
<td>• Have the authority and flexibility to manage resources and staff to meet the challenge of accountability</td>
<td></td>
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<tr>
<td></td>
<td>• Teachers have a variety of roles and compensation related to the contribution they make</td>
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*Services* include professional development, student supports, and basic procurement within the frameworks laid out by the state.
Background

Overview of Ohio’s education system

Today there are over 1.8 million students enrolled in Ohio’s nearly 4,000 K-12 public schools, which are organized into over 600 local districts across the State. The State’s 8 largest districts, however, educate nearly 270,000 students, which represents 15 percent of all students. This student population is becoming more racially diverse. Today, over 23 percent of Ohio students are minorities and 17 percent are Black, compared with 19 percent and 16 percent, respectively, in 1998-1999. In addition, 1.5 percent of Ohio students have limited English proficiency, and 14 percent are classified as having disabilities.

A multitude of entities at the state, regional, and local levels share responsibility and oversight for Ohio’s K-12 system. The State legislature enacts policy and allocates over $8 billion per year for education funding to combine with local funds. The Ohio Department of Education (ODE) is the system’s administrative head, setting strategic direction and providing a range of services to schools and districts.

At the local level, districts determine policies and procedures that schools follow, including employing teachers and principals, setting curriculum, and raising a significant portion of the funds for their schools. Additionally, Ohio has a complex web of regional service providers which assist schools and districts with a variety of services. These providers are loosely connected to agencies such as ODE. They include 12 Regional School Improvement Teams (RSITs), 16 Special Education Regional Resource Centers (SERRCs), and 60 Education Service Centers (ESCs). The ESCs are funded at both the state and district levels; State funding for ESCs in fiscal year 2006 was over $250 million.

ODE is overseen by the Ohio State Board of Education, which is made up of both elected and appointed members. Local school districts and ESCs, on the other hand, “operate under the oversight of locally-elected governing boards.” This governance model is rooted in Ohio’s history and uncouples state, regional, and district accountability. Alignment of many key aspects of education throughout the system, such as standards or best practices for professional development, is therefore a challenge to achieve and largely a voluntary process.

Key educational policy developments

Significant policy advances have made Ohio a higher-performing, more coherent educational system since Achieve’s last domestic benchmarking report. The 1999 report “A New Compact for Ohio’s Schools” called upon the State’s educational leaders and policymakers to take three major actions:

- Put in place clear, explicit, measurable academic standards and an aligned set of assessments
- Build a stronger accountability system with clear consequences for persistently low-performing schools
- Enable school districts to develop the capability to provide high-quality professional development and support for teachers, and leadership development for principals and superintendents.

Ohio acted quickly to address each one of these recommended actions. In 2000, the Governor’s Commission for Student Success charged the State to create academic standards “as quickly as possible” as well as update tests to align with the standards. ODE drafted standards rapidly enough that Ohio Senate Bill 1 established English language arts and math standards in law in 2001. Over the next 2 years, the State continued to establish standards for other areas: science, social studies, fine arts, foreign language, and technology. Senate Bill 1 replaced Ohio’s Proficiency Tests with standards-based Achievement Tests. These actions have put Ohio ahead of the curve nationally when it comes to standards and assessments. Additionally, the Ohio CORE legislation just passed, requiring students to take 4 years each of math and English and 3 years each of science and social studies, as well as other topics, to graduate. In 2005 the Ohio legislature also established the P-16 Partnership for Continued Learning to make recommendations for improving workforce development by improving coordination between the Ohio State Board of Education and the Ohio Board of Regents.

In terms of accountability, a combination of local and federal developments have already produced a much more nuanced system of ratings and interventions. Senate Bill 1 significantly strengthened the
State’s pre-existing accountability system, expanding ratings to apply to schools as well as districts, increasing ratings’ frequency, and mandating interventions for the poorest performing schools and districts. At about the same time, the federal government made one of the most profound legislative changes ever taken in the arena of education: NCLB. This mandate required demonstration that all groups of students meet satisfactory levels of achievement. In 2003, Ohio House Bill 3 added the subgroup requirements of NCLB to the State’s accountability system, along with an overall performance index and a growth measure.

The Governor’s Commission for Teaching Success (2003) addressed the third recommendation by calling for specific improvements to teacher preparation, support, and professional development. It also advocated teacher knowledge standards and standardized teacher evaluations. In response, Ohio Senate Bill 2 (2004) established an Educator Standards Board (ESB), and mandated teacher professional development standards in process and evaluation criteria. The Ohio State Board of Education recently approved these standards, and ODE is rolling them out to districts.

Many other reforms have also been enacted, including those in the area of school choice. House Bill 215 established community schools as a pilot program in 1997, and various pieces of legislation have since increased the limit on the number of community schools; more than 300 currently exist. House Bill 364 (2003) restructured community school law to make ODE an authority of community school sponsors. During this period, the State’s innovative but controversial Cleveland Scholarship Program faced legal battles from the mid-1990s until 2002, when the U.S. Supreme Court upheld it. House Bill 66 (2005) created the Educational Choice Scholarship Program, which extended vouchers for students enrolled in underperforming public schools to attend private schools.

School funding in Ohio, however, remains an intense but largely unresolved issue. In aggregate, Ohio’s public education expenditures rose over the last two decades. Total education expenditures per student increased in real terms, moving Ohio from below average to well above average among U.S. states in education expenditures per student. Overall State spending on education grew from $5.1 billion in fiscal year 1997 to $8.1 billion in fiscal year 2006. Ohio’s funding system, however, has been declared unconstitutional in Ohio courts 4 times because of inequitable distribution. The root cause of this inequity is the fact that the majority of school funds come from local sources. Between 1990 and 2003, 51 percent of Ohio’s school funding came from local sources, compared with 45 percent nationally, making Ohio’s distribution of funding the 15th most inequitable among U.S. states.

Recent trends in student achievement: progress and challenges

Recent progress. Ohio has enjoyed significant aggregate improvements on many measures of student achievement. Both average and absolute student outcomes have grown substantially in its K-12 system. Its overall performance index increased at an annual rate of 3 percent since 2001. This index is a weighted composite of test scores for all subjects in all grade levels; its impressive growth is reflected in almost all trends for individual tests. For example, from 1999 to 2006, Ohio’s fourth graders posted an annual gain of 7 percent in reading proficiency rates and 4 percent in math proficiency rates; sixth graders showed annual proficiency growth rates for reading and math of 4 percent and 6 percent, respectively. These trends occur at almost every combination of grade level and subject area where multiple years of data are available.
Ohio’s major student subgroups have also made impressive absolute gains; for example, the mathematics proficiency rate of Black fourth graders in Ohio increased at an annual rate of 13 percent since 1999, more than double the same rate for all of Ohio’s fourth graders. This trend occurs in several subgroups; Black, economically disadvantaged, disabled, and Hispanic fourth graders have all made larger annual proficiency gains in mathematics than the average Ohio fourth grader. As with aggregate results, this rapid growth in subgroup proficiency is visible, almost without exception, in test results for all grade levels and subject areas.

**Ohio’s major subgroups have outpaced the statewide average in achievement gains**

*Increase in proficiency rates for 4th grade mathematics* from 1999 to 2006**, percent*

<table>
<thead>
<tr>
<th>Subgroup</th>
<th>Increase in Proficiency Rate</th>
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<tbody>
<tr>
<td>Black</td>
<td>13</td>
</tr>
<tr>
<td>Economically disadvantaged</td>
<td></td>
</tr>
<tr>
<td>students</td>
<td>12</td>
</tr>
<tr>
<td>Disabled students</td>
<td>8</td>
</tr>
<tr>
<td>Hispanic students</td>
<td>7</td>
</tr>
<tr>
<td>All students</td>
<td>6</td>
</tr>
</tbody>
</table>
Ohio student outcomes also compare well with those of students in other states. Indeed, Ohio was recently ranked 10th among U.S. states on Education Week’s comprehensive achievement index, which includes overall performance on the NAEP, AP test scores, and graduation rates. In 2005, Ohio students scored above the national average on NAEP reading, math, and science exams for both fourth and eighth grade. These scores are the result of a trend that goes back to the mid-1990s in almost every grade level and subject area; for example, from 1992 to 2005, Ohio moved from 20th in the U.S. to 7th in fourth grade math proficiency. Ohio also compares well nationally on college entrance exams: in 2006, Ohio’s average SAT scores were higher than the U.S. average for all three subject types on the test. Ohio is even marginally closing the gap on college readiness: from 1992 to 2005, the number of Ohio eighth graders taking Algebra I increased by 24 percentage points (compared to 22 percentage points nationwide).

Ongoing challenges. Though achieving a high rank within the U.S. is obviously good news for Ohio, it is no longer enough in a globalizing economy. To keep Ohio’s economy viable, its students have to be ready for college and ready to compete in a global workforce. Therefore, Ohio’s system will – at a minimum – need to prepare students to enter college, which implies a certain level of proficiency, as measured by test scores and the completion of a rigorous sequence of college preparatory high school courses. Unfortunately, Ohio’s system is not even keeping pace with other U.S. states on this measure. A 2003 study found that only 32% of Ohio students are graduating from high school ready for college, which places them below the U.S. average of 33 percent and 27th in the nation.

In addition to problems with college readiness, Ohio’s aggregate scores on nationally-normed assessments may not be high enough to be internationally competitive – despite the fact that they are above the U.S. average. There is currently no way to benchmark Ohio against other countries, as Ohio does not participate independently in any international assessments on its own. Nor is there a separate Ohio score when the U.S. participates. However, it is clear that while Ohio scores are above the U.S. average on NAEP assessments, which are comparable with internationally rigorous standards, the U.S. lags far behind many other countries on international assessments such as the Program for International Student Assessment (PISA) and the Trends in International Math and Science Study (TIMSS). For example, in PISA’s 2003 mathematics examination, the U.S. placed 29th out of 41 countries that participated in the assessment. Since Ohio is just above the U.S. average on NAEP mathematics scores, it is reasonable to believe that Ohio students are not yet internationally competitive in mathematics.

Ohio’s average scores also hide large, persistent achievement gaps for economically disadvantaged, Black, and Hispanic students. The most worrying of these gaps is between economically disadvantaged and non-disadvantaged students (in 2006, over 35 percent of all Ohio students had some type of economic disadvantage). Since 1999, the earliest year data was available, these students’ proficiency rates have been much lower than those of non-disadvantaged students on nearly every State test and in nearly every grade level. This issue persists within almost every major district type (urban, suburban, rural) and every major racial subgroup.
Race matters as well. Contrary to some beliefs, achievement gaps between Black or Hispanic students and white or Asian students cannot be completely explained by economic disadvantage. Even after accounting for economic disadvantage, Black and Hispanic students still face a significant achievement gap with regard to their white and Asian counterparts. In fact, economically disadvantaged white and Asian students perform better than non-disadvantaged Black students and almost as well as non-disadvantaged Hispanic students. These gaps are significant both because of their size and because Ohio’s Black and Hispanic students made up over 19 percent of the K-12 population in 2006.
Although the achievement differences are shrinking, they are not doing so as quickly or dramatically as Ohio needs. The gap between economically disadvantaged and non-disadvantaged students on proficiency rates in fourth grade mathematics has only narrowed 1 percentage point in the last 7 years. The equivalent gap for reading proficiency has actually increased from 23.0 to 23.7.\footnote{This problem is most clearly reflected in the growing number of schools and districts that have not met AYP as required under NCLB in recent years. Drivers of AYP failure differ greatly. Economic disadvantage is one of the strongest drivers: AYP failure for the economically disadvantaged subgroup helped cause overall failure in over 70 percent of schools that did not meet AYP in 2006. The racial achievement gap is concentrated in urban schools, where 78 percent of schools missing AYP also missed AYP for Black students. As a result, urban schools are disproportionately represented among schools that do not meet AYP.\footnote{Even when economic disadvantage is controlled, racial achievement gaps remain}}

This problem is most clearly reflected in the growing number of schools and districts that have not met AYP as required under NCLB in recent years. Drivers of AYP failure differ greatly. Economic disadvantage is one of the strongest drivers: AYP failure for the economically disadvantaged subgroup helped cause overall failure in over 70 percent of schools that did not meet AYP in 2006. The racial achievement gap is concentrated in urban schools, where 78 percent of schools missing AYP also missed AYP for Black students. As a result, urban schools are disproportionately represented among schools that do not meet AYP.\footnote{Urban schools are overrepresented amongst schools that missed AYP}

Source: Ohio Department of Education – Interactive Local Report Card

Even when economic disadvantage is controlled, racial achievement gaps remain

Students proficient in 4th grade reading in 2006, percent

\begin{figure}
\centering
\includegraphics[width=\textwidth]{chart.png}
\caption{Bar chart showing proficiency rates for different racial groups.}
\end{figure}

Source: Ohio Department of Education – Interactive Local Report Card

Urban schools are overrepresented amongst schools that missed AYP

Schools and students by school type, percent*

\begin{figure}
\centering
\includegraphics[width=\textwidth]{chart2.png}
\caption{Bar chart showing percentage of schools that missed AYP by school type.}
\end{figure}

Source: Ohio Department of Education – Interactive Local Report Card

* Community schools are excluded; total numbers differ slightly from official statistics because of feeder overrides for 62 schools
To make matters worse, the majority of students in each traditionally disadvantaged AYP subgroup attend schools in districts that fail AYP for their specific group. This problem is particularly acute in urban districts, which enroll large concentrations of students in these various subgroups.

To conclude: it is clear that in spite of steady improvement in recent years, Ohio’s performance falls far short of what is necessary if the future citizens of the State are to compete successfully in the global economy. Moreover – in spite of significant progress – the achievement gaps between some subgroups and the statewide average are morally, socially, and economically unacceptable. That said, there is broad consensus among Ohio’s education leaders regarding the need to build on these achievements and address the lingering challenges if Ohio’s education system is to be brought to the next level. Transforming Ohio’s schools to graduate globally competitive students requires that leaders adopt a systemic, holistic view of school reform – one that questions many practices that are business-as-usual in American education.
Characteristics of High-Performing Education Systems

Benchmarking exercises are rarely effective when one system or organization is directly compared to another; too many different variables can make what works in one situation inappropriate elsewhere. In addition, few (if any) of the best-performing systems are excellent on all dimensions, so a single-entity comparison may miss potential improvement opportunities. Rather, the focus of this report was to identify common characteristics of systems that are high-performing against which Ohio could be compared. Identifying the most critical variables for evaluation also is important to ensure that the benchmarking could be prioritized and focused on a manageable number of key issues and could ensure that resulting implications could be targeted enough to have impact.

Detailed research on many of the world’s highest-performing educational systems reveals that they shared three mutually reinforcing attributes, which ensure system alignment and deliver high levels of student achievement:

- **High challenge.** Sets high expectations for student achievement for those people most responsible for it (students, teachers, principals, superintendents)

- **High support.** Provides the necessary resources for and builds the capabilities of those same people to ensure that they can meet high expectations

- **Aligned incentives.** Includes both positive incentives and negative consequences for meeting (or failing to meet) expectations

**EACH OF THREE SYSTEM ATTRIBUTES MUST BE DESIGNED FOR KEY ACTORS MOST RESPONSIBLE FOR STUDENT ACHIEVEMENT AT EACH LEVEL**

Simply put, these high-performing systems offer an important and balanced deal to students, teachers, principals, and superintendents, who are most responsible for delivering student achievement. In exchange for personal accountability (high challenge and aligned incentives), the system ensures the delivery of the resources, opportunities, information, autonomies, development, and targeted help necessary to meet those expectations (high support).
These high-performing systems are able to tightly align policies, practices, and resources with the standards students are expected to meet. They are able to do this because, in many cases, they are national education systems, with policy control located at the national level. Because of its tradition of local control, this degree of coherence is much more difficult to achieve in Ohio and the rest of the U.S. but no less essential if Ohio is to improve its performance.

To enable a detailed and therefore more meaningful comparison of various systems, the system attributes were divided into measurable dimensions, which appeared to most drive student performance.

- **High challenge**, includes: (a) academic content standards for each grade level; (b) curriculum and coursework; (c) student assessments of content standards; (d) expectations and evaluations for students and educators

- **High support**, includes: (a) system entry, i.e., how to create the broadest pool of quality applicants to personnel positions such as teachers, or how to ensure the greatest variety of high-quality school choices; (b) placement to ensure optimal school or situation selection; (c) provision of core support and essential autonomies for students and educators; (d) personal development through ongoing training and other support; (e) provision of performance measures known to all students and educators; and (f) delivery of evaluation-based supports to address underperformance

- **Aligned incentives**, includes: (a) existence of consequences aligned with evaluations, both positive and negative; and (b) application of consequences including differential pay and recognition.

The purpose of the diagnostic was simply to identify the relative strengths and weaknesses in Ohio’s K-12 system, which together might be considered a diagnosis of “health and illness” for the system as a whole. Like all medical diagnoses, however, it only identifies potential opportunities for improvement. It is the vision and the strategic plan – the integrated set of recommendations based on this detailed diagnostic – that will enable Ohio to move toward a world-class system characterized by “high challenge, high support, and aligned incentives” for all system actors.
Vision: A World-Class Education System in Ohio

Given the aspiration to move Ohio’s K-12 education system to world-class levels, a review of international best practices suggests the following implications which, if taken together, would enable Ohio to close that gap:

1. Ensure readiness for college and the global economy by continuing to raise Ohio’s standards and improve assessments
2. Empower principals to function as instructional leaders
3. Align clear expectations for teachers with evaluation, professional development, and consequences
4. Motivate and holistically support students to meet high expectations by addressing their unique needs
5. Ensure that funding is fairly allocated and linked to accountability
6. Increase effectiveness of school and district ratings and interventions
7. Provide all students with access to high-quality, publicly funded school options.

Lessons from other successful systemic reforms suggest that the implications should be enacted as an integrated, complementary package, with important inter-dependencies, and not as a menu of options.

The individual best practice implications are either characterized by a single system attribute (e.g., Implication 1 focuses solely on “high challenge”; Implication 6 on high support) or an integrated set of attributes for a single actor (e.g., Implications 2 through 4 focus on the combination of all three system attributes for principals, teachers, and students, respectively).

The vision below describes what Ohio’s K-12 system—if the aspiration to achieve world-class levels is met—might look alike.

**High challenge.** Ohio would closely collaborate with the State’s higher education system and local employer base to establish and regularly update a set of academic standards that reflect what all Ohioans need to know, understand, and be able to do to compete in the global workforce or succeed in postsecondary education. It would ensure that districts and schools use aligned instructional systems and demanding curricula throughout all grade levels, and that they employ multiple pathways to ensure that all students, regardless of geography or background, receive an equitable education.

It would deploy student assessments that identify what standards students are learning or still need to learn; it would also ensure that passing these assessments by the end of high school means students are ready for college. Most importantly, Ohio would articulate a student-centered set of performance expectations for all educators, including principals. Expectations for principals and teachers would include assessments of their ability to deliver high annual levels of student achievement and progress. Finally, students would clearly understand the importance of high levels of student achievement and act accordingly.

**High support.** Ohio would attract a broad pool of quality applicants into its education system through multiple entry channels, matching educators’ skills with system needs. Once in the system, those teachers and principals would experience robust and differentiated professional development opportunities tailored to their particular needs as identified in ongoing evaluations.

Ohio also would ensure the development of a wide and diverse portfolio of quality school options across the State, empowering parents and students to make informed and meaningful decisions about schools. It would proactively monitor and address both academic and nonacademic needs of all students across Ohio through a coordinated web of student supports.
All districts would reorient themselves to serve and support principals, ensuring that they can be effective instructional leaders. To do so they would, as a recent Harvard Business Review article describes, shift their focus to a “strategic function,” which aims to achieve five goals:

- Execute a strategy consistently across schools with different characteristics
- Create a coherent organizational design in support of the strategy
- Develop and manage human capital
- Allocate resources in alignment with the strategy
- Use performance data to guide decisions and to create accountability.

This would require a change from district’s current emphasis on managing the day-to-day activities of the school. By making this shift, districts would become free to focus on these goals taking advantage of their unique position in the system to drive student achievement.

To ensure that the process for holding principals accountable is fair, Ohio would provide them with the budgetary and personnel autonomies needed to direct their schools flexibly. In parallel, Ohio would implement a weighted student-funding program to ensure that dollars follow students (and their differential needs) to their public schools. This, along with the devolution of budget authority, would give principals the support that they need to deliver results. Finally, Ohio would simplify and redesign its funding formula to account for the true costs of efficiently educating each student to the level of the new standards. It would then reform its tax system to deliver the funding for the redesigned formula to each school on a predictable and stable basis, a process which would be evaluated regularly over time.

With this change in fiscal responsibility and funding flows, schools would choose between public or private support providers on the basis of who provides the best services. This would create an even more competitive environment than exists today. For example, today ESCs receive some guaranteed State funding and compete for district funds as districts are already able to choose between ESCs. Schools in the future would have full authority over where all school funds are spent, including state dollars to spend on ESCs and any other providers as they see fit. In this way, all support organizations would be made clearly and wholly accountable to their customers and aligned with statewide goals.

The support that Ohio would provide to each system actor depends on the availability of transparent and accessible performance data, which enables all system actors to know where they stand against expectations at all times. To enable unprecedented data-driven decision making across the system, Ohio would capture and track new forms of data, including student achievement, funding and fiscal performance, and human resource systems, in a consolidated and accessible manner.

Finally, based on those ongoing evaluations, Ohio would develop a rigorous and effective set of supports to address underperformance across the system – which can escalate over time – by creating new capacities and functions.

Aligned incentives Teachers in Ohio would enjoy a variety of options for career advancement through a career lattice, enabling them to move up in pay and responsibility without becoming principals. In addition, teachers and principals would receive incentives for both individual and collective improvements in student achievement.

Beyond the explicit incentives that are a part of State, district, and school policy, educators would face an additional set of implicit incentives from the pressure of competition. The State would have in place a single, universal accountability framework that governs all publicly funded schools, regardless of whether they are operated by traditional districts or outside innovators. It would also carefully regulate its “school market” with entry requirements that distinguish between applicants based on past or potential academic performance. Those schools that do enter would compete on a level playing field with all publicly funded schools to find new and better ways of driving student achievement. Districts, in their new role as “portfolio managers” of schools, would respond with strategic rethinking and innovation. As a result, all students in all schools would benefit from the availability of a large and diverse range of high-quality public school options.
In addition to avoiding the traditional negative consequences (e.g., not graduating from high school), students who successfully meet the State’s high expectations and requirements, also would enjoy positive incentives, such as entry into Ohio’s higher education system.

International best practice suggests that implications if taken as a whole result in a system that better reflects the highest-performing systems in the world today, as described in the exhibit below. Though roles and responsibilities would change for all, the alignment, accountability, and focus would be greater than ever before, allowing Ohio to reach the world-class vision that it has been building towards for the past decade – and has the opportunity to seize now.

**OHIO’S FUTURE EDUCATIONAL SYSTEM WOULD REFLECT WORLD-CLASS PRACTICES AT EVERY LEVEL**

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State</strong></td>
<td><strong>To</strong></td>
</tr>
<tr>
<td>• Sets content standards</td>
<td>• Creates a culture of high expectations for all</td>
</tr>
<tr>
<td>• Assigns ratings to districts and schools</td>
<td>• Sets world-class content standards</td>
</tr>
<tr>
<td>• Works with districts to hold schools accountable, but leaves final decision-making up to them</td>
<td>• Diagnoses the key drivers of school success and failure and mandates school interventions accordingly</td>
</tr>
<tr>
<td>• Issues broad standards for the teaching profession</td>
<td>• Articulates a framework for the teaching profession that is clear, compelling, and performance-based</td>
</tr>
<tr>
<td>• Lacks sufficient capacity to meet the need for quality technical assistance to individual schools and districts</td>
<td>• Establishes and oversees a system-wide capability for identifying and diagnosing student needs</td>
</tr>
<tr>
<td>• Oversees a funding system that is opaque and inequitable</td>
<td>• Provides high quality technical assistance to schools and districts based on statewide best practices</td>
</tr>
<tr>
<td>• Provides little accountability for community schools or private schools that enroll state-funded EdChoice students</td>
<td>• Provides sufficient, transparent, and stable funding and holds schools accountable for using resources well</td>
</tr>
<tr>
<td><strong>Regional providers</strong></td>
<td><strong>To</strong></td>
</tr>
<tr>
<td>• Are loosely aligned with statewide goals; ESCs receive state funding and are governed by locally elected boards</td>
<td>• Are directly accountable to their customers (schools) and compete to provide support services* to those customers</td>
</tr>
<tr>
<td>• Are of uneven quality</td>
<td>• Are aligned with statewide goals for schools</td>
</tr>
<tr>
<td><strong>Districts/ sponsors</strong></td>
<td><strong>To</strong></td>
</tr>
<tr>
<td>• Districts actively manage schools:</td>
<td>• Districts provide strategic management and support:</td>
</tr>
<tr>
<td>– Hire and allocate school personnel</td>
<td>– Manage schools by aligning school principals around a strategy for delivering against state standards</td>
</tr>
<tr>
<td>– Allocate funding to schools</td>
<td>– Carry out mandated interventions in schools</td>
</tr>
<tr>
<td>– Hold ultimate responsibility for intervening in schools</td>
<td>– Devolve funding, staffing, and management to schools</td>
</tr>
<tr>
<td>– Provide a range of support services</td>
<td>– Provide services* to schools that purchase them</td>
</tr>
<tr>
<td>– Have autonomy, but little support or accountability, in providing student supports</td>
<td>– Manage a portfolio of schools and secure quality for students</td>
</tr>
<tr>
<td>• Fragmented sponsor system has little accountability to state standards; sponsors support and hold community schools accountable inconsistently</td>
<td>• Sponsors play a similar role vis-à-vis their community schools, holding them strictly accountable for performance</td>
</tr>
<tr>
<td><strong>Schools</strong></td>
<td><strong>To</strong></td>
</tr>
<tr>
<td>• Operations directed by districts</td>
<td>• Organized around instructional leadership of principals and teachers</td>
</tr>
<tr>
<td>• Building managed by principal</td>
<td>• Receive funding based on a weighted student formula</td>
</tr>
<tr>
<td>• Follow district guidelines and instructions to deliver education services to students</td>
<td>• Are accountable for delivery against state standards:</td>
</tr>
<tr>
<td>• Community schools and EdChoice schools operate within different systems and have autonomy without accountability</td>
<td>– Student performance</td>
</tr>
<tr>
<td>• Teachers have uniform roles and compensation based on years of service</td>
<td>– Implementation of teacher career lattice in cooperation with unions</td>
</tr>
<tr>
<td>• Students and EdChoice schools have incentives</td>
<td>– Provision of student supports based on systemic diagnosis</td>
</tr>
<tr>
<td><strong>•</strong></td>
<td>• Efficient resource management</td>
</tr>
<tr>
<td>• Have the authority and flexibility to manage resources and staff to meet the challenge of accountability</td>
<td>• Teachers have a variety of roles and compensation related to the contribution they make</td>
</tr>
</tbody>
</table>

* “Services” include professional development, student supports, and basic procurement within the frameworks laid out by the state
The Path to Get There: Key Success Factors

Examination of the experiences of many other countries and states revealed three key success factors that are essential for effectively implementing broad-scale educational reform, such as what would be required for Ohio to move to world-class levels: (a) a clear vision and holistic plan; (b) broad involvement and courageous leadership; and (c) sustained commitment over time. Each of these is described below.

A clear vision and holistic plan. Education reform efforts are frequently done piecemeal, driven by the ideology of the particular policy leaders at that time. In a highly complex system like education, however, single-issue reform efforts (e.g., standards, choice, professional development, or class size) rarely attain their desired goals. They produce incremental improvements in operations or expectations but fail to deliver significant progress in student achievement. When various issues are linked together, however, better results can be achieved. Such broad-scale reform requires a clearly articulated goal and vision for the new education system (clearly noting how it differs from today’s) and an integrated set of actions (some of which bear fruit short-term, others longer-term) that will achieve that vision.

Broad involvement and courageous leadership. A diverse array of key stakeholders must work together from the planning stage onward if broad-scale reform is going to succeed. They must be part of developing a commonly-held vision for the system as well as implementation. Their inclusion helps ensure that the resulting plan is both holistic and balanced – i.e., no clear “winners” and “losers” – which can enable individual stakeholders to come to consensus and gain some level of trust, even when their ideologies may collide. Most successful reform efforts also demand courageous leaders who are willing to demonstrate and commit to a new approach or way of operating.

Sustained commitment over time. Broad-scale reform efforts take time, which in turn means that leadership must stay committed to it over time – a point that can be complicated if the individuals in office change. Given this complication, it is important to gain early momentum – and then keep it. Leadership must ensure that strategic initiatives are thoughtfully staggered so that short-term improvements are visible, even while the groundwork for longer-term changes, is laid. This approach also builds credibility within the system among teachers and principals who, used to piecemeal reform, may be reluctant to embrace the new approach. Successful efforts also use frequent communication to engage the public and key stakeholders and keep people focused on moving forward.
Best Practice Implication 1: Ensure Readiness for College and the Global Economy by Continuing to Raise Ohio’s Standards and Improve Assessments

This Implication is derived from the observation that the best systems in the world create a high challenge for their children that includes high standards and rigorous, equitable assessments. Achieving this will require Ohio to go beyond the strong progress in this area over the last 10 years by aligning K-12 standards with knowledge and skills needed for success in post-secondary education and the global economy and by benchmarking its standards against those of high-performing states and especially nations that compete with the United States.

It will also require steps to increase the rigor and relevance of the high school assessment system. Statewide end-of-course exams in core subjects, which should replace local final exams, are needed to ensure equity and consistency in the content and rigor of instruction. These exams in advanced courses can also help determine whether a student is ready to do college level work or needs additional help before graduating from high school. As more rigorous assessments are phased in, consideration should be given to phasing out the OGT.

Background

The first defining feature of any high-performing education system is the existence of a high challenge to students. The challenge takes the form of clearly articulated academic content standards benchmarked to those of the highest achieving countries in the world. The curriculum in these systems aligns with standards, though teachers use diverse instructional methods to impart the knowledge. They also have rigorous assessments that allow demonstration of true mastery of the standards, provide useful feedback to students and teachers, and ultimately help students transition to college and/or work.

Over the past 10 years, Ohio has made significant strides in this area by setting high academic content standards, adopting rigorous curricular requirements (e.g., The Ohio CORE), and developing a graduation test to evaluate whether students were progressing toward high school standards. On each of these efforts, ODE worked closely with Ohio’s educators to create and/or implement the changes. ODE has also been careful to leave the freedom to select text, materials, and methods up to the local districts and teachers.
Between 2001 and 2003, Ohio established its first full set of academic content standards for all grades in math, English, science, social studies, fine arts, foreign language, and technology through a process that involved teams of K-12 and higher education leaders, business leaders, unions, and regional service providers. Today, each subject area has 5 to 10 overall standards, which are organized in hundreds of pages of benchmarks and indicators. ODE is undertaking a process to review and update all of the State’s academic content standards over the next 2 to 3 years. The department is also leading the development of High School Program Models, which will offer schools proven ways the standards can be organized and taught through a sequence of courses.

With the enactment of the Ohio Core legislation early in 2007, Ohio took an important step toward preparing all of its students for postsecondary education and careers in the 21st Century economy. While that legislation dealt primarily with the course of study students must pursue in order to earn a high school diploma, additional steps will be needed to support those programs of study. Ohio should bring its academic standards and assessments in line with the knowledge and skills required for success in postsecondary education and for careers that pay a family wage and provide opportunities for individual growth and advancement.

2 standardized assessments are in place in Ohio: Achievement Tests and the OGT. The Achievement Tests provide feedback to students and teachers and are used to rate schools and districts. They cover reading, writing, math, science, and social studies for grades 3 through 8. The OGT, which covers the same subjects, is administered in 10th grade. Students are expected to pass all 5 portions of the test in order to graduate, although there is a provision to allow graduation while failing one subject provided students meet other academic criteria. Students have up to 7 opportunities to pass the test.

Proposals

Although Ohio has led in the arena of standards, curriculum, and assessments, the State needs to move to the next level—one that makes it globally competitive. Its K-12 standards need to more closely bridge to those of higher education and match those of world-class systems, and its assessments need to become more accurate predictors of student readiness for college and work. Taken together, the following recommendations would help Ohio ensure that its students are prepared to compete in the global marketplace.

1. Align Ohio’s academic content standards more tightly with real-world expectations through a rigorous review and benchmarking process.

Ohio’s K-12 and higher education leaders have been working together to align the expectations for leaving high school with those of successful college entry. So far, that work has resulted in 2 sets of standards: one for what students should learn in high school another for what they need to be “college ready.” Preliminary analyses suggest these 2 sets of standards are generally consistent with one another, but ODE and the Board of Regents need to take steps to ensure tight alignment so that meeting standards in high school signals readiness for postsecondary pursuits.

Though not the only reason, misaligned standards contribute strongly to high school graduates’ lack of preparation for college and work. 37 percent of higher education students in Ohio are required to take remedial courses in their first year of college, costing the State $32 million per year. Achieve points out that nationally 40 to 45 percent of recent high school graduates report significant gaps in their skills, both in college and in the workplace.

a. Ohio should complete the alignment of math and English standards with the needs of college and the 21st Century workplace. Ohio’s Board of Regents has articulated a set of English and Mathematical Expectations for College Readiness that most State colleges and universities recognize. ODE should work closely with the Board of Regents to ensure close alignment of K-12 standards with college-ready standards, particularly noting where overlaps or gaps exist. As both sets evolve over time, they should be recalibrated periodically to form a reliable, cohesive system. The alignment process should ensure that the standards reflect what it takes to enter and succeed in postsecondary education, not just avoid remediation.

In completing this work, Ohio should capitalize on Achieve’s American Diploma Project (ADP) benchmarks. The ADP benchmarks reflect the skills required for success in college and work and are being used by a growing number of states to strengthen their high school standards. Achieve also has additional tools to improve elementary and middle school standards. The ADP math benchmarks have been vertically aligned from Kindergarten to 12th grade, and the English benchmarks will soon be aligned from middle school to 12th grade. To ensure sufficient
rigor and real-world applicability, ODE should also review its high school standards with various employers and make sure that they reflect the ability to apply academic content and skills in the working world. The inclusion of workplace examples and other sample tasks to illustrate the level of complexity and performances expected would also clarify the level of cognitive demand required and increase students’ understanding of the relevance of their studies to the world outside their classroom.

b. As part of its review, Ohio should benchmark standards against those of other high-performing states and nations with which the United States competes internationally. With the help of external standards organizations, Ohio should benchmark its academic standards with those in other states and nations, to ensure that its standards are as rigorous, as focused, and as useful to teachers as the best in the nation and the world. In doing so, the State should pay particular attention to the breadth of its standards, as international research has identified benefits of fewer, more focused topics of study.

2. Strengthen Ohio’s system of high school assessments to aid in curriculum and instruction, help students prepare for college, and indicate college readiness and minimum academic competency.

The Ohio Graduation Test (OGT) is the centerpiece of Ohio’s high school testing system. It serves a very important function by setting a floor of performance that all students must clear in order to graduate. While it ensures a base level of competency among graduates, the OGT does not serve other important purposes inherent in a robust high school assessment system. First, it does not test advanced knowledge and skills that students will need to make a successful transition to college or 21st Century careers. Second, it does not align well with courses students will soon be required to take as part of the Ohio CORE implementation.

Achieve’s 2004 report “Do Graduation Tests Measure Up?” showed that the OGT primarily measures content and skills learned in middle school and early high school. When viewed through an international lens, the OGT assesses math skills that students in most other countries learn in the 7th or 8th grades. In its current form and in the grade it is currently administered, the OGT is simply not capable of measuring students’ readiness for postsecondary pursuits. According to one Ohio college president, “The OGT results don’t tell me anything useful about students’ abilities when they come from 12th grade into [my] college.”

As the courses in the Ohio CORE legislation are provided to students across the State, it will be important to have reliable ways of assessing whether schools are teaching and students are learning the right material. Because the OGT is a cumulative test given at the end of grade 10, it is not a very good mechanism for measuring performance in the CORE courses. Nor is it the most useful means for providing schools and students with feedback on performance in CORE courses. Successful implementation of the CORE will depend, in part, on the State’s ability to evolve the assessment system to provide this type of feedback.

a. Ohio should improve the quality of curriculum and instruction in high school courses through a series of end-of-course exams. End-of-course (EOC) exams are tests that align with academic standards and are taken at the end of specific courses. Currently, 13 states use EOC exams, and 15 more plan to do so.

The passage of the CORE legislation, a major step forward for Ohio, creates a clear need for EOC exams. EOC exams could help the State ensure consistent and high-quality instruction in these courses, while providing valuable feedback to educators and students. Indiana followed this path, instituting 4 EOC exams (English 11, Algebra I, Algebra II, and Biology I) shortly after establishing its Core 40 graduation requirements, which are similar in scope to the Ohio CORE.

The State should create incentives for students to take these exams seriously. There are different strategies for accomplishing this. Schools could be required to count the scores on the State EOC exams towards a portion of students’ final course grades. The State could also require students to pass a select group of EOC tests in order to graduate. Virginia, Maryland, New York, and Oklahoma have all adopted this approach.

If the State implements EOC exams, districts and teachers should be encouraged to use them in place of their own locally-developed final exams given at end of courses. This would help reduce the overall amount of testing and would save district and schools time and money used to develop and score their tests.

b. Ohio should include assessments of college readiness as a required part of its high school assessment system. At present, students in Ohio who attend college do not find out whether they are prepared to succeed in credit-bearing work until they have already enrolled in college and taken placement exams. Many learn that they lack the preparation to succeed and must take remedial or developmental classes. Students in Ohio should be able to find out while they are still in high school if they are ready to do college level work, so they can fill in any skill deficiencies before they leave high school, saving the State and their families the cost of tuition.
The California State University (CSU) system has pioneered the development of such assessments in partnership with the California State Department of Public Instruction. Together, they worked to augment the existing 11th grade exams in mathematics and English to incorporate additional questions that reflect the needs of the CSU system and are fully aligned with the State’s academic standards. Students get exam results in the summer between their junior and senior years. Students who want to attend CSU take the augmented exam in grade 11. Those who meet the standards are notified that they will be placed in credit-bearing rather than remedial courses. Those who do not meet the college-ready standard have their senior year to make up deficiencies. The CSU campuses are working with high schools in their region to develop senior-year courses to help those students who did not meet the standards fill in the skill gaps identified by the tests.

If Ohio pursues end-of-course tests, they could be designed to serve a similar purpose. The Algebra II and English 11 tests could be used by postsecondary institutions to determine placement of students into credit-bearing courses, if they are aligned with college-readiness standards. Ohio is already participating in a 9-state effort to develop an Algebra II test for these purposes, which will be available for initial administration in the Spring of 2008.

Another approach some states are pursuing is to require all students to take the ACT admissions test in the grade 11. Most Ohio postsecondary institutions use this test to make placement and admissions decisions, and experience in states such as Colorado and Illinois suggest that including college admissions tests in the high school assessment system can help increase college-going rates. However, unless these tests are also well aligned with State standards and curriculum, they will not necessarily help improve preparation for college. Instead, they may send conflicting signals to students and teachers about the skills needed to prepare for success in postsecondary education. If the State chooses this approach, it should arrange for an independent review of the alignment between the State’s high school standards and the ACT, and if necessary require that the test be augmented to fully reflect the State standards.

c. Ohio should reconsider the continued use of the OGT. As Ohio considers end-of-course and college-ready exams, it should revisit the use of the OGT. The State should not layer new tests on top of existing tests without considering ways to streamline the high school assessment system. For example, to the extent that students would be required to pass selected end-of-course exams to earn a high school diploma, they may serve the same purpose of ensuring the base competency of Ohio graduates, and Ohio could then be encouraged to phase out the OGT.

So long as Ohio chooses to continue the OGT, it may want to consider expanding opportunities for students to demonstrate that they have mastered skills in spite of failing to meet the cut score. The State already allows graduation for students who fail one of the 5 tests provided that they fail short by less than 10 points, attend remediation, and have at least a 2.5 GPA in the subject. Other states use slightly more flexible policies. Massachusetts, for example, requires passage of only 2 tests for graduation, English language arts and mathematics, and students can appeal on both portions. Rather than setting a fixed GPA threshold for the appeal, the Massachusetts appeal is based solely on comparison to GPA and test scores of students who took similar courses. Ohio may want to consider such a policy while the OGT is in place.

d. Ohio should streamline the overall set of K-12 assessments. The recommendations above call for strategically adding new assessments at the high school level. As new tests are added, it will be important for existing tests to be phased out so that the testing burden overall does not increase. This is one reason for considering phasing out the OGT as EOC tests are added. To further streamline, Ohio should repeal legislation requiring districts to use norm-referenced testing to identify gifted students, thereby reducing excessive and duplicative testing. Instead, the State should work with districts to come up with other valid and reliable approaches to identifying students for gifted and talented programs.

3. Participate in international assessments to benchmark Ohio’s educational performance against other nations.

Ohio should take advantage of the opportunity to participate in the 2009 round of the Program for International Student Assessment (PISA). This is the first time in the history of the international testing program that U.S. states are being offered the chance to participate and receive data back on their students. The United States has participated only at the national level until now. Participation in this globally recognized benchmarking exercise would enable Ohio to measure the reading, math, and science proficiency of its students on an international scale. It would also create a touch point for continual updating of Ohio standards with international best practice. 57 countries participated in PISA’s 2006 assessment with 9 of these participating at the subnational level (e.g., Germany, Australia, Canada). As no U.S. state has yet participated in PISA, Ohio would become a national leader in doing so.

As the window for joining in the 2009 assessment will close within the first months of 2007, however, Ohio would need to act quickly to lay the proper groundwork for participation. Ohio may also want to consider participating in the Trends in International Math and Science Study (TIMSS) and other recognized international assessments.
**Best Practice Implication 2: Empower Principals to Function as Instructional Leaders**

This Implication describes the critical role principals must play in Ohio’s future system. Principals are central to the system’s ability to create environments where students can meet the high challenge set out for them. As instructional leaders, principals can coach and develop those who have the greatest impact on student achievement, teachers. However, today Ohio’s principals are caught between the need to be excellent building managers and the need to provide instructional leadership. To address this tension, districts should set a high challenge by adopting clear expectations that define the principal as an instructional leader and creating rigorous evaluations that align to those expectations. Flowing from this, districts should provide principals with high support in the form of time, resources, and authority to lead a transition that the State can support with targeted resources. Finally, districts should employ aligned incentives by offering principals performance incentives that tie to an instructional leadership role.

**Background**

High-performing systems recognize the importance of strong school leadership and work to attract, develop, and empower principals to be strong instructional leaders through a combination of high challenge, high support, and aligned incentives. To move in this direction, Ohio should clearly articulate high challenge by defining the principal’s role as an instructional leader, and support that set of expectations with resources, authority, training, and aligned incentives (e.g., financial incentives, recognition, opportunities for advancement).

Much of the work focused on improving student achievement highlights the importance of teacher quality. While this factor is clearly essential to student learning, it presupposes the presence of strong building leadership. In fact, in a 2006 survey, 37 percent of responding Ohioan teachers identified leadership as the factor that most affected their willingness to remain in their school.⁴³ That underscores the seriousness with which Ohio must take the statement made by ODE in a July 2006 report: “If the decade ahead resembles the past, more than 40 percent of current principals can be expected to leave their jobs.”⁴⁴ This is not unlikely—having been warned of an impending principal shortage in 2002, the State...
Teachers Retirement System offered an enhanced bonus for principals who remained in their position for 35 years. By doing so, educators could increase their benefit level by 22 percent. Last year was the first year when those principals who made the choice to work longer could RETIRE with the higher benefit level. Many did—so many, in fact, that the Ohio Association of Elementary School Administrators had 10 percent new membership in the 2006-2007 school year.

This would be less of a concern if Ohio was assured that a large number of qualified candidates were waiting in the wings. Few believe this to be the case, though, as many assert that tenured teachers must make a difficult trade-off to become principals. For more hours and responsibility, principals receive a small increase in compensation relative to what they might earn as a tenured teacher. Although new principals make a 35 percent premium over the average annual salary of a teacher with at least 5 years experience, their average hourly wage is lower—teachers earn $37 an hour while principals earn only $34 an hour.

Recognizing the importance of strong leadership, Ohio has focused on expanding the pool of qualified principal candidates, clarifying what is expected of principals and investing in their development. To expand the pool of candidates, the State created a more rigorous alternative certification route for principals, superintendents, and central office administrators. This license replaces the State’s temporary administrator license, which was not subject to professional development requirements. After the Commission on Teaching Success found that educators were often unclear of what was expected of them, the ESB translated the current body of research on principals and teachers into the Ohio Standards for Principals and the Ohio Standards for the Teaching Profession (the Standards). The Standards provide educators with direction on the knowledge and skill set that correspond with increasing accomplishment in their role. Ohio’s Standards for Principals focus on five areas: continuous improvement; instruction; school operations, resources, and learning environment; collaboration; and parents and community engagement. The State Board of Education adopted the Standards at the end of 2006 and the Principal Evaluation Guidelines State team will soon begin drafting an evaluation tool that will be aligned with the Standards for Principals.

Finally, Ohio has made a concerted effort to improve the quality and accessibility of principals’ professional development at the State level. Since 2002, Ohio has implemented and funded a 2-year induction program for principals. In the 2005-2006 school year, this program served more than 300 new assistant principals and principals. ODE, in partnership with the Buckeye Association of School Administrators and other stakeholder groups, is establishing an Ohio Leadership Advisory Council to identify a coherent system of leadership development and support for all districts. The Council will discuss core content and effective delivery methods for district and building leadership teams, as well as address other critical issues, such as the role of school board members in improving student achievement.

But more remains to be done. There is little data that delves deeply into the concern that fewer people want to become principals. In 2002, a technical consultant to the Commission on Teaching Success noted that he had found a lack of information related to supply and demand for school leaders in Ohio. This highly problematic state of affairs remains largely unchanged. Today, the system lacks strong information related to supply and demand for principals and superintendents, including information on the pipeline of candidates, projected demand at both a state and local level, attrition and its causes, and a quality metric that would shed light on whether the strongest principals are present in the highest-need schools. The following proposals, when taken as a whole, would advance Ohio’s efforts to institutionalize a systems approach to increasing the quantity and quality of leadership throughout the State.

**Proposals**

Strong instructional leadership ensures that student and adult learning is a priority and creates environments where such learning takes place. This kind of leadership is essential for the changes this report suggests. However, leadership cannot be generic—there must be a recognition of the changing context in which leadership must be exercised. With shifts in technology, demographics, and society, the role of principals must also continue to adapt. As many of Ohio’s principals approach retirement and the State prepares to welcome a new generation of school leaders, this is a critical time for Ohio to re-examine the role of its principals and take action along the lines suggested here.

1. **Adopt clear, appropriate expectations and align evaluations for the principal as instructional leader.**
Like their peers in many states, Ohio’s principals remain caught between the necessity of being the building manager and the clear importance of serving as an instructional leader. Although research suggests that principals have the greatest positive impact on students when they exercise instructional leadership, districts do not uniformly incorporate expectations of this sort into their evaluation process. Additionally, principals are not subject to ongoing licensure requirements that directly consider the academic achievement of students in their schools. Finally, despite a law that requires districts to evaluate administrators, many do not have an evaluation process that provides a sufficient level of direction to ensure that principals are aware of how they are performing against expectations and what they can do to improve.

Ohio has begun to remedy this problem. The State Board of Education has adopted the Standards for Principals, which focus on improving student achievement and highlight the importance of instructional leadership. The aligned evaluation tool kit should be broadly rolled out in the 2008-2009 school year.

a. **Districts should incorporate the Standards for Principals into their performance management system.** While some districts have begun to do this, many have yet to start. State level institutions—including ODE and the principals’ associations—should make districts aware of the Standards for Principals and why they are worth adopting. ODE could also encourage adoption by funding pilot programs that link the standards and the related evaluation tool with performance-based incentive programs.

b. **Districts should create rigorous evaluation processes.** Evaluations are of limited benefit if not carried out consistently and rigorously. By adopting an evaluation process that takes place at regular intervals, provides detailed feedback against a set of clearly articulated expectations, incorporates multiple performance measures and an opportunity to discuss the evaluator’s conclusions, districts will find that evaluations serve a developmental purpose. For example, supervisors at the Edison Schools regularly assess principals against clearly articulated criteria that are weighted depending on principal tenure and the level of performance with which each school started. Principals know how often their assessments occur and believe that the process furthers their development. “You can self-check your own progress monthly using the evaluation form,” says one principal. “Your evaluation is not left to chance nor is it judgmental. You know what you’ve done and if it lives up to … expectations.” Since the Principal Evaluation Guidelines State team has begun work on an evaluation tool kit that is aligned to the Standards for Principals, districts will have assistance in determining the right framework for their local needs. Regardless of the framework adopted, the introduction of a new evaluation process should be accompanied by appropriate training for both evaluators and those evaluated.

However, it is essential for districts to consider how they will hold principals accountable for student performance. While clearly an important factor to include in evaluations, districts need to determine a fair way to consider achievement data. One suggestion is to further develop the use of value-added student achievement data. Districts can then use this data in their principal evaluation process, allowing principals who work with students of varying levels of achievement to be evaluated on a level playing field. Additionally, if principals are to be accountable for student performance, districts must ensure that principals have the resources and authority to effect the conditions for student learning.

**2. Ensure that high-quality professional development, focused on instructional leadership, is accessible to all principals.**

Not all principals and superintendents have sufficient access to high-quality professional development. This limitation affects principals’ ability to build both skills and a sense of community among themselves. The Commission on Teaching Success reported that principals often feel isolated in their jobs—that they thirst for more opportunities to network, share, and collaborate with peers. Better access to professional development could help address this need.

Many reasons for this problem exist, including district budget priorities, difficulty in finding building coverage (particularly among elementary school principals), and funding allocations that do not distinguish between principals and teachers. However, even if better access is made available, more systematic evaluation is needed to ensure program quality. While a large number of professional development opportunities exist, the impact of all programs has not been assessed in a meaningful way. As a result, neither Local Professional Development Committees (LPDCs) nor principals have the information they need to make the best choices related to professional development.

a. **ODE should expand access to quality professional development by partnering with principals’ associations and districts.** At the State level, ODE should work with the principals’ associations to collect information on the practical constraints that can prevent principals from participating in professional development. With this information, ODE can help districts overcome these barriers and increase principal participation.
While it is difficult to disaggregate how much any particular offering affects student achievement, the review team should develop measures that examine whether the program changes behavior in ways that positively affect the School. For instance, reviewers might consider using 360 degree feedback surveys, detailed program evaluations, and school level trends related to student achievement, parent involvement, and teacher retention.

Reviewers should also identify specific offerings that relate to the principals’ role at important junctures in principals’ and potential principals’ careers. For example, Victoria (Australia) offers an accelerated development program for high-potential leaders, mentoring for first-time principals, coaching for experienced principals, and development programs for high-performing principals. Victoria also provides training programs on big issues facing the system, including change management and shared leadership.

Because this report recommends a new role for principals, instructional leaders with significant authority to make decisions related to how their schools operate, there is a need for professional development that supports that role. Principals may need assistance in articulating and developing support for a vision, change management, coaching adults, and use data to set direction, allocate resources, and make instructional improvements. Principals may also need to develop the skills necessary to create a collaborative culture in the school and to unlock the leadership potential of their teachers. Additionally, for principals to assume greater levels of control over budgeting, a responsibility which may need to be phased in slowly to allow principals to gain greater facility with data analysis, they will require additional training in budgeting and sound financial decision making. Finally, in schools that are in Academic Watch or Academic Emergency, professional development will be essential for those principals who stay in post. It is not necessarily the case that ODE or Districts should provide professional development themselves; it can be commissioned from organizations with proven experience in the field.

3. Ensure that leaders have time and authority to lead through provision of core support and autonomy.

The Commission for Teaching Success found that “…many principals feel their biggest obstacles to success are lack of time and lack of authority, and that too often, their jobs evolve into never-ending struggles between being an effective building manager and serving as the instructional leader.” If Districts fail to give principals the resources needed to free up time, for example, by providing back-office services that reduce the amount of time principals spend on administrative tasks, by allocating resources that would allow principals to hire vice principals or administrative assistants, and by moving to a system of shared leadership where teachers take on additional roles in the school, then principals will never resolve the tension between being building manager and instructional leader. Because the need for the first never goes away, principals often resign themselves to focusing on that or running themselves ragged attempting to do it all.

Ohio principals are also constrained in ways that make it more difficult for them to create learning environments. Some are limited in their freedom to hire the teacher of their choice, and almost all face obstacles in trying to fire underperforming teachers or employ resources as they think most appropriate.

a. Districts should provide principals with the tools and increased authority they need to become instructional leaders.

Principals need broad authority if they are to be responsible for creating an environment in which both students and adults learn. This should include hiring, firing, budgeting, and curriculum. While this does not mean that the principal is the only one who should make decisions in these areas, it does mean that he or she should have ultimate responsibility. In other words, because principals are being asked for greater accountability, they should be granted greater authority. That is exactly the approach recently outlined by New York City, which is granting greater authority to its principals. In Mayor Bloomberg’s words, “Principals will be in charge of what’s best for their students, always.” That means controlling educational scheduling and programming, managing school budgets, hiring, and firing staff, and selecting the method of school support that will most likely raise student achievement. In return for this autonomy, New York City’s principals will be more sharply accountable for results.

More authority for principals does not mean that principals should be authoritarian leaders. Nor does it mean that there are not essential leadership roles for teachers. As recommended below, teachers have important leadership roles to play as well, particularly with respect to professional development, mentoring new teachers, and instructional improvement.

Principals will need support as they make this transition. First, principals need time to spend on these new responsibilities. Districts can free up principals’ time by reducing their administrative burdens. This could be done
by streamlining or eliminating reporting requirements, providing additional back-office services, or allocating funds to hire school-level personnel (e.g., administrative assistants, school operations managers). Essentially, this transition calls for districts to become more customer service oriented. In Texas, the Ysleta Independent School District implemented a central office policy in 1992 called "No one says no to a principal." The policy encourages principals to be innovative in improving student achievement and assures support from the central office. In fact, several times a year principals evaluate the helpfulness of every department in the central office based on the number of times they accessed that department's services. This approach is credited with improving student achievement scores, making the central administration's culture more student focused, increasing principals' effectiveness, and decreasing the size of the central office staff by $2 million in 3 years. Based on graduation rates for the class of 2003, the district had the second highest graduation rate (84 percent) among the nation's 100 largest public school districts.

Additionally, to assess student progress and the impact of different instructional approaches, principals must have real-time data. This requires access to short-cycle assessments and data analysis tools. In those cases where the principal is a strong leader but not an instructional leader, the school may need someone else to play that role. This could easily be incorporated into the career lattice recommended in the next section. In such cases, the principal, who would remain responsible for the school's ultimate performance, must work closely with the instructional leader.


Principals currently face the threat of negative consequences for failure but seldom experience rewards for a job well done. However, ODE describes one of its long-term strategic goals as compensating teachers and principals through a "pay-for-quality" approach that rewards educators for what they do and links compensation to "credible, standards-based evaluation systems that include options for tiered career paths."

a. ODE should partner with the principals' associations to develop an understanding of meaningful incentives for Ohio principals. This could be done through a combination of surveys and focus groups and should focus on both financial and other incentives. In addition to re-evaluating their approach to financial compensation, best practice systems take a creative approach to incentives. For example, Singapore and Victoria both offer experienced principals the opportunity to take sabbaticals. In Singapore, principals with at least 6 years of service and good performance records can take up to 2 full-pay calendar months of leave and have access to a sabbatical grant of up to $8,000 to cover expenses such as air fare, training/conference fees, and a subsistence allowance. This is an opportunity to undertake further professional development and re-energize. "Principals who have returned from their sabbatical testified to the impact of such a provision on their personal as well as professional growth, providing them with fresh insights into the profession."44

An effort to develop an understanding of meaningful incentives could be tied to a larger effort to increase Ohio's understanding of principals more broadly. In the short term, ODE might collect information on the candidate pipeline, projected retirements, and turnover, in addition to qualitative information about why principals enter or leave the system and what those who remain value about their jobs. It should also begin to collect data that would allow research into whether the most talented principals are well distributed throughout the system. If districts adopt the Standards for Principals, the three performance levels (Proficient, Accomplished, Distinguished) could potentially allow this sort of analysis. Building a strong information base will allow meaningful conversations on how to make the principalship more desirable and suggest targeted efforts to recruit high-potential candidates both into the field and into the lowest-performing schools.

b. Districts should provide principals with greater incentives. Principals play a pivotal role in today's schools but have few meaningful rewards that are linked to their own evaluations. Best practice systems, however, base financial compensation (i.e., salary, performance bonus) on demonstrated ability to improve student performance and provide the best principals with opportunities to take on leadership roles beyond their own schools. Such systems also reflect the difficulty of the position in their financial compensation, thus motivating strong performers to work in the most challenging environments. Best practice systems such as Victoria and the Edison Schools employ principals under performance management contracts. If a principal meets defined expectations, normally including quantitative student achievement measures, he or she is awarded a bonus on top of his or her normal salary. Districts should experiment with performance incentives, linking financial compensation to other forms of reward with school-based indicators that directly measure student achievement. ODE should encourage these experiments by offering districts financial incentives and other resources for piloting pay-for-performance contracts that are aligned with the Principal Standards.
Best Practice Implication 3: Align Clear Expectations for Teachers with Evaluation, Professional Development, and Consequences

This Implication addresses the role of teachers in a world-class system where appropriate leadership has been cultivated. Teachers must be challenged and supported to deliver an excellent lesson every time they enter the classroom. This can be done through a combination of high challenge, high support and aligned incentives. These three system attributes are encompassed in a career lattice, which better leverages teachers’ body of professional knowledge by providing them with opportunities to take on additional responsibilities (e.g., coaching, mentoring, curriculum development) while remaining in the classroom. To transition to a career lattice, districts should work with unions to articulate a high challenge by adopting clear expectations, based on the components of effective teaching, for each role within the lattice.

To ensure that teachers know how they are performing relative to those expectations, a rigorous evaluation process should also be developed, along with performance-based aligned incentives that celebrate teachers’ increasing accomplishments and ensure fair but rigorous action where there is consistent underperformance. To provide teachers with high support, ODE should collect, develop, and disseminate tools (e.g., short-cycle assessments, sample lessons) that will help teachers diagnose student needs and improve student achievement. Additionally, with assistance from ODE and key stakeholders, districts should move towards a professional learning approach that is job embedded, ongoing, data-driven, and built into the school’s weekly schedule.

Background

Ohio has made progress on a number of fronts that impact teachers, including improving the quality of preservice programs, expanding the ways that individuals can become teachers and providing a structured mentoring program to new teachers. The State has focused on improving preservice programs by passing legislation that requires alignment between the curriculum of teacher preparation programs and Ohio’s academic content standards for students. This legislation also requires that preservice preparation programs include a focus on using value-added data, a tool that will soon be part of Ohio’s school accountability...
system. Ohio has also started a long-term research study with the 50 teacher preparation institutions to determine the characteristics of programs that most impact student achievement. Beyond focusing on the programs that prepare new teachers, Ohio has worked to expand the number of individuals who are able to become teachers by creating a variety of alternative routes. To facilitate the ability for experienced individuals, particularly in high-need areas like mathematics, science, and special education, to become teachers, the State has subsidized their training. Finally, ODE has worked to provide support to new teachers, offering a structured mentoring program with trained mentors.

This emphasis on the recruitment, preparation, and induction of new teachers is encouraging and consistent with international evidence that suggests selecting teachers from among the best of each generation and developing them well is central to the creation of a high-performing system. In the future, Ohio will need to take further steps in this direction, but this report focuses on the more urgent need Ohio has: to ensure its current teacher force is well managed and well developed.

High performing systems share four common characteristics with regard to performance management of teachers through a combination of high challenge, high support and aligned incentives. First, they establish clear and appropriate expectations. Second, they utilize regular, rigorous evaluations based on evidence tied to those expectations. Third, they provide robust and ongoing professional development opportunities linked to specific individual needs. And fourth, they apply consequences, both positive and negative, for meeting or failing to meet expectations.

In recent years, Ohio has made advances in this area following some of the performance-management-related recommendations of the Commission on Teaching Success:

- The State Board of Education adopted the Ohio Standards for the Teaching Profession and the Ohio Standards for Professional Development in 2006, and has begun to create a set of aligned evaluation tools.
- ODE created a regional support team in early 2006 to provide resources and information to LPDCs.
- Also in 2006, ODE and the ESB proposed a career lattice framework that emphasized alignment with the newly created standards and a focus on student achievement; in doing so, they met their charge of creating “a performance-based, multilevel system of teaching positions or compensation levels within a school district or district building.”

However, important opportunities for improvement remain. While the State Board of Education has adopted a set of clear performance expectations, most districts have not yet adopted them. This means that many teachers remain unclear about what is expected of them and have little feedback on how they are performing. Professional development is often disconnected from classroom practice and individual needs and aspirations. And regardless of accomplishment, teachers are generally treated the same; once tenured, there are few rewards for the most accomplished and rare consequences for consistent underperformers.

**Proposals**

Below are several proposals that will enable Ohio to guide and motivate teachers more effectively by setting clearer expectations, evaluating and rewarding performance in light of those expectations, and aligning professional development with individual needs. These proposals reinforce one another powerfully, as together they address the single most important factor affecting student achievement: teacher quality.

A career lattice offers one of the best ways to combine these different elements and improve the State’s ability to leverage and reward teachers’ expertise. Besides enabling accomplished teachers to take on new responsibilities without leaving the classroom, a career lattice helps create a more collaborative environment in which spending time in another classroom becomes less foreign and professional learning requires less of a cultural shift.

Currently, most Ohio districts do not have a career lattice, meaning that teachers can expect to be doing roughly the same job on the day they retire as on their first day in the classroom. Because there are few opportunities for teachers to take on new and more challenging roles while remaining in the classroom, some choose to become administrators, some leave the profession, and others keep teaching while struggling to remain motivated.
A few districts have begun experimenting with a career lattice, and in September 2006, ESB and ODE proposed a career lattice framework as a resource for local school districts considering a move towards differentiated career paths. Their framework relates the roles and responsibilities defined in the career lattice to the teacher standards developed by the ESB. It recommends that districts require evidence of increased knowledge and skills; student growth through, among other indicators, district-administered standardized assessments, value-added classroom data, or student work portfolios; and collaboration. ESB and ODE called on districts to submit proposals for implementing a career lattice. They emphasize that career lattices must be aligned to the Standards for the Teaching Profession and make clear that they are not proposing the implementation of a new salary structure. Rather, compensation from promotion will augment teachers’ base salaries.

1. **Adopt clear and appropriate expectations for teachers in every district that focuses on the components of effective teaching and appropriate measures of student achievement.**

Ohio teachers work under 2 types of expectations (licensure related and job based) neither of which is currently linked closely with measures of student achievement. After initial licensure, a 5-year renewal cycle begins. To renew one’s license, a teacher must create an individual professional development plan (IPDP) outlining how he or she will complete a combination of professional development activities aligned to his or her school’s and district’s stated goals. In addition, all Ohio teachers must complete a Master’s degree by their 10th year of teaching under a 5-year professional license. The licensure requirements have no direct link to student achievement.

Beyond helping their schools to make AYP under NCLB—for which teachers are only loosely held accountable—teachers lack clarity on their annual performance expectations. Few districts articulate what teachers should be doing differently in their 10th year of teaching than in their first. Few include student achievement measures in their evaluation process, meaning that the central purpose of teaching, helping students make appropriate achievement gains, is largely overlooked. At the same time, 72 percent of teachers surveyed by Ohio’s Commission on Teaching Success feel that the standards used to evaluate them should be more clearly defined in order to promote high-quality teaching.

Ohio has begun to address the need for clear expectations by drafting and adopting the Standards for the Teaching Profession. As recommended by the Commission on Teaching Success, the ESB spent a year developing expectations for teachers that articulate the skills and knowledge that a teacher would demonstrate when performing at each of three levels: Proficient, Accomplished, and Distinguished. The standards are intended to be used as a self-assessment tool, to guide teachers as they build their individual skill sets throughout their careers. These standards were then adopted by the State Board of Education.

a. **Districts, in consultation with teachers’ unions, should adopt the Ohio Standards for the Teaching Profession as their own expectations for teachers.** In creating a set of professional standards, New Zealand sought to establish national consistency in performance management, while still allowing individual schools the flexibility to adapt the standards to their own needs. New Zealand made clear, however, that a central goal in implementing professional standards was that “individual staff… know what is expected of them, the support available to them to meet those expectations, how their performance will be monitored and assessed, and how they can further develop their skills.” Like New Zealand, Ontario outlined a basic framework for professional expectations which served as its baseline, allowing local school boards the flexibility to build on this foundation by incorporating additional competencies into their expectations.

This approach has promise in a decentralized environment (with local control over schools) like Ohio. By building on the baseline present in the Standards for the Teaching Profession, districts can create a set of expectations, particularly as the standards link to a career lattice, that is specific to their unique needs. At the same time, districts, unions, and other key stakeholders should take the opportunity to collaborate on a vision for advancing the district’s needs through the performance expectations articulated in the career lattice. This collaboration should ensure that expectations focus on student achievement and that if teachers are held accountable for a result, they have the resources and authority to achieve it. Given the importance of fairly assessing whether teachers are impacting student achievement, districts should explore quantitative measures of effective teaching, including value-added data. Once districts have adopted a set of performance expectations, they must develop a process for letting teachers know how they are performing relative to those standards.

2. **Create evaluation processes that are rigorous and consistent, so that evaluation can be used as a developmental tool.**

Because it currently lacks clear expectations against which teacher performance can be evaluated, Ohio’s current evaluation process is not rigorous enough to change behavior. The Ohio Education Association’s
vision statement, “The Quest for Quality,” underscores this point: “typically, evaluation for teachers is infrequent, based on vague criteria that are the same for everyone, and limited to a few, or even single, observations of teaching behaviors . . . [some school leaders] assume that veteran employees with exemplary records no longer need to be evaluated.” Likewise, the recent Ohio Grantmakers’ report found that teacher evaluation “is conducted by principal observation, often only twice during a school year, with little or no follow up between the teacher and principal.” While there are a few exceptions to the status quo (districts such as Brunswick, Columbus, and Toledo are using talented, experienced teachers to assist in peer evaluations), these sorts of initiatives remain limited in scale.

The evaluation process is also inconsistent. Each district negotiates a collective bargaining contract with its teachers’ union, leading to variations in the rules regarding how evaluations take place. In addition, if a district does not have clear guidelines for conducting evaluations, evaluators must exercise discretion, resulting in significant variability across schools within a district.

a. *Districts should work with teachers’ unions to develop a strong evaluation process based on clear, appropriate expectations.* A strong evaluation process carries significant benefits, as it ensures both that educators receive sufficient direction to capitalize on strengths and address skill gaps and that the system is able to prevent consistently weak performers from remaining in the classroom.

Ohio districts can draw on several best practice examples in creating their own evaluation processes. In the best cases, both teachers and evaluators understand how the process works prior to the assessment. To accomplish this, many systems including New Zealand and Ontario, require a pre-observation meeting where the evaluator explains to the teacher how the process will unfold. Additionally, evaluators are trained on how to conduct an evaluation and how to provide feedback. Hong Kong finds it particularly important for evaluators to know how to provide feedback, taking the position that, “if you do not have the competence to communicate bad news, you tend to avoid it.”

To ensure that the evaluation is fair and sufficiently detailed to serve as a development tool, strong processes base evaluations on multiple data points, by using multiple in-person observations or multiple forms of appraisal. In New Zealand, for example, boards of trustees are encouraged to consider using peer appraisal, parent or student feedback, students’ performance results, and documentary evidence (e.g., lesson plans, assessment records, resources) in the evaluation process. Additionally, best practice evaluation systems provide teachers with an opportunity to receive feedback prior to their actual review, ensuring that teachers have a chance to address issues before their formal evaluation. Finally, once the evaluation has taken place, teachers have an opportunity to discuss the evaluator’s findings. This ensures that teachers understand their evaluation and are clear on what they should do to improve. Hong Kong takes this aspect of the evaluation process a step further, having evaluators assist teachers in translating their evaluations into development plans.

Having outlined the need for clear, appropriate expectations and a rigorous evaluation process, it is important to consider what tools the system must provide for teachers to be successful in improving student achievement. These include tools to analyze student achievement, time to prepare, ongoing high-quality professional development, and financial resources. Funding will be addressed later in the report. The other 3 are addressed here.

3. **Develop a range of tools that will provide teachers with regular feedback on student achievement.**

Currently, many districts lack the robust assessment and data analysis tools that would provide teachers with student-level data. Without such resources, teachers are limited in their capacity to improve student achievement; they do not have information on where students are in the learning process, which efforts are improving achievement, and which need to be changed. If teachers are to be held responsible for student achievement, as they should be, they need tools that will allow them to chart a course for supporting student achievement. These tools are especially powerful when used by teachers in small teams.

a. *ODE should collect and disseminate information on successful teaching tools that have been developed by districts.* This fits neatly within the work being done on the Data Driven Decisions for Academic Achievement (D3A2) project. D3A2 is an initiative that is designed to “provide systemic access to timely data and educational resources aligned to Ohio’s Academic Content Standards.” In time, one function of the tool is to provide teachers with access to tools such as model curriculum, sample lessons, and assessment tools. Recognizing that some districts have already developed strong teaching aids, ODE can make the highest-quality tools broadly available. By offering grants to best practice districts, ODE should recognize the front runners in developing teaching tools and encourage them to continue their efforts.

Collecting and disseminating existing tools offers additional benefits. First, it is much faster than developing tools from scratch. Second, having been created and tested by districts that differ in size, student demographics, and curricular approach, these materials are more likely to meet a range of needs than a single tool developed centrally.
4. Address individual teachers’ needs by moving towards a professional learning system that is formally linked to individual evaluations and is classroom centered.

While Ohio tries to ensure that professional development meets the needs of individuals and the priorities of districts, this may not be possible under the current system, in which there is no formal link between an individual’s evaluation and the professional development he or she may pursue. In fact, not all teachers are required to participate in ongoing professional development. According to the Commission on Teaching Success, “while Ohio’s new teacher licensure system requires that most teachers have individual professional development plans, teachers holding permanent certificates—almost 20 percent of the State’s teaching force [as of 2003]—are exempt from this requirement.” Teachers who do not hold a permanent certificate must create an IPDP. The IPDP outlines the educator’s learning goals and should reflect the needs of the educator and his or her district, school, and students. The IPDP must be approved by the educator’s LPDC, which is responsible for ensuring that IPDPs do, in fact, align with the needs of the individual and his or her district, school, and students.

One of Ohio’s goals in creating and using IPDPs and LPDCs was to ensure that teachers have flexibility to determine the types of professional development activities that would be of greatest benefit to them, both in terms of interest and relevance. However, this admirable goal is not always realized. Each of the 303 registered LPDCs in Ohio is free to determine how it fulfills its responsibilities, leaving significant room for variation in the type of professional development it approves. Furthermore, anecdotal evidence suggests that LPDCs vary in their ability to determine what appropriate professional development entails. If an LPDC does not know whether a professional development activity is effective, it has little ability to guide teachers on what they should pursue.

a. Key stakeholders, including ODE, districts, and teachers’ unions, should support the transition to a professional learning approach that promotes “focused, ongoing learning for each and every teacher” and is heavily centered on the classroom. Numerous national studies of what would otherwise seem to be strong programs have found that too many professional development programs are disconnected from actual classroom practice, resulting in little change to instructional practices or student engagement.

To avoid this, Ohio should promote contextual professional learning. This shift requires both structural and cultural change. In structural terms, schools must reconfigure their master schedule to provide teachers with common planning periods and the ability to sit in on others’ lessons. Practices, seen in China and England, such as reducing teaching loads and administrative burdens to allow teachers to spend time on lesson planning, preparation, and assessment, both individually and collaboratively, would further reinforce this shift. According to Ohio teachers, increasing the amount of noninstructional time they have available would most impact their ability to improve student learning and is one of their areas of greatest concern. However, the effectiveness of noninstructional time depends on teachers using it in small groups to plan and evaluate lessons and to assess student work collaboratively.

Of course, simply creating the opportunity for collaboration does not ensure that collaboration will take place. There must be a cultural shift away from viewing the classroom as a private space. In many countries, including Singapore and Japan, teachers regularly observe others’ classrooms as part of professional learning. In Japan, teachers work collaboratively to develop detailed lesson plans, then stage and refine the lessons based on the team’s evaluation of the lesson’s strengths and weaknesses. These lessons are then published, creating a national knowledge base. This emphasis on continuously improving lesson planning and pedagogy is tremendously powerful professional development.

Ultimately, for this change to be successful, it cannot be mandated. Teachers must embrace the change, making daily job-embedded learning a part of what they do. Pilot programs and outreach efforts, which could be undertaken by a combination of ODE, teachers’ unions, and districts, would allow teachers to see the value in professional learning. As the benefits of a professional learning approach become clear, it will become incumbent upon these same actors to institutionalize, amplify, and disseminate this approach to a broader set of teachers.

While at present ODE cannot require that districts handle professional development in any particular way, it can play several important roles. First, it can ensure that districts have sufficient resources to make professional development available to their teachers. Second, ODE can serve as a knowledge center, collecting and disseminating research and best practices on professional development programs offered across the State. Finally, ODE can encourage districts to adopt a professional learning approach through a variety of incentives, including professional learning grants or the adoption of a career lattice. The career lattice approach is particularly desirable as it ties together all of the proposals described above: expectations; evaluation; assessment tools; and professional development. By articulating what a teacher needs to know and be able to do within the context of his or her school and district, providing feedback on how closely the teacher is meeting those expectations, and offering incentives for development in light of those expectations, Ohio can make professional learning a natural part of a teacher’s career.
5. Link rewards and penalties to teachers’ evaluations.

Today, evaluations rarely result in rewards or penalties for Ohio’s teachers. The best ones are not paid more than their peers, nor do they regularly have opportunities to take on greater responsibility while remaining in the classroom. Underperforming teachers do not always receive the targeted assistance they need to improve. And, even when necessary, underperformers are not consistently removed from their positions.

Traditional salary schedules link teachers’ pay increases nearly exclusively to their years of service, coursework, and degrees, rather than to student achievement. At the other extreme, Ohio struggles to impose penalties on repeat underperformers, because pay is based solely on tenure and education. Furthermore, it is notoriously difficult to terminate tenured teachers, requiring demonstration that a teacher committed “gross negligence.” As a result, “anecdotes suggest that principals and district personnel are not typically rigorous in following established processes in removing chronically ineffective teachers.”

Ohio has begun to experiment with incentive pay in a targeted manner. Selected schools in Columbus and Cincinnati are piloting the Teacher Advancement Program, a compensation system that provides teachers with performance pay based on knowledge and skills, student achievement at the classroom and school levels, and differentiated pay based on career ladders. Incentive pay will soon expand to four districts (Toledo and Cleveland, in addition to Columbus and Cincinnati) through the federal Teacher Incentive Fund, but the scope is limited.

a. With support from ODE, districts should pilot the use of performance-based incentives, especially a career lattice.

While financial motivation is not the primary reason for becoming a teacher, in systems where rewards follow from positive evaluations, they most often take the form of promotion or increased pay. Rewards, while often taking the form of financial incentives, are not simply about money. Rewards can also represent personal recognition of a job well done and an opportunity to take on new challenges as an individual becomes increasingly accomplished. Research indicates that linking teacher compensation to some measure of merit is valuable because it gives teachers a clearer understanding of what they can do differently to improve performance. Without incentives to change behavior, they are more likely to decrease their efforts to improve over time.

Furthermore, a career lattice presents an opportunity to make more effective use of teachers’ collective wisdom. By tying performance levels to additional responsibilities that contribute to the larger mission (e.g., coaching less accomplished teachers, developing and refining lesson plans or evaluation tools), schools can amplify those strengths for the good of the school. It also recognizes that teachers do not leave preservice programs "fully formed." Rather, it takes an apprenticeship approach to developing teachers by institutionalizing the interactions between more accomplished teachers and their less experienced peers.

Finally, linking compensation to merit through a career lattice also has the benefit of being in line with the stated preferences of new teachers. A 2006 report released by the Center for American Progress cites a 2001 Public Agenda poll “that indicated that 69 percent of new teachers (in the U.S.) agreed that highly effective teachers should receive higher salaries than other teachers.”

In light of these considerations, Ohio should support districts in developing and piloting career lattices and other forms of performance-based incentives, such as performance bonuses. Specifically, ODE should offer districts financial and technological support for piloting career lattices that are aligned with the standards created by the ESB and retain authority to hold piloting districts accountable for the quality of their program design and implementation. ODE should also take a lead role in working with teachers’ unions at the State level to facilitate districts’ ability to develop pilots. Districts would then have responsibility for determining how a career lattice would work in the context of that district, ensuring that individual teachers would all be working towards the same school and district goals. As laid out in the proposals above, an effective career lattice would clearly articulate the expectations tied to various performance levels, an evaluation process for determining whether teachers are performing at the requisite level, tools and professional development that facilitate the progression between levels, and recognition for teachers who demonstrate higher levels of performance.

Another way to recognize teachers for excellent performance is through the use of performance bonuses. While such bonuses do not leverage teachers’ expertise in as structured a way as a career lattice, they can encourage collaboration among teachers in improving schoolwide achievement levels. According to a recent report reviewing international approaches to teacher and principal compensation, “incentive programs to entire faculties based on better-than-predicted student achievement in their schools [have] the effect of providing strong incentives to teachers to work closely with each other, to support new and weaker teachers, and to weed out poor teachers whose performance does not improve.” For this reason, North Carolina has employed group-based performance incentives. ODE should provide schools with clear up-front criteria specifying the situations in which performance bonuses are available (e.g., for meeting predetermined improvements in student achievement coupled with strong fiscal management) and ensure that all of the schools that meet those criteria are rewarded. Schools, then, would have responsibility for determining how the bonus will be distributed (e.g., put towards a group reward, used on the school, given to individuals who made significant contributions to the school’s success).
Chile is one of the few countries that has established group-based pay for performance. Chile takes the results of its state exam and disaggregates schools by socioeconomic group. All of the teachers in the top 25 percent of each socioeconomic grouping receive stipends. Researchers have found that this approach positively impacts student achievement, increasing test scores between 4 and 18 points. England also used collective performance bonuses for a 3-year period with some success, though it was very controversial.

Best-practice systems, such as those in England, Singapore, and New Zealand, also offer high-performing teachers the opportunity to take on new responsibilities (e.g., coaching, mentoring) for increased compensation. New Zealand ties rewards and penalties to teachers’ evaluations, linking pay hikes to progression through three levels of accomplishment. When a teacher advances from one level to the next, the result of several successful annual assessments, he or she also advances in the pay scale. If teachers do not meet expectations for their level, principals can defer their salary increase and, for prolonged underperformance, require remedial training and/or demotion.

b. In addition to supporting performance incentives, ODE should take the lead in working with teachers’ unions to explore the use of performance-based penalties. Starting from the premise that all students deserve access to high-quality teachers, this dialogue should focus on what happens once the evaluation process determines that a teacher does not meet the expectations articulated for his or her level. Consequences should escalate over time, ensuring that the initial focus is on remedying underperformance. Depending on the district’s overall framework, penalties might mean failure to advance within the career lattice, demotions, deferred salary progression, mandatory remedial training or, in the most severe cases, termination. While a sensitive topic, negative consequences are a necessary part of ensuring that all students are taught by high-quality teachers.
Best Practice Implication 4: Motivate and Holistically Support Students to Meet High Expectations by Addressing Their Unique Needs

This Implication describes why Ohio needs to help students succeed and offers proposals for how this can be achieved. Research shows that students receiving targeted support and encouragement perform better. All students, but especially those who face particular challenges — academic or non-academic — deserve to be educated in a system characterized by high-challenge, high-support, and aligned incentives. If these needs are not addressed, it significantly reduces that student’s likelihood of succeeding in school and in life. Ohio law requires districts to provide academic intervention services to students who score below the proficient level or who fail to perform at their grade level based on the results of a diagnostic assessment. On top of that, Ohio should develop comprehensive guidelines for diagnosing academic and non-academic needs. Second, Ohio should ensure that all students have their identified needs met. The best way to ensure that all students’ needs are met is to actively pursue collaborative solutions with community members, other government agencies and non-profit organizations. In addition, a state-wide campaign should be mounted to raise the aspirations of students and communities in relation to education. Finally, Ohio should explore ways to introduce additional positive incentives for students such as providing college scholarships for lower-income students who take a college-ready course load and demonstrate strong performance on standardized tests.

Background

High-performing educational systems take proactive steps to encourage and motivate students to reach high academic standards and provide them the level of support — tailored to their unique academic and nonacademic needs — they need to be successful. This requires that students and their families recognize the importance of high academic achievement, that students with academic or nonacademic needs receive extra support, and that all students are meaningfully rewarded for meeting expectations.
**Proposals**

1. Develop a systemic approach for diagnosing academic and nonacademic needs.

Student needs fall into two categories: academic and nonacademic. Support systems, as opposed to the broader instructional system, are tailored to help individual students or groups of students address these essential elements. This requires a set of indicators that can identify students on an individual basis. Resulting academic support would focus on student performance in coursework and standardized assessments, and may involve tutoring, remediation, smaller classes, or other approaches. Nonacademic support would address social, physical, or behavioral challenges. It could include behavioral interventions, medical screenings, drug prevention programs, or assistance with home issues.

Although some do not view nonacademic services as part of a school’s purview, Ohioans tend to support schools’ role in this area: the KnowledgeWorks Foundation’s Education Matters Poll found that 65 percent of Ohioans agree that local schools should provide social services such as health and after-school programs to students.

Ohio law requires that districts provide academic intervention services to “students who score below the proficient level on a reading, writing, mathematics, social studies, or science proficiency or achievement test or who do not demonstrate academic performance at their grade level based on the results of a diagnostic assessment.”

While no specific mandates exist for nonacademic services, State funding is available for dropout recovery programs, community outreach, enrichment, and other activities.

There are a number of State and Federal sources of academic intervention funding. Districts may draw from Poverty-Based Assistance (PBA) funds, General Revenue dollars, Federal reading dollars, Temporary Assistance for Needy Families (TANF), and Title IV-A and B funding. PBA is the largest source of student academic intervention dollars; the funds are allocated to districts based on the percentage of students whose families receive public assistance. Districts may only use these dollars for specific purposes like all-day kindergarten, class-size reduction, academic intervention, and professional development related to data-based decision making. TANF and Title IV-A funding are both geared at extending the school day and the school year. The State provides annual funding of $50,000 to $300,000 to local education and community agencies, faith-based organizations, and universities that provide after-school academic intervention in math and reading as well as a variety of enrichment activities under Title IV-A’s 21st Century Community Learning Centers initiative. Finally, through formula funding of about $12.4 million dollars, all districts receive Title IV-B funds to provide evidence-based prevention services to address violence, drugs and alcohol, or other barriers to student success.

Currently, districts use test scores as the primary indicator for identifying at-risk students. The use of additional indicators remains inconsistent. This is problematic because academic and nonacademic issues often interconnect. In fact, recent research reveals that the same students who have disciplinary problems, many unexcused absences, or high mobility are often the ones who struggle academically. Currently, ODE does not provide guidelines to help districts determine the appropriate indicators of student need, nor does it collect or disseminate effective practices for making accurate diagnoses.

To address these issues, ODE has assembled a cross-agency team that will focus on academic and nonacademic interventions. The team is developing Student Intervention Guidelines to define the roles that the State, districts, and schools should play in providing targeted help to students. According to these guidelines, ODE would provide districts with tools for diagnosing needs, collect and disseminate effective practices, and hold districts accountable for the effectiveness of their support. Districts would diagnose student needs and allocate funding to service providers. Schools would assist with diagnostics, as well as perform interventions.

a. ODE should increase its capacity to help districts identify students with academic and nonacademic needs. To help schools and districts succeed, ODE should develop diagnostic tools to detect students who are at risk of failing to meet academic expectations for either academic or nonacademic reasons. These tools should include academic indicators such as grades, test scores, and number of times failing a class or grade, as well as nonacademic indicators such as absences or disciplinary issues. The State should assemble a group of educators and other stakeholders who can develop these tools based on international and State best practices. ODE should also require that student intervention plans conform to the format of this tool, as a method of ensuring the tool is used.
2. Ensure that all students with identified needs receive effective support from the most appropriate entity, among schools, districts, ESCs, or other governmental and nongovernmental entities.

The fact that Ohio lacks a way to systematically diagnose students’ needs drives some of the variation in districts’ ability to provide the requisite services to their students. Without a consistent way to diagnose students’ needs, it is impossible to coordinate community resources to meet those needs. Within funding constraints (e.g., dollars earmarked for a particular purpose), districts exercise discretion in which programs they choose to support and how they distribute dollars to various schools. While this flexibility could be beneficial—districts and schools know their students and communities best—there are indications that some districts are not allocating funding optimally. In addition, since Ohio’s nonacademic supports are coordinated at the district level, there are important differences across the State in the comprehensiveness of services provided. Some districts have been innovative in the way schools interact with their communities and diverse service providers (e.g., Stark Education Partnership, Inc., STRIVE) to meet students’ needs but others largely operate as silos. ODE tries to increase the consistency and quality of districts’ decisions through policies, such as the Ohio School Climate guidelines, which offer advice on how districts and schools can create safe, healthy learning environments.

If students are to receive the best help available, governmental agencies, businesses, community-based organizations and communities must provide coordinated services. This is no small task. Through the Ohio Family and Children First initiative, Ohio has tried to integrate service provision to children across governmental agencies. A cross-agency cabinet, the Ohio Family and Children First Cabinet Council (OFCFCC), “makes recommendations to the Governor and the Ohio General Assembly regarding the provision of services to children. The OFCFCC and its Deputy Directors also assess and advise on the coordination of State and local service delivery to children, encourage coordinated efforts at the State and local level to improve the State’s social service delivery system, and develop programs and projects to encourage coordinated efforts at the State and local level.” The OFCFCC’s work is supported by 88 local county councils. While each county council operates independently, “the clear intention of the local [Family and Children First] council infrastructure is to coordinate services for children and families following an operating service coordination mechanism; work to ensure family service systems do not operate in silos; thereby, creating a more efficient family-friendly service delivery system.” Whether this intention has been put into practice is another story, as local county councils are said to be uneven in their ability to coordinate comprehensive services.

a. The State should coordinate agencies’ efforts to provide student support services and ensure that its programs and policies are appropriately aligned through rules and legislation and encourage schools to tailor these various programs to meet individual student needs. Currently, seven state-level government agencies provide critical resources to K-12 students and their families. The general feeling is that these agencies are not well coordinated at the district level even though they work together through the OFCFCC, an entity that has been in place since 1992. While many acknowledge that OFCFCC has surfaced important issues (e.g., mental health, Medicaid) for the agencies, better coordination would amplify the impact of the State’s investment in children’s services.

Legislation paved the way for Scotland to become a leader in coordinated student supports. Scotland’s Additional Support for Learning Act accomplished this by first requiring educational authorities to identify and meet “additional support needs” for all students. These needs could include anything from a mental handicap, to being a teenage mother, or the victim of bullying. Scottish schools create “coordinated support plans” for these students, drawing on the resources of other government agencies. As reinforcement, the Act also requires health and social agencies to cooperate with education in “assessment, intervention, planning, provision, and review” for students needing support. It also gave parents the right to request additional diagnostics for their children or mediation services to help coordinate the services. Ohio could learn from this pragmatic and coherent approach, which puts the school at its heart.

b. ODE should continue to build the policies, procedures, and systems described in its Student Intervention Guidelines. In developing the Student Intervention Guidelines, ODE has begun to articulate a framework for how the State will interact with districts, community providers, and schools to facilitate the provision of student supports. This should be tied to a larger vision of how schools should partner with their communities (families, local government agencies, and community-based organizations) to support student achievement. ODE could make certain that their programs and policies support student learning by mapping the current menu of support services and financial resources the department provides to ensure that, whenever possible, these efforts build on one another.

At the same time, ODE should explore ways to hold districts accountable for their provision of student support services. Districts are rarely assessed in terms of their intervention progress and performance. ODE is not
required to monitor whether districts enact the interventions mandated by law.\textsuperscript{101} Although ODE collects aggregated district plans for interventions in its Comprehensive Continuous Improvement Plan (CCIP) online tool, which it uses to disburse State funding, it rarely reviews or follows up on these plans. As a result, there is minimal oversight of the way districts provide student intervention services.

By requiring greater transparency around fund use and effectiveness, ODE could gain insight into which schools and districts are employing funds most productively. It could then share the most promising practices across districts. While ODE can tell whether districts are meeting an absolute bar in educating all students and student subpopulations, there is little known about how effectively districts are employing student intervention funds. For example, a recent report by ODE notes the “opaque view of the effectiveness of the PBA funds in meeting the needs of the disadvantaged students.”\textsuperscript{102} The report attributes this to “…the lack of historical perspective, the inability to link the allocations to the disadvantaged students, the confusion surrounding the use of the funds and the inconsistencies and errors in reporting.”\textsuperscript{103}

Finally, ODE could increase the effectiveness of existing programs and resources by serving as a clearinghouse for information and resources. This would entail collecting and disseminating information on best practices and technology, coordinating services from other state-level agencies, and providing the resources required to coordinate service provision locally. ODE should also encourage districts to leverage partnerships with a variety of organizations and agencies. Once relationships are in place, ODE could analyze outcomes to identify any remaining resource needs and work with districts to close those gaps.

c. Districts should collaborate with community members and organizations that can support student achievement.

For this to happen, districts must have a clear understanding of student needs and the types of services required. A detailed needs assessment would direct how funding is allocated between schools and between services. Districts and schools should enlist parents and other stakeholders in developing a strategy for supporting students based on the results of this assessment.

3. Establish tangible incentives for students to demonstrate high academic achievement.

The people who have the greatest influence over student success are students themselves. Especially in middle and high school years, students make real choices about the level of achievement they want to attain. The difference between success and failure often hinges on whether a student thinks he or she will gain something from doing well in school. That means they need to see how they will benefit in the years immediately after high school.

One helpful way to do this is to establish rewards that help students transition to college or work after graduating. Several of the preceding recommendations lay the groundwork for providing students with tangible incentives. As the State establishes tests that demonstrate college and work readiness, it will enable students to demonstrate the knowledge and skills they need in order to be successful beyond high school. The State will then be able to structure meaningful rewards that help students make their transition.

a. In preparation for the CORE, Ohio should provide college scholarships for lower-income students who take a college-ready course load and demonstrate strong performance on standardized tests. The Ohio CORE will challenge all students to complete a rigorous high school curriculum, but it will not fully impact students until 2014, after which students can no longer opt out of it. Ohio should not wait this long to encourage students to take this type of curriculum. With only 24 percent of students taking these courses today, the State should create incentives for higher achievement now and ramp up the number of students prepared to pass the CORE.\textsuperscript{104}

One way to encourage lower-income students to take a rigorous course load is to provide college scholarships for those who complete courses that colleges and universities recognize as a good preparation for postsecondary education. The scholarships should also depend on strong performance on State tests such as end-of-course exams. They should be made available only to students who have legitimate financial need.

4. Mount a statewide public campaign to promote a culture of high educational attainment.

The importance of attaining higher levels of education has never been greater in Ohio. The State’s largest industry, manufacturing, has been heavily impacted by the changing nature of the global economy. Over the last decade, this has cost the State more than 200,000 manufacturing jobs.\textsuperscript{105} As discussed earlier in this report, this is part of a larger trend, where the fastest-growing and highest-paying jobs in Ohio and the U.S. require higher education levels.

Many Ohioans have responded to the urgency of this situation, creating academic content standards and passing the CORE legislation. Surveys make clear that most Ohioans value education and believe that raising the educational level of a community will lead to better social and economic conditions in that community.\textsuperscript{106} But in some conversations around the State, people remain skeptical of whether Ohio truly needs to be competitive at an international level. Refusing to believe that the days when one could retire
from a solid blue-collar job with a comfortable pension are over, they question the need to go beyond U.S. levels of academic standards.

At the same time more than 20 percent of Ohio’s students silently opt out of the system, indicating either a failure to recognize the urgency of obtaining an education or an inability to find the support that would allow them to succeed.107

The combination of these findings reveal that Ohio has strong incentives to overcome the disconnect between the larger community and the students who are dropping out or performing below their ability.

a. A coalition of key stakeholders—business and community leaders, legislators, education policy makers and educators—should provide a unified front in a public campaign on the theme that “high achievement for all students is an imperative for Ohio.” All stakeholders have unique and compelling perspectives on the need for high achievement. One unified argument for high achievement should be developed that will resonate with audiences at every level of the system. A variety of channels should convey this message broadly and continuously, eventually infusing it into the popular culture.

In 1998-1999, England supported its national reading initiatives through a year-long media campaign. To support schools’ focus on literacy, parents were urged to spend time reading with their children. Literacy themes appeared in the plots of ongoing television series, on popular consumer products and on billboards. Libraries promoted their services rigorously and government provided financing for schools to re-stock their bookshelves. Having the same message reach every segment of society in multiple ways had an impact—polls indicated that more parents read to their children at bedtime and students’ literacy levels rose.
Best Practice Implication 5: Ensure That Funding is Fairly Allocated and Linked to Accountability

This Implication describes the steps that Ohio should take to reform its school funding system. Financial support for principals, teachers, and students is the bedrock of high support for an education system, but it is well established that Ohio's school funding system is broken. The solutions in this recommendation are designed to be implemented in this specific sequence, because each is dependent on the one before it. First, in order to make all other reforms possible, Ohio should foster high challenge in resource management by increasing the transparency of school fiscal data and holding schools accountable for improving efficiency. This will assure Ohioans that their tax dollars are being spent well in schools, and help policymakers to better understand the true costs of a high-quality education. With fiscal accountability established, Ohio should implement a weighted student funding program to ensure that dollars follow students to the public school buildings where they are educated. This, along with the devolution of budget authority, will give principals the support that they need to deliver results. Ohio should also simplify and redesign its funding formula to account for the true costs of efficiently educating each student to the level of the new standards. Ohio should then reform its tax system to deliver the funding for the redesigned formula to each school on a predictable and stable basis. The two most important things this tax reform must accomplish are: 1) to increase stability by reducing the number of local levies that districts must ask for each year and 2) to reduce inequalities in district revenue. This will inevitably involve a stronger role for the State. Finally, Ohio should establish a process to periodically update and revise its formula.

Background

An excellent, well-managed funding system is critical to provide support at all levels of the system. Evidence from around the world shows that high-performing countries all follow two common-sense principles. First, they assume a certain minimum amount of money required to educate a student. Second, they acknowledge that some students, because of disadvantages and specific needs, will cost more than this minimum amount. Based on these principles, high-performing systems:
• Assess the minimum cost per student and the additional cost of educating different students with their various needs and disadvantages

• Design a formula to identify, provide, and track funding to each student according to their minimum and additional costs

• Raise sufficient revenue to fund that formula on a predictable and stable basis

• Distribute that revenue to schools to ensure that it follows the student to the public school where they are educated

• Evaluate and benchmark how well school officials use funds allocated to their students to drive achievement

• Provide technical assistance and targeted interventions to help school officials to use their resources more effectively and efficiently

HIGH-PERFORMING SCHOOL FUNDING SYSTEMS CONSIST OF THE FOLLOWING ELEMENTS

These practices point to a conclusion which is standard practice in almost all high-performing public education systems but controversial in the United States: high-performing systems give more money to schools with the neediest students, actively redistributing funding, if it is necessary. Unless Ohio acts on this principle, its funding system will not be internationally competitive.

Although Ohio is moving in this direction, its current school funding system falls short. Currently, the State assesses school costs using inputs and class sizes to determine the base amount that each school is guaranteed: $5,451 per student in 2007. Supplements are added for various items, including students with disadvantages and specific needs. State formula aid guarantees both the base and supplements to districts that do not get the formula amount from funds that are raised locally. It thus reduces inequalities between districts and is a move toward a world-class system. Actual allocations to schools, however, are done by districts, which can ignore the intentions of the State formula and do as they please. A lack of evaluation, benchmarking, and technical assistance makes it difficult to assess how funding is affecting student outcomes.
The recent launch of a campaign for a school funding amendment to the constitution has created the opportunity for a broader discussion about a comprehensive solution to Ohio’s school funding difficulties. The proposals below are intended to inform that conversation and lay out a roadmap to a funding system that would support the needs of students, teachers, and principals by providing sufficient and stable funding to each student.

Proposals

1. **Measure, benchmark, and evaluate school-level efficiency.**

Some believe that Ohio’s current system does not invest enough in schools. Others think that schools already have enough funding but do not use it efficiently. In fact, there is not enough clear data to know which view is most accurate. Almost no usable fiscal data exists on Ohio’s schools because there is very little statewide standardization of school level fiscal data entry. Districts are free to set their own accounting standards when they enter data on school expenditures; some allocate all expenditures to their buildings, while others assign some costs to a central office as well. The resulting statistics on expenditures in Ohio’s schools are thus very inconsistent. This lack of data does not inspire confidence that policymakers in Ohio can know very much at all about how resources are managed at the school level. It also means that, despite much criticism about district bureaucracies, policymakers have no idea how Ohio’s education dollars are split between schools and district central offices. For all these reasons, the numbers used to represent the “true, underlying cost” of educating each student in Ohio’s current funding formula are flawed. Moreover, the opacity of the system means that ODE does not have the information it needs to provide schools with technical assistance on resource management. The size of this issue, and the profound effect it has on Ohio’s ability to improve funding in other ways, makes it the first problem to address in enhancing Ohio’s funding system.

   a. **Ohio should make school operations transparent and measure school efficiency.** The State should establish standardized reporting procedures for collecting detailed financial data at the school and district levels. To ensure they are relevant, the standards should be designed with principals and other officials who are responsible for local finances. This step supports the recent recommendations of the Ohio State Board of Education’s school funding subcommittee on school funding on the importance of fiscal transparency.

   b. **Ohio should hold schools accountable for their fiscal performance.** The current system rewards schools for absolute academic performance, but does not measure the value they add for the money they spend. Ohio needs to build its capability to evaluate and benchmark schools’ efficiency and value—not just academic performance. For example, dividing dollars spent per student by value added would create an index of performance efficiency. This approach would reward schools that increase students’ academic achievement with fewer dollars, and students with disadvantages could receive additional “weights” to represent the fact that they will cost more to educate. Such schools could serve as benchmarks and their practices could be shared with other schools that are trying to improve resource management. As part of the academic accountability system, low-efficiency schools should be picked up by the school diagnostic function recommended elsewhere in this report, and they should be subject to targeted interventions to improve resource management.

These recommendations draw from and go beyond the practices of other systems that have more firmly established evidence-based systems. In England, for example, the Office for Standards in Education (OFSTED), the agency responsible for school inspection, evaluates financial as well as academic performance. In terms of technical assistance, England has established a Center for Procurement Performance to identify and encourage adoption of better procurement programs across all parts of the system; currently, the center is launching an e-procurement market system for schools and has adopted an “efficiency goal” of saving £1.4 billion (about $2.7 billion) by March 2008. Within the U.S., numerous services are available to help Ohio design a robust efficiency benchmarking system and the technical assistance capability to support it. Firms like Alvarez & Marsal have had a great deal of success in working with school districts to use resources as effectively as possible to drive student achievement, most notably in St. Louis. In neighboring Michigan, the state government has contracted with Standard & Poor’s to provide a range of information services to the public that include both academic and fiscal performance measures. Ohio can and should begin to evaluate and improve school performance in this more holistic manner.

2. **Ensure that every public school building receives resources based on the number and needs of its students.**
Though the State funds districts based on the number and needs of the students in them, districts may—or may not—distribute money in the same way. Districts, especially larger ones, tend to use staffing allocations to distribute funding. However, these allocations are often a result of central office decisions and collective bargaining agreements, which do not necessarily reflect student need. In this situation, funding is more likely to follow the teacher than the student (especially as staff costs account for over 80 percent of the average school budget). This level of district discretion with funding also means that State programs intended to aid the disadvantaged, such as poverty-based assistance (PBA), do not necessarily help the right students. This is the finding of a current draft of a report by ODE staff on the PBA program; in one case, they found a district using PBA funds for an all-day Kindergarten program in which only 30 percent of the participants were economically disadvantaged.

All in all, this district-centric funding approach creates two problems. First, funding within districts is typically inequitable and is not necessarily going to schools with students in greatest need. Second, those same schools do not have access to the most highly qualified teachers. Because school-level data reported at the state level are so unreliable, it is impossible to precisely quantify Ohio’s within-district funding inequalities. However, a close look at one district’s data suggest that these inequalities may be significantly shortchanging disadvantaged students: in a recent analysis of Cleveland’s teacher salary information, the Cleveland Catalyst found that higher poverty schools with higher percentages of minority students on Cleveland’s east side received up to $700 less per pupil (nearly 6 percent of the district average) than their more privileged counterparts on the west side. Funding allocation schemes that actively direct less resources to disadvantaged students are a direct contradiction of a fundamental characteristic of most high-performing school funding systems, which strive to do the opposite.

a. **Ohio should implement weighted student funding and building-based budgeting.** A long (and growing) list of high-performing school systems have already begun to distribute funding to each school on the basis of the students enrolled there, adding additional “weights” to each student that are specific to their individual needs and disadvantages. In Edmonton (Canada), England, and Victoria (Australia), the percentage of funding distributed to each school on the basis of a weighted formula is 92 percent, 85 percent, and 85 percent, respectively. New Zealand does not have school districts at all, so the State sends all of its formula funding directly to schools. And in the U.S., New York City has just unveiled a plan to distribute funding between its schools on the basis of a weighted formula.

To do the same, Ohio should require that districts use a State-funding formula to distribute nearly all of their money directly to their schools. It could enforce this requirement by providing State funding only to districts which comply. This shift aligns with a proposal elsewhere in this report to give principals control over their budgets and increased accountability; together, principal autonomy and weighted student funding would ensure that newly empowered principals have the resources they need to rise to the performance challenge they face.

However, districts would also keep a certain percentage of total funding (for example, 10 percent) for basic administrative and overhead costs. Schools could then decide to spend additional money on district services or select other vendors to provide those services. This is the model that Edmonton has piloted with much success, where the district is a “Central Services” provider that is only as big or small as its schools wish.

In principle, funding should follow students to community schools as well as traditional public schools. A separate part of this report suggests that this change be made, but only after the necessary safeguards have been put into place to guarantee that community schools are as accountable to State standards as traditional ones. Until this happens, weighted student funding should apply only to traditional public schools.

With these first two proposals in place, it would be much easier to be confident that Ohio schools are using the revenue they receive effectively. The State could also collect the data it needs to determine the true costs of educating each student to the level of the State standards. After identifying these costs, the next step would be to make more fundamental changes in the funding system to align the resources it provides with these true costs.

### 3. Change the funding formula to more accurately account for the true costs of educating each student.

Although the data needed to determine the specific cost of educating each student is not yet available, several indicators suggest that the current system may not provide sufficient funding to students with specific needs (e.g., with economic disadvantage). In Fiscal Year 2005, a district’s total per pupil funding was most highly correlated with three items: the number of disabled students in the district, the district’s property value per pupil, and the district’s property tax rate. Other disadvantaged student counts did not drive funding significantly. In fact, a simple analysis of the number of students in poverty and the total PBA funding in Fiscal Year 2006 suggests that the implied weighting of disadvantaged students in the PBA program is only 17 percent of base funding. Many professional estimates suggest that this weighting is insufficient;
in England, for example, the Actual Educational Needs (AEN) grant assigns weights of up to 64% for individual students for various types of disadvantages (this does not include special education, which is covered by a separate grant).\textsuperscript{128}

In addition, Ohio’s funding system suffers from the complexity of numerous guarantees which ensure that no district receives less money (per pupil or in total, whichever is smaller) in the current year than was received in the previous year. Currently, over 400 of Ohio’s 612 districts are covered by one of these guarantees. Thus, even if the current formula accurately reflected the cost of educating each student, such a large number of districts receive funds in excess of the calculated amount that the formula cannot be used to predict how much revenue a school will receive in a given year. In the words of one expert, Dr. Howard Fleeter, “The formula simply doesn’t work any more.”\textsuperscript{129}

“Sticky costs” complicate matters even further. When a student leaves a district, either to attend a community school or other traditional school, the district immediately loses state funding equal to the base cost (plus supplements) for that student. However, the costs do not move right away because they are often contractual and long term (for example, when a single student departs, one-twentieth of a teacher cannot be dismissed). Because the formula does not presently deal with this issue, large and rapid student departures from traditional schools can wreak financial havoc on their districts. This is the case in Dayton, which lost over a quarter of its students (and over $40 million, 35 percent of its state aid) to community schools in just seven years.\textsuperscript{130} This is not to say that such districts should not be forced to adjust to lower enrollments. However, because of the lack of expertise in resource management at the district and school level, districts that lose students need both help and time to manage. This reality needs to be addressed in the future formula.

a. Ohio should establish a simpler, four-tier funding formula that properly accounts for student disadvantage and “sticky costs” revealed by the new efficiency data. International best practice suggests that Ohio should establish four tiers of funding as described below.\textsuperscript{131} Specific numbers for all but the last of these would be based on the new benchmarks that Ohio will have on best-practice school performance and efficiency.

These tiers are defined as follows:

- **Fixed costs** contain a minimum amount of funding for each school based on economies of scale, as well as a “sticky cost” amount based on lagged pupil counts. This allocation for students who have left should be limited to 1 to 2 years as the school adjusts to lower enrollment. England uses a similar system of actual and lagged pupil counts to cushion schools temporarily from funding losses when many students depart. In addition, the State Board of Education has recently adopted recommendations on adjusting Ohio’s determination of Average Daily Membership (pupil counts) in schools which suggest the inclusion of a similar provision.\textsuperscript{132}

- **Base per student costs** contain the per student funds necessary to educate a student to the level of the State standards under the best possible circumstances (i.e., no disadvantages, school operating with best practice efficiency).

- **Student disadvantage funds** contain extra weighting for each student based on their specific characteristics, such as grade level, socio-economic and family characteristics, disabilities and special needs. This weighting would be variable to account for the fact that educating the first student with a specific disadvantage requires a different amount of funding than educating the fiftieth. These funds would subsume all predecessor programs with similar purposes, such as PBA.

- **Discretionary grants** contain the only funds distributed outside of the formula, and would be reserved for specific innovation and targeted support efforts. They should take up a relatively small proportion of total funds.

Victoria, Australia offers a particularly good example of a thoughtful funding formula, which relies on a detailed cost study to determine its base and supplement calculations. The result is a formula with a very sophisticated set of supplements: it weights students according to parent occupation type, mobility, grade level, disability, and other disadvantage factors, and provides extra funding to schools with high concentrations of disadvantaged students.\textsuperscript{133}

4. Ensure that Ohio’s revenue system provides the formula funding amount to each individual school on a predictable and stable basis.

Ohio’s revenue system suffers from a second fundamental problem: a significant component of local revenue is unstable.
This issue arises because the State funding formula calculates the State’s contribution to each district by taking the base cost guaranteed by the formula and subtracting the district’s capacity to raise local revenue—its property wealth. As a result, when a district’s property values (capacity) go up, House Bill 920 keeps local revenue constant while State aid goes down. House Bill 920 thus causes a gradual deterioration in a district’s total revenue until a district’s effective tax rate has hit 20 mills (2 percent). Millage is no longer reduced by House Bill 920 once a district has hit this “20 mill floor.” However, because of the way the State formula is structured, the total revenue of districts at the 20 mill floor will be flat over time, unless: 1) State and/or Federal revenue per pupil go up or, 2) new local levies are approved by the voters. Because local sources account for 49 percent of all school revenue in Ohio, Federal and State funding per pupil would have to grow at nearly twice the rate of inflation to maintain the purchasing power of spending without additional local taxes. However, in the years from 2002 to 2006, State and Federal revenue in Ohio grew by only 3.9 percent, far less than the nearly 7 percent that would have been necessary.\(^\text{134, 135}\)

For this reason, many districts must constantly (and only sometimes successfully) search for funding from local sources to just to keep up with inflation. Only 117 of the 376 school districts at the 20 mill floor are satisfied with the revenue they receive from 20 mills plus State and Federal funding. The rest have decided that this revenue is insufficient, and they choose to supplement it with local income taxes and emergency levies.\(^\text{136}\) Most of these levies can only be passed for a fixed period of time, requiring districts to return to voters again and again to allow this source of revenue to continue. From 1994 to 2006, the average Ohio school district put a local levy on the ballot once every 2 years; however, only just over half of those levies (55 percent) passed.\(^\text{137}\)

This situation has two very negative effects. It makes long-term planning almost impossible as no one knows what level of funding may (or may not) be available. It also means that school officials must spend more time campaigning for the passage of new taxes and may have less time to focus on improving student performance.

Ohio’s inequality in funding also creates significant barriers to student achievement. The local component of funding ensures local property tax rates and property values have more impact on school funding than does student need. There is, therefore, a large amount of funding inequality between school districts, and the districts that receive the most money are not necessarily those with the greatest amount of student need. Assuming a disadvantaged pupil weight of 50 percent and special education weights as currently defined in law, there is an average gap of $2,620 (over 29 percent) between the districts with the highest and lowest total revenue per weighted pupil.\(^\text{138}\) Yet the top 20 percent of districts in this distribution continue to receive an average of over $2,500 per weighted pupil in state aid, despite the fact that they already raise an average of nearly $6,000 per weighted pupil locally.\(^\text{139}\)

\begin{itemize}
\item \textbf{a. Ohio should stabilize school revenue by reducing the number of levies that districts need to ask for each year.}
\end{itemize}

There are two broad ways to do this: increase the stability of local funding or increase reliance on State funding. The most straightforward way to implement the local solution would be to amend the constitution to ease House Bill 920 restrictions and allow property tax revenue to grow with property values. Several proposals have been made to this effect, the most prominent being the solution from the Blue Ribbon Task Force on Financing Student Success, which wanted to allow districts to levy “growing mills” on homeowners.\(^\text{140}\) Such revenue growth could be subject to a cap (for example, a rule that property taxes cannot rise faster than inflation) to protect homeowners from rapid increases in property taxes. However, achieving an amendment to the constitution may be politically difficult.

There are also multiple ways for Ohio to stabilize school revenue by increasing the role of state funding. One approach would be to place a freeze on local levies, allow all effective millage rates to gradually fall to 20 mills as property values rise, and link state funding to effective millage so that state aid rises as local revenue falls. This would greatly boost the State’s role in financing schools—at current property values, a simulation estimate suggests State share of total revenue would rise from 42 percent to 65 percent over time—but it has the advantage of making the transition gradually, and it does not require an amendment to the constitution.\(^\text{141}\)

Going forward, Ohio should also adopt more aggressive measures to help schools plan for stability. England, for example, is currently beginning to provide individual schools with 3-year budgets that allow for medium-term revenue stability and make long-term financial planning much easier.\(^\text{142}\) Ohio should consider providing a similar guarantee beyond the current structure of its biennial budgeting process.

\begin{itemize}
\item \textbf{b. Ohio should reform its tax system to reduce inequality between districts.} Many U.S. states struggle with the question of how to use state money to offset local differences in wealth. Right now, nearly 500 of Ohio’s districts supplement the State formula guarantee with additional local funds.\(^\text{143}\) These funds are the primary drivers of inequality between districts, so any solution to increase equality would have to do something about local supplementation. As with the stability problem, two types of solutions exist, one which maintains the current role of local funding and another which shifts responsibility to the State.
\end{itemize}
The first category of solutions is based on the principle of equal access to revenue: it allows local supplements, but provides State aid so that all districts have a more similar tax base. Under this “guaranteed tax base” (GTB) formula, the State would offer aid so that property-poor districts receive revenue from their local levies as if they had the property base of a much wealthier district. Ohio already has a smaller-scale version of this kind of “power equalization” in its parity aid program, and could use the program’s funds as a starting point to construct a full-fledged guaranteed tax base. This solution would work best in tandem with the “local” solution to the stability problem outlined above: if power equalization is to be meaningful, local revenue sources will need to be stable on their own, which means that property tax revenue at a given tax rate should be allowed to grow at least at the rate of inflation.

For example, Ohio could change its aid formula so that districts receive only the difference between what they raise locally and the State formula guarantee (so that increased local supplements reduce State aid). Assuming a certain weighting for disadvantaged pupils and the maintenance of existing special education weights, a simulation estimate suggests that an “equalization aid” program of this type would give the State enough revenue to raise the base cost in its formula significantly without having to increase the amount of revenue in the system overall. The simulation also suggests that the equalizing effect of such a change in the formula would be significant. However, under a plan like this, almost all districts would have no incentive to keep their tax rates high and would eventually let them fall to 20 mills. As described in the above scenario, this would mean that the State would gradually have to assume up to 65% of responsibility for funding (an additional $3.8 billion over what it spends now) in order to maintain this system. This implies a loss of local flexibility, and while it does not require additional revenue to be raised system-wide—local tax revenue would also fall by $3.8 billion—it would require additional state revenue over time to offset the local loss. Because such a program would redistribute state aid, it also means that some districts would receive less state revenue. For these reasons, if Ohio were to take such an approach, it would be important to phase the new system in gradually to cushion its effect on those districts that stand to lose from it.

On the other hand, a GTB program would preserve local flexibility and limit losses by individual districts. For example, if Ohio established a formula with a base cost of $5,451 per weighted pupil (the current base cost, but applied to weighted pupils as described above), a chargeoff equal to what the district would raise at 20 mills, and a guaranteed tax base for all taxes levied between 20 and 35 mills, simulation estimates suggest that the system would be able to support a very high guaranteed tax base (at least the 80th percentile of district per-pupil property wealth) with the current total revenue in the system. If local tax rates stayed the same, this would not necessarily reduce inequality, but it would ensure that most districts have access to equal revenue per weighted pupil for the taxes they levy. If districts took advantage of the new formula and raised their tax rates to 35 mills, the effect would be much more equalizing. However, the State would have to raise a great deal of additional revenue in order to supplement these districts’ local revenue according to the GTB formula at these new tax rates. Thus, a GTB scheme would preserve local flexibility, but because it would not redistribute state aid as much, additional system-wide revenue would be needed in order to increase equality.

Any reconfiguration of the existing system will create vocal opposition from those who stand to lose from reform. However, the “losers” from most of these propositions would be schools that are spending far more than the amount that has been determined necessary to educate their students efficiently. A State formula that allows such a pattern of inequality entrenches inefficiencies—inefficiencies which the State is obligated to eliminate so that it can redirect taxpayers’ dollars to schools in greater need. Change like this is difficult, and it will not happen overnight. Many other countries that have undertaken similar reforms have changed their systems gradually in order to cushion the transition. Though it may seem daunting, again, England’s financial pattern during the last decade is instructive: transition is much easier to bring about in a period of sustained growth in overall spending.

5. Use a dynamic data-driven process to periodically adjust Ohio’s funding system.

Over time, even the best designed funding system needs to adjust to students’ changing needs and new data. To enable this, districts like Cincinnati and Edmonton regularly meet with stakeholders to revise their weighted student funding formulae. Similarly, the Ohio State legislature revisits the formula every 2 years as part of the biennial budget process, but these reviews are more likely to reflect political negotiation between stakeholders than actual facts about the cost of education. Successful system redesigns require the marriage of a regular review process with a rigorous analysis of the data.

a. Ohio should design a regular, data-based process for revising its funding system. As a first step, the State legislature should establish a regular review process—perhaps every 5 years—for updating its funding formula with the help of a team of experts, in full consultation with key stakeholders. The team would rely on the most recent data and would recommend adjustments to the formula and revenue system as needed. They might also rework technical assistance programs for schools where there are significant changes.
In truth, an empirical and regular review process is something that few countries do very well. Tax and budget policies are fundamentally political decisions, and it is understandably difficult for political agents to accept recommendations from a panel that may return an answer with which they disagree. Success will depend upon the credibility and transparency of Ohio's fiscal data and the associated performance efficiency benchmarks, which is why it is so crucial that fiscal transparency and accountability come prior to a formula redesign.

If Ohio could be assured that its schools are continuously being pushed towards greater efficiency, and if the panel of experts were required to assess school costs under the assumption that schools perform at best practice efficiency benchmarks, then legislators need not fear that such a decision making process would cause costs to spiral out of control. In any case, the legislature would retain its authority to make final decisions about taxes and spending, but it would be far more likely to accept recommendations from the above-outlined process. The establishment of such a review would put Ohio in the vanguard of modern school funding regimes and make its system sustainable for years to come.

Ohio would not be alone in seeking to improve its funding model. All over the country and around the world, education experts are grappling with the question how to determine the costs of a high-quality education. In the next several months, for example, the School Finance Redesign Project at the University of Washington will be releasing over 30 studies in the culmination of a four-year research agenda on questions of school resource allocation and options to better target funds to disadvantaged students and high-quality teachers. In California, state policy-makers and foundations are supporting a similar program for reforming that state's funding and governance systems. Any solution for Ohio's school funding system—any answer to any of the above questions—will doubtless be challenging to implement. However, Ohio policymakers can take the most important first step for the system with their willingness to take on these questions.
Best Practice Implication 6: Increase Effectiveness of School and District Ratings and Interventions

This Implication addresses the need to continually monitor and maintain the performance of all schools and in doing so ensure the health of the entire system. Together with the establishment of support systems, Ohio’s education system should have an accurate way of identifying and intervening in those schools that are underperforming and in need of help. Ohio has been among the most forward-looking states in terms of rating schools and districts based on student performance. For example, the State’s ratings and accountability system, established in 1997, preceded enactment of NCLB, which mandated such a system for all states. To take this system to the next level, Ohio should better align its ratings and consequences to ensure greater focus upon schools and districts most in need of support.

First, the State should use its full range of student performance measures to determine the appropriate consequences for underperforming schools and districts. Second, Ohio should more fully develop its diagnostic function to better target possible interventions for failing schools and districts. The State could gain much from centralizing the capacity to diagnose school performance. Today this function is the responsibility of individual districts, whose efforts are not coordinated or overseen. Third, Ohio should build its ability to intervene in struggling schools and districts. Today, districts intervene in schools according to their own discretion, and there is little visibility into the quality of these efforts. The 2007-2008 school year will be the first time when law will require ODE to intervene in underperforming districts.

The plethora of regional service providers does not seem to consistently offer the necessary interventional support to districts nor to be wholly accountable to either their customers or the state for the interventions they make.

Background

Together with the establishment of support systems as outlined in previous recommendations, the education system should have an accurate way of benchmarking all schools and especially of identifying and intervening in schools that are not meeting performance expectations. To ensure consistently strong student performance in all schools, Ohio educators must turn around the State’s underperforming institutions. Our review of high-performing educational systems suggests that they typically follow a 3-step improvement process to effectively achieve this goal:
1. Rating schools and districts based on student performance and attaching consequences to those ratings by means of law or policy

2. Diagnosing the root causes of underperformance and determining the most appropriate interventions

3. Intervening effectively in struggling schools and districts.

Each step involves making increasingly specific decisions about what actions ought to be taken and requires the system to act upon these decisions to ensure performance improvement. Simply rating schools and districts is insufficient; there must be legal and policy consequences for poor ratings, and educational leaders at all levels must have the authority, expertise, and will to take action and ensure compliance. The fundamental question the system should focus on at the school and district levels is, “What steps are necessary to ensure a good education for these students as quickly as possible?”

Ohio has been among the most forward-looking states in terms of evaluating and rating its schools and districts based on student performance. The State first instituted its rating system in 1997, scoring schools and districts on the percentage report card indicators they met (indicators measured student proficiency on State tests, attendance, and graduation rates). The 2001 passage of the federal NCLB Act required schools and districts to demonstrate Adequate Yearly Progress (AYP) not only in aggregate terms, but also in 10 student subgroups based on ethnic distinctions, English ability, poverty, and disabilities. Responding to this and to the overall need for a more nuanced rating system, Ohio added 3 new measures to its accountability system in 2003, beyond its exiting report card indicators: performance index score, growth calculation, and an AYP measure as required by NCLB.

**HOW OHIO RATINGS ARE DETERMINED**

<table>
<thead>
<tr>
<th>Existing Ohio Report Card Indicators</th>
<th>Performance Index Score</th>
<th>Growth Calculation</th>
<th>Federal AYP Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Excellent</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>94% to 100% (24 or 25 for districts) or 100 to 120</td>
<td><strong>Value Added</strong></td>
<td>Beginning with the 2007-2008 school year, Ohio will incorporate a measure of individual student grade-to-grade achievement gains to help determine school and district designations.</td>
<td>and Met AYP</td>
</tr>
<tr>
<td>94% to 100% (24 or 25 for districts) or 100 to 120</td>
<td>and Missed AYP*</td>
<td></td>
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<tr>
<td><strong>Effective</strong></td>
<td>75% to 93.9% (19 to 23 for districts) or 90 to 99.9</td>
<td><strong>Temporary Growth Calculation</strong></td>
<td>and Met AYP</td>
</tr>
<tr>
<td>75% to 93.9% (19 to 23 for districts) or 90 to 99.9</td>
<td>and Missed AYP*</td>
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<tr>
<td><strong>Continuous Improvement</strong></td>
<td>0% to 74.9% (0 to 18 for districts) and 0 to 89.9</td>
<td></td>
<td>and Met AYP</td>
</tr>
<tr>
<td>50% to 74.9% (13 to 18 for districts) or 80 to 89.9</td>
<td>and Missed AYP</td>
<td></td>
<td></td>
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<tr>
<td><strong>Academic Watch</strong></td>
<td>31% to 49.9% (9 to 12 for districts) or 70 to 79.9</td>
<td></td>
<td>and Missed AYP</td>
</tr>
<tr>
<td><strong>Academic Emergency</strong></td>
<td>0% to 30.9% (0 to 8 for districts) and 0 to 69.9</td>
<td></td>
<td>and Missed AYP</td>
</tr>
</tbody>
</table>

* A school or district that does not meet AYP goals for 3 or more consecutive years, and does not meet AYP goals for more than 1 student group in the most recent year, can be rated no higher than Continuous Improvement.

** When the value-added measure is implemented in 2007-2008, the growth calculation will be replaced by the value-added measure for grades 3 through 8; for grades 9 through 12, the growth calculation will continue to be used.

Ohio’s rating system incorporates these 4 measures of student performance to give each school and district a yearly rating on a 5-point scale from Excellent to Academic Emergency. While these ratings are helpful for schools and districts to evaluate their own performance, there are very few legislated consequences attached directly to them. Academic distress commissions are an exception to this rule. Beginning in the 2007-2008 school year, these commissions will have the power to address underperformance in Academic Emergency districts by reassigning or terminating administrative personnel, reallocating funds, and/or contracting with a private entity to perform management functions.\(^\text{154}\)

Although it is just one of 4 measures of student performance within Ohio’s 5-tier rating system, performance against the AYP requirement of NCLB—by itself, under federal law—creates its own ratings and consequences for schools and districts in Ohio. Schools and districts fall into one of 3 categories if they fail AYP, depending on how many consecutive years they fail: At Risk, Improvement, or Corrective Action. Schools and districts are At Risk if they fail AYP for one year for any of the 10 subgroups. They enter into Improvement status if they fail to make AYP for 2 or 3 consecutive years, and 4 or more years of AYP failure puts schools and districts into Corrective Action status. Unlike the Ohio ratings, the AYP ratings have legislated consequences attached to them in accordance with federal and Ohio law.\(^\text{155}\) For example, each school and district in Improvement status must create an improvement plan, offer school choice, and notify parents of the designation. In addition to these measures, schools and districts in Corrective Action status must undergo specific interventions such as instituting a new curriculum, appointing an outside expert, removing personnel from the school/district, or restructuring the school/district.

Schools and districts are therefore subject to 2 different systems of ratings and consequences, which can often result in conflicting assessments. For instance, while the proportion of schools and districts rated Effective or Excellent according to the Ohio system continues to rise (70 percent of schools and 80 percent of districts were in these categories in 2006-2007, compared with 44 percent of schools and 43 percent of districts in 2003-2004), more schools and districts are failing to make AYP and are therefore coming under federal consequences (19 percent of schools and 10 percent of districts were in Improvement status or Corrective Action status in 2006-2007, compared with 5 percent of schools and no districts in 2003-2004).\(^\text{156}\) Currently, 181 schools and 26 districts are in Corrective Action status.\(^\text{157}\) The sharp increase is due both to an increase over recent years in the number of tested grades for which AYP is required, and to the fact that consequences are triggered only by multiple consecutive years of AYP failure. As NCLB enters its fifth year, more and more schools and districts will be subject to federal consequences, partly because the State’s level of proficiency required to meet AYP must rise in the future, as required by NCLB.\(^\text{158}\)

Once a school has been put in Improvement or Corrective Action status, districts are responsible for diagnosing school problems in greater depth and formulating improvement plans. 12 Regional School Improvement Teams (RSITs) assist districts in performing diagnostics according to Ohio’s System of School Improvement Support. Specifically, the RSITs collaborate with districts to “look at student achievement, demographic, perception, and school process data over a period of years to identify gaps [and] root causes of the problems.”\(^\text{159}\) To bring greater consistency and quality to this process, ODE is currently developing a template to assist districts in diagnosing school issues. After performing a school diagnostic and registering its improvement plan with the State’s electronic Comprehensive Continuous Improvement Plan (CCIP) system, districts implement support measures in schools with the help of RSITs.

In parallel, it is ODE’s responsibility to conduct diagnoses of districts who fail AYP. The 2006-2007 school year is the first year that districts have come under Corrective Action, and ODE is consulting extensively with each of these 26 districts to help them develop effective improvement plans for the coming school year. Beginning in the 2007-2008 school year, ODE will work with districts to implement improvement measures.
Proposals

The proposals that follow are intended to strengthen Ohio’s capabilities to (1) rate schools and districts and ensure consequences are appropriately aligned to ratings, (2) diagnose the root causes of underperformance, and (3) intervene effectively to address these root causes.

1. Better align Ohio’s ratings and consequences to focus on those schools and districts most in need of support, based on all relevant measures of student performance.

While Ohio does well to incorporate several important measures of student performance in rating schools and districts, it does not appropriately align these measures to consequences. In fact, nearly all consequences for underperformance are tied to AYP, rather than to all 4 types of measures. For example, schools and districts go into Improvement status or Corrective Action status,
create improvement plans, and undergo interventions based almost exclusively upon this single measure of student performance. Districts and ODE can tailor their support based on other measures if they choose to, but this is not required by Ohio law. The problem with tying most consequences to AYP is that this measure, as written today, is imperfect. While providing a valuable focus on subgroups, AYP does not show degrees of achievement or underperformance, nor does it include an improvement index that gives credit for incremental gains. The binary nature of AYP ratings has significant limitations in prescribing appropriate support for schools and districts. To address these shortcomings, Ohio has applied to the U.S. Department of Education to incorporate a growth model into its AYP calculations.161

2 categories of schools and districts stand to receive inadequate support under the current approach. The first are Ohio’s 181 schools and 26 districts in Corrective Action status due to AYP failure. These institutions have widely varying levels of overall performance, as evidenced by the fact that at least one of them falls into each of Ohio’s 5 ratings, from Academic Emergency to Excellent. Clearly, they do not all need the same kinds of support, but current law requires no differentiation among them. Second, and perhaps more concerning, are the 328 schools and 2 districts in Academic Watch or Academic Emergency which have yet to come under Corrective Action status because they have missed AYP for only 1 or 2 years. These institutions need support now, but the current system does not require it.162

**THE DUAL RATING SYSTEM HIGHLIGHTS THREE CHALLENGED GROUPS OF SCHOOLS AND DISTRICTS**

<table>
<thead>
<tr>
<th>AYP Rating</th>
<th>Ohio Rating</th>
<th>Academic Improvement</th>
<th>Academic Watch</th>
<th>Effective</th>
<th>Excellent</th>
<th>Grand Total*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SCHOOLS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK or at Risk (0-1 years missing AYP)</td>
<td>64</td>
<td>74</td>
<td>418</td>
<td>1,123</td>
<td>1,276</td>
<td>3,165</td>
</tr>
<tr>
<td>School Improvement (2-3 years mission AYP)</td>
<td>88</td>
<td>102</td>
<td>189</td>
<td>98</td>
<td>20</td>
<td>523</td>
</tr>
<tr>
<td>Corrective Action (4-5 years missing AYP)</td>
<td>47</td>
<td>40</td>
<td>46</td>
<td>2</td>
<td>0</td>
<td>139</td>
</tr>
<tr>
<td>Corrective Action (6+ years missing goals)**</td>
<td>19</td>
<td>15</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>42</td>
</tr>
<tr>
<td>Grand Total</td>
<td>218</td>
<td>231</td>
<td>661</td>
<td>1,223</td>
<td>1,296</td>
<td>3,869</td>
</tr>
<tr>
<td><strong>DISTRICTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OK or at Risk (0-1 years missing AYP)</td>
<td>0</td>
<td>0</td>
<td>70</td>
<td>284</td>
<td>187</td>
<td>541</td>
</tr>
<tr>
<td>District Improvement (2-3 years mission AYP)</td>
<td>0</td>
<td>2</td>
<td>23</td>
<td>14</td>
<td>4</td>
<td>43</td>
</tr>
<tr>
<td>Corrective Action (4+ years missing AYP)</td>
<td>0</td>
<td>5</td>
<td>19</td>
<td>1</td>
<td>1</td>
<td>26</td>
</tr>
<tr>
<td>Grand Total</td>
<td>0</td>
<td>7</td>
<td>112</td>
<td>299</td>
<td>192</td>
<td>610</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Challenging Categories</th>
<th>Schools</th>
<th>Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Need help with subgroups, but getting mixed messages&quot;</td>
<td>120</td>
<td>20</td>
</tr>
<tr>
<td>Effective or excellent but subject to Improvement or Corrective Action status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;Need major support, but no legislation requires it&quot;</td>
<td>328</td>
<td>2</td>
</tr>
<tr>
<td>Academic Watch/Emergency but not in Corrective Action status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;Persistent failure&quot;</td>
<td>42</td>
<td>0</td>
</tr>
<tr>
<td>6 or more years of failing to meet performance goals**</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Includes 240 schools that did not receive an Ohio rating
** This category refers to performance measures that predated AYP; these schools failed the measures previous to AYP and have failed AYP for 5 years

Source: ODE, Interactive Local Report Card; 2006-07 ratings based on 2005-06 performance data

The second shortcoming of Ohio’s system is that its ratings do not reflect subgroup performance in a significant way. For example, a school or district could be designated Excellent or Effective while missing AYP for multiple subgroups for 1 to 2 years. Even worse, the institution could be rated Excellent or Effective while failing AYP for a single subgroup indefinitely. At the other end of the spectrum, schools and districts must fail AYP in order to be designated Academic Watch or Academic Emergency. However, the aggregate test scores that result in an Academic Watch or Academic Emergency designation are so low that these institutions are bound to fail AYP anyway. Thus, the subgroup performance measure rarely moves an institution into or out of Academic Watch or Academic Emergency under the Ohio system.
The loose connection between Ohio’s accountability system and AYP sends mixed messages to many schools and districts and their communities. These institutions do not have clarity regarding expectations or how they will be evaluated, making it difficult to focus improvement efforts. Many leaders of highly rated schools and districts do not understand why missing AYP should move their institutions into Improvement status or Corrective Action status. As moving into Improvement status requires schools to notify all parents about the designation and its implications, communities can also receive mixed messages if their schools are highly rated on Ohio’s scale. In Ohio today, this situation affects 120 schools and 20 districts that are rated either Excellent or Effective on Ohio’s scale but placed in Improvement status or Corrective Action status on the AYP scale. In the future, these numbers are sure to increase given the divergence in the Ohio and AYP ratings. More schools and districts are attaining Excellent or Effective ratings, while at the same time more are moving into Improvement or Corrective Action status.

a. Ohio should utilize all relevant testing data to determine differentiated consequences for struggling institutions and these consequences should be spelled out by law. Not all low-performing institutions are the same. Ohio's wealth of student performance information enables the State to identify improvement actions more specifically than it does today. Legislation specifying different consequences for different situations would bring greater consistency to Ohio interventions and would help the State prioritize its support for the institutions most in need.

First, Ohio should consider accounting for subgroup performance in a more nuanced way than AYP requires, while still meeting the federal requirements. For instance, Ohio could mandate lighter measures for institutions failing a single subgroup and stronger measures for institutions failing 2 or more. Similarly, the State could specify stronger consequences for schools failing AYP and in Academic Watch or Academic Emergency. Second, schools and districts with overall, as well as subgroup, underperformance need stronger, more immediate support in getting back on track. Finally, Ohio could legislate consequences for schools and districts that are in Academic Emergency or Academic Watch but have yet to move into Corrective Action status due to AYP performance. Most schools and districts in these categories eventually move into Corrective Action status, but Ohio should not wait this long in order to intervene.

Establishing a more nuanced system of consequences based on multiple performance measures would allow Ohio to better prioritize its intervention resources, allocating more resources to some institutions with greater need and less to others. While the recommended changes may necessitate an overall increase in resource levels, as a first step the State should assess the number of schools and districts the current system is able to support and then tailor its actions accordingly. If, however, current resources are not sufficient to provide all the interventions the system needs to be healthy, then the State must increase these resources.

b. The State should incorporate indicators of high school graduation rates and course-taking patterns in the school and district rating system. In addition to monitoring test scores, Ohio should make sure that its rating system provides incentives and includes indicators for high schools to encourage each student to stay in school and on track to graduation, take the Ohio CORE curriculum, and graduate prepared to place into credit-bearing rather than remedial courses in postsecondary education. The graduation rate is currently one of 25 report card indicators measured in the state rating system, but this small inclusion belies the importance of this measure.

“Graduation rates” can be more appropriately accounted for through several key steps: First, Ohio should incorporate the National Governors’ Association cohort graduation rate measure in the school rating system. This indicator, based on the number of ninth graders who earn a high school diploma 4 years later (adjusted for mobility in and out of the school) will provide an accurate and transparent measure of graduation rates. It was agreed to by all 50 governors in 2005 and will allow Ohio high schools to be benchmarked against other states. Next, the State should create a graduation index that incorporates indicators of participation in the Ohio CORE, in rigorous career technical education programs and in other well defined and rigorous curriculum so that schools have incentives to keep students in school and in these programs. Louisiana has pioneered such an index, which gives schools a built-in incentive to both keep students in school and provide a rigorous curriculum through the senior year. A school that keeps a low-performing student in school gets a higher score on this index than a school that lets a student drop out. Finally, Ohio should provide substantial weights to the graduation index in the overall school rating system, so that schools have an incentive to improve graduation rates as well as achievement levels. The State should consider weighting a graduation index at the level of the 4 overall measures it has currently.

c. Ohio should consider using the state rating system to organize and communicate differentiated consequences. Today AYP is the focus of consequences for schools and districts, but the State's rating system is a stronger measure of performance because it incorporates 4 measures and differentiates schools and districts into 5 categories. Ohio could make each rating in its system correspond to a distinct set of consequences. Consequences could vary by the number of years a school or district had a particular rating.

Such alignment has the potential to create a single, cohesive system of ratings and consequences, eliminating the need for schools and districts to look separately at their Ohio and AYP ratings. If a rating of Continuous Improvement, Academic Watch, or Academic Emergency (on the Ohio scale) resulted in the same consequences required by
Corrective Action (on the AYP scale)—or a stronger subset of those same options, as discussed above—and if a Corrective Action designation automatically moved institutions into Continuous Improvement or below, then all requirements of NCLB would be met by the Ohio rating system. Schools and districts could focus exclusively upon their Ohio ratings, simplifying their efforts and focusing support on those most in need.

Making Ohio’s rating system the focus of differentiated consequences would be easier if AYP were more flexible. This year’s reauthorization of NCLB may do just that, but it is too early to tell whether this will happen. The U.S. Department of Education’s proposed reauthorization plan, “Building on Results,” lays out steps to include an improvement index in AYP scoring, making the measure more flexible.163

d. Ohio should identify the high schools losing the most youth and target these for immediate and significant intervention.
A small subset of schools are underperforming in significant fashion, and the state should intervene immediately in these schools. Ohio’s academic distress commissions target districts in Academic Emergency to provide this type of support, yet no such statewide support exists for schools.

Ohio’s first priority for immediate and significant interventions should be schools with unacceptably low graduation rates. Robert Balfanz and Nettie Letgers of Johns Hopkins University, in “Locating the Dropout Crisis,” have used an estimated measure of 4-year cohort graduation rates to identify about 2,000 high schools across the country that graduate 60 percent or fewer of their students.164 In Ohio, 75 high schools (representing fewer than 9 percent of the state’s high school) serving more than 72,000 students fit this definition. State intervention and support for this relatively small subset of all Ohio high schools in which the education pipeline is ruptured is both necessary and achievable. Taking significant action, starting with a careful diagnosis of the conditions in the school, would put Ohio on sure footing to improve the State’s graduation rate.

2. Strengthen the State’s diagnostic function to uncover root causes of underperformance and identify necessary improvement actions.

In order to decide which intervention options are most appropriate, Ohio educators need more specific information about the challenges facing individual institutions. This information should be based on expert identification of root causes through both quantitative analysis and qualitative observations of schools and districts. Whoever collects this information should have significant experience in school improvement and be objective and credible.

Currently, however, Ohio lacks this expertise and objectivity. The State does not use a rigorous diagnostic process to determine the root cause of problems with schools and districts. RSITs help districts assess school data, but they do not usually visit schools to get a full perspective. Thus, it is possible to create an intervention plan with minimal diagnostic work, and anecdotal evidence suggests that this is often the case. This may be because districts have limited diagnostic resources or they lack the appropriate expertise.

Furthermore, with 12 RSITs (soon to be expanded to 16) assisting more than 600 districts, diagnostics are not performed consistently. District leaders do not have access to proven methods for diagnosing school underperformance, although ODE is planning to create a school diagnostic template for districts to use. The RSITs bring some consistency within regions, but these entities take different approaches to school diagnostics based on the individual experiences of their leaders. For districts in Corrective Action status, State officials are in the process of developing a new intervention approach. They have differentiated districts needing support into 3 tiers based on a preliminary diagnostic and have begun to create improvement plans with these institutions. However, ODE has yet to fully implement this approach as this is the first year districts have come into Corrective Action status.

Today’s diagnostic process is, therefore, neither fully objective nor credible. It is all too easy for districts to take an intuitive approach to diagnosing the causes of underperformance based on their historical experiences with their schools. Districts may also be prescribing lighter than appropriate measures given the challenges of removing personnel or closing a school. In addition, asking districts and ODE to diagnose problems in the institutions they oversee poses a potential conflict of interest: identifying serious needs may reflect poorly on their own performance.

a. Ohio should create a centralized diagnostic function with the expertise to diagnose the root causes of underperformance and determine necessary consequences and interventions. Diagnosing a school or district’s core challenges should involve classroom observations, interviews with leaders and teachers, and analysis of key indicators against an agreed-upon framework that sets out the characteristics of effective schools and districts. The world’s best rating and support systems go beyond looking at test results. In addition to reviewing student performance data, they send reviewers into schools and districts to gauge a school’s ethos and the capacity of its leadership to manage successful change. These qualities often reveal the causes underlying poor performance and suggest the kinds
of support required to fix the problem. Ohio could gain greater understanding of the challenges facing specific institutions by making in-school and in-district reviews a core part of its diagnostic process.

Ohio should centralize its diagnostic function in a single organization so that reviewers can bring the best knowledge and capabilities to bear on each school and district. This would allow an efficient group of dedicated experts to review schools and districts to determine the appropriate supports. Furthermore, these professionals would be well positioned to share internal and external best practices. Some of Ohio’s districts have been successful in their diagnostic efforts and have insights to share. Other states and nations have overcome similar problems, and Ohio could benefit from following their lead. A centralized function would be able to gather and disseminate these insights.

For example, England and New Zealand both have highly effective inspection functions. England’s Office for Standards in Education (OFSTED) conducts a thorough review of all schools in the nation at least every 3 years. OFSTED looks for 4 things: academic achievement, quality of instruction, quality of leadership, and the school ethos or attitude. Based on its findings, it places challenged schools into one of 2 categories of improvement: Special Measures for strong intervention, or Significant Improvement for moderate intervention. New Zealand’s Educational Review Office (ERO) is based on the English model, and its inspectors perform similar functions.

The English approach to diagnostics more closely identifies root causes of underperformance than does Ohio’s. OFSTED’s review takes account of each school’s day-to-day working and its capacity for change. Thus, the qualitative reviews allow a more incisive understanding of a school’s challenges, and also help inspectors determine the extent to which the school is able to improve under current management. When OFSTED finds poor student outcomes and poor quality leadership, for instance, it calls for stronger measures than it would for a school with bad test scores but competent leadership.

Furthermore, the English inspection model operates efficiently. Schools conduct their own self-review against the inspection framework prior to the formal inspection. OFSTED subcontracts with private businesses to conduct most of its inspections; competition among these businesses helps maintain high quality while limiting costs. Inspectors work quickly, typically spending no more than 2 days in a school. Within 6 weeks from the inspection, OFSTED issues and finalizes a rating, and the Local Education Authority (or LEA, England’s equivalent of a district) creates a plan for intervention where this is required.

### HOW ENGLAND’S INSPECTION SYSTEM WORKS

<table>
<thead>
<tr>
<th>Process</th>
<th>Distinctive Actions</th>
<th>The process has facilitated a significant reduction in number of schools requiring intervention</th>
</tr>
</thead>
<tbody>
<tr>
<td>School self-evaluation</td>
<td>Begins with insights from the school</td>
<td>Strongest Intervention* 446 774 Moderate Intervention* 282 338</td>
</tr>
<tr>
<td>Ofsted inspection</td>
<td>Independent inspectors</td>
<td>-53% -85%</td>
</tr>
<tr>
<td>School’s comments</td>
<td>Opportunity to appeal designation</td>
<td>2005-06 2003 2002 1999</td>
</tr>
<tr>
<td>Inspector’s decision</td>
<td>Inspector has authority over final decision</td>
<td>2005-06 2003 2002 1999</td>
</tr>
<tr>
<td>Notification of Sec. of State</td>
<td>Each intervention escalated to highest educational authority</td>
<td>2005-06 2003 2002 1999</td>
</tr>
<tr>
<td>Intervention by Local Auth.</td>
<td>District has ~6 weeks from inspection to create intervention plan</td>
<td>2005-06 2003 2002 1999</td>
</tr>
</tbody>
</table>

* Strongest intervention is “special measures”; moderate intervention is “significant improvement”


The English approach to diagnostics more closely identifies root causes of underperformance than does Ohio’s. OFSTED’s review takes account of each school’s day-to-day working and its capacity for change. Thus, the qualitative reviews allow a more incisive understanding of a school’s challenges, and also help inspectors determine the extent to which the school is able to improve under current management. When OFSTED finds poor student outcomes and poor quality leadership, for instance, it calls for stronger measures than it would for a school with bad test scores but competent leadership.

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Between the 1999-1998 and 2005-2006 school years, England’s approach resulted in a 53 percent reduction in the number of schools requiring serious intervention and an 85 percent reduction in the number of schools requiring moderate intervention. From the 1994-1995 to 2001-2002 school years, England also cut the time required for a successful intervention from 38 months to 18 months, and it has since fallen further. Ohio could achieve comparable results by adopting a similar process.166

New York City—the nation’s largest school district with more than 1.1 million pupils—recently instituted a quality review process based on the English model as part of its “Children First” initiative. The quality reviews are intended to provide a more thorough assessment of each school’s capabilities for self-management and improvement. New York has hired Cambridge Education Association (CEA)—one of the largest inspection contractors used by OFSTED in England—to lead the process in this phase, and CEA is training New York reviewers so they can assume full control in the coming years.167 Since the Spring of 2006, the city has performed approximately 700 quality reviews, and it is currently expanding the process to include all 1,456 schools. Although it is too early to see results, New York officials report that city principals are highly satisfied with the reviews.168

b. **Ohio should carefully organize the diagnostic function, either within or outside its current agencies, to ensure objectivity and credibility.** The examples of England and New Zealand demonstrate that insulating review agencies from the educational establishment can offer benefits of enhanced objectivity and credibility. OFSTED is strictly independent from the country’s national education department. It reports directly to the parliament and is controlled by legislation. OFSTED’s chief inspector is appointed by the prime minister. Similarly, New Zealand’s ERO is organizationally separate from the Ministry of Education, although under some circumstances ERO reports to the head minister of education. New York’s quality reviews, on the other hand, are being undertaken internally by the city’s Department of Education, and officials have reported no issues of credibility resulting from this structure.

Thus, Ohio has 2 options for organizing its diagnostic function, either of which would have significant benefit for the system. The first would be to create a group of reviewers within ODE or contracted by ODE, reporting to the State Superintendent or to a combination of the Superintendent and the State Board of Education. The reviewers could take responsibility for reviewing all schools over a period of time as in England, New Zealand, and New York City, or could focus exclusively on those schools and districts in Academic Watch or Academic Emergency. This role could be played by outside contractors, or a combination of State experts, including ODE staff. The agency would perform diagnostic functions for schools and districts similar to those that ODE’s Office of School Improvement has begun to provide for districts in Corrective Action: visit each institution, work with leaders to understand problems in a fact-based manner, and develop effective improvement plans. Ensuring the objectivity of such a group within the ODE may or may not require a special organizational structure, depending on what State leaders and local schools and districts see as necessary.

The second option for structuring the diagnostic function would be to make it fully independent from Ohio’s education system, reporting to the governor or to a board appointed by the governor. In this case, the diagnostic function would be insulated from any influence of the ODE, but it would also need insulation from political influences, especially as its determinations could be uncomfortable for local school districts.

c. **Ohio should make diagnostic recommendations enforceable through State law or policy.** There is little point in strengthening diagnostics or prescribed interventions unless leaders have the will and power to take action. The English example reveals that clarifying responsibilities is central to the effectiveness of the review function. After OFSTED inspects a school and issues a rating, the school has the right to appeal the decision, but the final rating is determined by OFSTED. It is the job of the Local Education Authority, within a legal framework set down nationally, to take action to improve low-performing schools within their district. The Department for Education and Skills (DfES, England’s equivalent of a national education department) monitors their performance and can intervene in the LEA where it is necessary. This both checks OFSTED’s power and ensures proper visibility for struggling schools. In New York, quality reviews have consequences. Schools are rated on an A-F scale, and schools receiving grades of D or F are subject to improvement measures and target setting. If no improvement is made over time, they face leadership change, restructuring, or closure.169

Enforcing diagnostic recommendations could be done in several ways. For example, the State could pass a law enforcing the consequences recommended by the diagnostic function, or it could create an incentive for complying with the recommendations by making a portion of the school or district’s State funding contingent upon compliance. The Federal government has enforced NCLB in this way, making Title I funding dependent upon it.

3. **At both the state and district level, build the capability to intervene effectively in underperforming institutions.**

Intervention is the final step in the institutional improvement process. Evidence suggests that Ohio’s intervention agents—ODE for underperforming districts, and districts for schools—could do a better job of determining the precise actions needed. Currently, the RSITs assist districts in intervening in schools, sometimes in partnership with ESCs or the SERRCs. However, their efforts are not coordinated, and
the State does not evaluate the RSITs consistently today. Also, despite the CCIP online tool that helps districts improve schools, there is only modest visibility into the quality and effectiveness of school improvement efforts. Undoubtedly, part of the reason that 42 Ohio schools have failed to meet federal goals for more than 5 years is that their districts and the regional entities lack the expertise or requisite capacity to help them. With the exception of the academic distress commissions targeting districts in Academic Emergency, ODE is planning relatively light interventions in districts because it does not have the capacity to implement stronger measures.

a. **Ohio should require districts to lead school interventions and to develop the capability to do so.** Districts already have the responsibility to intervene in underperforming schools but are not exercising it with sufficient rigor. The State should make its expectation plain. It is not necessary for a district to develop internal capabilities to carry out interventions as long as it is able to partner with other providers who are capable of doing so.

b. **ODE should increase its capacity to intervene in underperforming districts.** This is the first year that Ohio districts have come into Corrective Action status, and ODE is working to help these 26 districts develop high-quality improvement plans that they will implement in 2007-2008. ODE should take this effort a step further by ensuring that it is able to assist meaningfully in the implementation of these plans and to intervene directly if they fail to show signs of success.

c. **Ohio should build or engage capable agencies to assist in interventions and hold them accountable for delivering results.** Ohio's regional service providers supply many important resources to schools and districts throughout the State. It is unclear, however, whether their current structure would enable them to assist in a larger way with interventions. These agencies are highly autonomous from both ODE and the districts, and their effectiveness is debatable. The State has not articulated specific expectations for them, and they are not formally held accountable for performance. Furthermore, their resources are limited. If Ohio is to enable the RSITs, ESCs, and SERRCs to play a more significant role in school interventions, it must better define that role, hold them accountable, and provide them with the resources they need to be effective. Without these changes, it is unlikely the regional providers will be able to support interventions in the future any more effectively than they do today.

The State should also encourage creative school improvement organizations, such as America's Choice, to enter this field so that districts can draw upon their services. This would provide welcome competition for the various regional service providers, whose funding should depend, at least in part, on the willingness of districts to use their services and on the effectiveness of their services. In England some LEAs contract with third-party agencies, separate from OFSTED, to assist in executing school intervention plans. A healthy mix of for-profit and non-profit providers has arisen to meet the need, and the majority of interventions have been successful.

d. **ODE should oversee school improvements to completion and share best practices.** ODE has the technical foundation through CCIP to follow up on school improvement plans, but it lacks the resources to do so for all schools. Given adequate resources, the State should bear responsibility for collecting and disseminating best practices among districts and schools.
Best Practice Implication 7: Provide All Students With Access to High-quality, Publicly Funded School Options

This Implication describes the unified and level playing field for schools that must exist for continuous innovation and improvement in the educational system. It envisions a single system that consistently sets a high challenge and provides high support for leaders at every level, from district to classroom. The current reality in Ohio, however, is actually a patchwork of multiple systems—including traditional, community, and EdChoice schools—that are inconsistently regulated and operate in a market with imperfect information. As a result, many students are exposed to “market risk” from bad schools because no attempt is made to shut down poor providers or to limit entry of the school market based on past performance. At the same time, the promise of the community school program is limited by regulations that keep community schools from competing on a level playing field with their traditional counterparts.

A fundamental aspect of high support for students is ensuring that they have equal access to a diverse range of high-quality schools. First, Ohio should empower all students to attend any school and give them the information that they need to choose wisely. Second, Ohio should bring community and EdChoice schools into a common accountability framework with traditional schools. This would limit market risk by ensuring that all schools are thoroughly evaluated and that poor performers are removed from the market as soon as possible. Third, Ohio should evaluate new school providers and only allow those with high past or potential academic performance to open schools. Finally, with these accountability safeguards in place, Ohio should expand opportunities for school innovators to serve students by increasing the resources available to community schools, easing (and eventually eliminating) numerical and geographic limitations on new community schools, and actively seeking innovative school providers from around the world to open new schools and turn around existing ones.

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Diagnostic focus of this Implication
Background

Throughout the world, many school systems, including Ohio’s, are broadly regulated within a “market” framework. They have entry rules that determine how schools are started, ongoing operating rules, exit rules that determine how schools are closed, and systems to empower students and parents to make informed decisions among school options.

SCHOOL MARKET REGULATION HAS 4 ASPECTS

Within these parameters, a number of high-performing school systems are designed to harness the power of the marketplace by encouraging the entry and operation of good schools that can provide students and their parents with more and better options. However, these high-performing school systems do not solely rely on the free market, for two reasons. First, for a market to function well, consumers must have enough information to make intelligent decisions among multiple providers. Inadequate information for parents and students leads to uninformed decisions and ultimately may help bad schools stay in business. Second, there is far more “market risk” in education than in most markets. Even in a market with perfect information, consumers and providers make mistakes—mistakes that the market eventually corrects. In education, “eventually” can be an unacceptably long time, because every year that a poor-quality school provider stays in business can have devastating consequences. In the competitive environment of a quickly globalizing economy, even one year “lost” in a bad school could damage a child’s educational opportunities beyond repair. This risk is substantial, and a free market alone will do little or nothing to reduce it.

For these reasons, high-performing school systems supplement the market approach with sensible and thoughtful regulations that empower students and parents to make active and informed decisions about schools, encourage entry of competent school providers, remove underperforming providers as quickly as possible, and protect students from the risk posed by some new providers. By doing this, high-performing systems provide a diverse range of school options for students and parents while ensuring consistent quality.

This best practice implication focuses primarily on Ohio’s community schools—referred to as charter schools elsewhere in the U.S.—which are the most common alternative to traditional schools (305 schools, sponsored by 69 different entities, serving 70,598 students in 2006). However, it will also briefly touch on Ohio’s public school choice (PSC) and open enrollment programs, which are the primary means by which students and parents are provided with school options within the traditional system. In addition, the implication will address Ohio’s EdChoice program, which allows students in chronically under-performing traditional schools to receive state funding to attend a chartered nonpublic (private) school. The EdChoice program currently serves 2,914 students (drawn from 99 traditional schools) who
are spread among 279 participating chartered nonpublic schools. However, EdChoice has a great deal of room to grow: with the recent passage of House Bill 79, over 100,000 students in 213 traditional schools are now eligible to receive scholarships, and the legislature has committed to funding up to 14,000 of these students to attend private schools. The recommendation will refer to those private schools that accept EdChoice students as “EdChoice schools” and the “EdChoice school system,” but it should be recognized that they are part of Ohio’s chartered nonpublic system and are regulated accordingly.

All in all, the combination of community schools, the EdChoice program, public school choice, and open enrollment programs have made Ohio a national leader in promoting programs that give students and parents access to alternative school options. However, Ohio’s three major school systems (traditional, community, EdChoice) were each designed separately, in a largely uncoordinated fashion, which has resulted in a somewhat incoherent system of schools.

**Proposals**

The proposals that follow would move Ohio towards managing its three major school systems as a single, integrated system of publicly funded schools from which parents and students can choose. This new system would have a set of entry rules, operating rules, and exit rules that provide universal accountability while allowing local flexibility. If properly implemented, these changes would maximize student access to high-quality school options while limiting market risk.

1. **Empower students and parents to select their schools from a range of high-quality options, by giving them the means and information to apply to and attend any publicly funded school.**

As currently organized, Ohio’s system does not make it easy for students and parents to find the schools that are best for them. For the most part, parents and students have not been well informed about the stakes involved in selecting schools or the meaning of comparative performance data. As students and parents lack a clear understanding of how individual schools are performing and how they stack up against each other, schools do not necessarily feel the urgency or pressure to improve performance, which robs the system of what is arguably its most powerful accountability mechanism.

However, even for those students and parents who strive to choose high-quality schools, several factors stand in the way. First, information on school options and relative performance is not user-friendly, nor is it available (online or in print) in a way that makes it easy for students and parents to compare alternatives. Ohio’s Interactive Local Report Card (iLRC) provides school data online, but it is not a simple task to do a side-by-side comparison of all school options in a given student’s geographic area and grade level.

Second, the information is not proactively disseminated. ODE does send copies of local school report cards to districts and schools, but these report cards do not necessarily make it into parents’ hands. NCLB requires that students in failing schools (School Improvement Year 1) be given the option to transfer to a school that is not in School Improvement under the Public School Choice (PSC) program. However, the responsibility of notifying parents of this option falls entirely on districts, which are not necessarily interested in making it easy for competitors to enroll their students. Ohio is also using federal funds to support the United Way’s Parent Information Resource Center (PIRC), which will conduct training workshops to help parents interpret data on comparative school performance. Though a promising model, this effort is still in its infancy and is not available to all parents.

Third, the placement process is neither easy nor efficient. Ohio has an open enrollment program, but districts have to opt in to participate (and nearly 50 percent choose to opt out either fully or partially). Even under the PSC program, districts adjacent to a district with failing schools have the absolute right to refuse to accept transfer students from those schools. Hence, not all schools in a student’s geographic area are necessarily open to them. This is one of several limitations that cause low PSC participation rates: although over 115,000 students in 143 schools were eligible for PSC in the 2005-2006 school year, only 1,994 (less than 2 percent) actually transferred out of their failing schools. In addition, every district and community school has a different process for enrollment and selection, and there is no standardization of application processes or timetables. This makes it impossible for students and parents to compare all options and submit a single application. And even if a student were admitted to a school that he or she chooses, he or she might not have the means to attend: community schools are at the mercy of districts to cover transportation costs, and some districts make every effort to avoid this responsibility.
Together, these factors make active and informed school selection by students and parents likely to be the exception rather than the rule. Instead of asking students and parents to make decisions each year (and giving them the information and means to do so), the system assumes that most will default to traditional schools. Parents have to be extremely proactive in order to take advantage of alternative options. The following suggestions outline the steps Ohio should take to overcome these constraints and give parents and students the means that they need to apply to and attend any publicly funded school.

a. Ohio should begin by reforming its open enrollment and public school choice programs to mandate the participation of all districts and traditional schools. This does not mean that every district would have to accept any student that wanted to attend one of its schools. What it does mean is that every district would be required to accept applications from any student and have to establish a set of neutral criteria for admitting such students, which could include geographic proximity to the school but not residence within district boundaries. England, for example, has adopted a similar system to ensure that all of its students have access to a wide range of public school options, regardless of which local education authority (i.e., school district) the school is in.178

b. Ohio should establish a single, streamlined process for students and parents to select schools. Parents and students should be able to apply to any publicly funded school using a single, uniform application. Establishing a “selection day” in the spring of each year—on which students are expected to submit that application to schools for the following year—would build momentum for the dissemination of information and raise awareness about students and parents’ rights to select schools each year.179 It would also put much more pressure on schools to deliver results.

c. Ohio should change its approach to transportation funding. Rather than centering transportation funding in the traditional school district and requiring that the district provide transport for students who attend community schools, the system should center transportation funding on the student. Each traditional or community school would thus receive a transportation budget based on the number of students that they enroll, and they would be responsible for providing transportation for those students. This does not preclude the possibility of schools entering into arrangements with other schools or with districts to provide transportation cooperatively, but it requires that such decisions be made actively rather than by default. This kind of student-based transportation subsidy program would easily fit into the system of weighted student funding and building-based budgeting outlined elsewhere in this report. It is also similar to a new system being implemented in England, which guarantees transportation funding for students from low-income families to attend any school up to six miles away from their homes.180

d. Ohio should provide students and parents with the information they need in order to select schools wisely, and help those who need assistance with this decision. As noted above, students and parents need information that describes all of the options available to them within a wide geographic area, and they must be able to easily compare performance data for all schools in the state. In Sweden, for example, the municipality of Nacka is particularly good at this: each autumn, it publishes a prospectus of all schools (private and public) with national and municipal test results, and individual schools run advertising and information campaigns around the time that parents choose schools for their children.181 There are many ways to improve parent access to information in Ohio; at the very least, the State should no longer rely solely on districts—which have a clear conflict of interest—to disseminate this information. Instead, ODE should publish a series of regional school prospectuses that make side-by-side comparisons of all school options, and they should mail them to every family. In addition, ODE should update its iLRC to function more like an online prospectus: parents should be able to enter in their ZIP code and their children’s grade levels and see all relevant information about the school options for which they are eligible.

e. Lastly, in order for Ohio’s school market to function well, the system must proactively identify and reach out to those students and parents who are least likely to be able to interpret the information provided or place a high value on the stakes involved in school selection. In this case, Ohio again could learn from England, which has recently invested £9 million (about $17.7 million) in creating a network of independent “Choice Advisors” to help parents make the right decisions about which schools to choose for their children.182 Ohio has made a good start on a similar parent empowerment program with the PIRC, and it should step up investment to ensure that all disadvantaged students and parents have access to such high-quality counseling on school options.

2. Apply the same accountability standards for community and traditional schools, to ensure a level playing field and weed out poor-quality providers.

Ohio’s traditional and community schools are subject to different standards of accountability. The incentives and consequences for performance are not consistent across school types, or even within them. Indeed, these conditions vary widely by district and community school sponsor. The source of this problem is simple: accountability in Ohio schools always has been, and remains, a local phenomenon. There is no truly universal accountability to speak of. This is largely because the two types of schools are accountable to different entities (districts and sponsors), most of which are weakly accountable or not accountable at all to the State. Even districts within the traditional system handle accountability in a variety of ways. The State rates districts, but it leaves interventions and consequences for those ratings
largely up to the districts themselves. Meanwhile, over half of Ohio’s community schools are accountable to sponsors that have no accountability relationship with ODE. Under current law, the State can only close a community school in extreme cases of health or safety violations, though this will change in the 2008-2009 school year when the provisions of House Bill 79 come into effect. Until then, only a sponsor can close a community school.

This lack of universal accountability means that there is weakness in both school systems. The Office of Community Schools in the Ohio Department of Education has suggested a definition of “unacceptable failure” that involves meeting any two of the following four criteria:

- Failing to meet adequate yearly progress (AYP) for the two most recent years
- Receiving an “Academic Watch” or “Academic Emergency” rating for the two most recent years
- Having “unresolved audit findings for recovery” from the State Auditor’s office (which means that public funds have been misspent)
- Having an “unauditable finding” for two consecutive years from the State Auditor’s office

Although ODE data show that 59 existing community schools would already meet this definition of failure, only 4 community schools were closed between 2005 and 2006. This is not a new pattern: in the 10 years since the program started, a total of only 25 community schools (out of 330) have actually been closed, and most were not closed for reasons of academic performance. At the same time, however, it is important to note that 211 existing traditional schools would also meet this definition of “unacceptable failure,” and they are not likely to be closed either. Of these schools, a large percentage are in the urban districts from which most community schools draw their students. In fact, 188 urban schools (nearly 30 percent) are “unacceptably failing,” according to the above definition, compared with 20 percent of community schools. These data show that accountability for community schools is problematic, but, as noted elsewhere in this report, they also show that accountability is a problem across the board.

a. To achieve universal accountability, Ohio should establish school operating rules to require all community schools to submit to the same rating, diagnostic, and intervention process as that governing traditional schools. Community school sponsors should be required to implement recommended interventions in their schools, just as districts would do with traditional schools.

b. Ohio should give its community school sponsors incentives to exercise more oversight over the performance of their schools. Just as school districts should adopt a more focused role as strategic managers and rigorous overseers of traditional schools, Ohio’s community school sponsors should assume a similar role with respect to community schools. ODE’s Office of Community Schools has already made an excellent start on this through the establishment of a sponsor evaluation system. However, this evaluation system is currently voluntary for the 54 sponsors (out of 69) that do not have accountability agreements with ODE. For those 54 sponsors, the State Board of Education has no authority to impose consequences for poor performance other than de-authorizing a sponsor altogether, which it has never done. Both the Office of Community Schools and the State Board of Education have endorsed the concept of a sponsor evaluation system with teeth, but the legislature has not yet acted on these recommendations. Ohio should build on its good work in this area to develop a robust and mandatory sponsor evaluation system, one which includes progressive sanctions—up to and including de-authorization—for poor performance.

c. Finally, Ohio should create additional school exit rules to ensure that poor-quality community school providers are quickly identified and removed from the market if interventions fail. The passage of House Bill 79, which laid out specific conditions under which community schools would be closed starting in the 2008-2009 school year, was an important step towards fulfilling the original promise of increased accountability for community schools. However, even the new conditions for closure appear to be too generous: a school could be in Academic Emergency for 3 years before anything happens to ensure quality school options for all.

Ohio should not delay in closing community schools that are endangering the program’s credibility and taking up space (under the numerical cap system) that better schools might fill. It should begin by establishing an official definition of “unacceptable failure,” using the above criteria as a starting point. The ratings on which these criteria are based will soon begin to incorporate value-added data, and Ohio should supplement them with additional measures to evaluate dropout recovery programs (which operate under different conditions than most schools). If a school meets this new definition of “unacceptable failure” and interventions in cooperation with its sponsor have failed, the school should be removed from its sponsor’s control. In these circumstances, either the school would close or its facilities and management would be contracted out to another potential sponsor that has a proven track record of improving student performance. This would avoid the problem of “sponsor-hopping” (in which a community school finds a new sponsor when its old sponsor tries to close it down), because the new sponsor would be accountable to turn the school around or lose its right to sponsor that school as well.
Once the new rules are in place, Ohio should immediately apply them to the performance records of existing schools and sponsors, evaluating those that are unacceptably failing for closure along the lines of the "house-cleaning" process recommended in a recent report by the Thomas B. Fordham Institute, the National Alliance for Public Charter Schools, and the National Association of Charter School Authorizers.191

Some might contend that the establishment of universal accountability mechanisms for the traditional and community school systems negates the very purpose of community schools: to get around the "bureaucracy" and "over-regulation" that characterizes the traditional system. However, international best practices suggest that universal accountability is the one nonnegotiable regulation for all schools. In the Netherlands, for example, where 70 percent of publicly funded schools are privately operated, every single school that receives state funding is regulated under a consistent accountability framework: they must follow a national curriculum, administer national tests to elementary and secondary students, and undergo regular inspections by state officials.174 As one report notes, "A distinctive feature of the Dutch education system is the combination of a centralized education policy with decentralized administration and management of schools."175 Without such a framework for universal accountability, Ohio's system of schools will remain fragmented and unable to drive student achievement in a consistently meaningful way.

3. Establish performance-related entry requirements for new community school providers in order to minimize the risk to students.

Ohio’s current laws do little to link entry requirements for new community school operators to their past or potential academic performance. Current growth caps notwithstanding, community schools can open as long as they find a willing sponsor—and, as noted above, there are many sponsors that are not accountable to ODE.193 This exposes students to a great deal of potential market risk.

a. Ohio should require all new community school operators to receive training on how to comply with state operating and data-reporting rules. In addition to academic issues, community school operators are not always fully educated about their responsibilities with respect to Ohio's school operating standards. There have been multiple instances in which well-intentioned community school leaders have had difficulties complying with State requirements (e.g., for data reporting), resulting in some well-publicized mishaps. The Office of Community Schools attempts to assist community schools in complying with state requirements (and intervenes in cases of noncompliance), but many of these errors could be prevented by providing up-front training before a school opens. In creating a requirement for training, Ohio could borrow from a best practice of its own. New chartered nonpublic schools in Ohio, including EdChoice schools, must go through a chartering process that involves workshops and joint planning with ODE officials. This process educates school leaders on their responsibilities as administrators of state-funded schools, thereby serving as professional development (and up-front compliance monitoring) for school administration. Just as importantly, the process screens out would-be operators who are not serious about running schools responsibly. Ohio should institute a similar process at the State level for new community school applicants.194

b. Beyond compliance training requirements, Ohio should establish a differentiated set of entry rules that distinguishes between community school applicants based on past or potential academic performance. These rules should provide tougher requirements for new operators than for those with a proven track record. Under this system,

THREE PATHWAYS TO SCHOOL MARKET ENTRY

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<td>Innovator</td>
<td>Full application and review</td>
<td>A &quot;due diligence&quot; process that involves a careful evaluation of all aspects of the would-be provider, including past or potential performance</td>
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<tr>
<td>Replicator</td>
<td>Dissemination grants and programs</td>
<td>Successful innovators (e.g., community schools that are Schools of Promise) are given money and support to scale up</td>
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<tr>
<td>Proven provider</td>
<td>“Fast-track” application</td>
<td>Exceptional providers can start schools easily</td>
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<td></td>
<td>Takeover of failing school</td>
<td>Leverage exceptional providers to turn around schools</td>
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<tr>
<td></td>
<td>RFP</td>
<td>State and districts act as school portfolio managers to fill identified needs</td>
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providers with no performance history would be allowed to enter the market as “innovators” subject to an upfront review process. In addition to finding a willing sponsor, they would have to undergo state-level “due diligence” to evaluate their leadership credentials and the soundness of their plan. Upon approval, their sponsors could grant them probationary charters subject to renewal within a fixed period (for example, 3 to 5 years). Innovators would also be limited initially in the number of students that they were allowed to serve (for example, 100 or fewer) in order to mitigate potential risks.

Again, it is possible to object that such a measure overregulates a community school system that should encourage innovation by any means necessary. However, international evidence again suggests the opposite: high-performing school systems apply such regulation to minimize the risk that some new providers pose to students. Like the Netherlands, Sweden is widely recognized as having one of the world’s most open school systems; since 1992, it has allowed private and privately operated schools to receive public funding, and the result has been higher academic performance in all schools. Yet, for all its openness, Sweden is far more careful than Ohio about who it allows to open a school: in order to obtain a license, a school must agree to follow the national curriculum, undergo regular inspection by the national accountability agency, refrain from charging tuition fees or engaging in academic selection, and follow state regulations on staff certification.

Within the U.S., New York State’s Charter Schools Institute offers a good example of a regulator that carefully scrutinizes charter school applicants. According to its mission statement, the institute approves only schools that “have a high likelihood of significantly improving student achievement, especially for students at risk of academic failure” and recommends renewal only for charter schools that “have shown they can improve student performance and operate in a fiscally and organizationally sound manner.” When New York’s governor recently called for a 150 percent increase in the number of charter schools in the state, he was able to do so with some confidence that the new schools would be innovative and competitive because of the rigor of the institute’s screening process. Ohio should exercise equal care in approving new community school applicants.

Once innovators have a successful track record, they would be eligible to serve more students and to start additional schools as “replicators.” Throughout Ohio, there are excellent examples of community schools that perform very well in difficult circumstances, but receive very little assistance or encouragement in scaling up their operations. One principal of a high-performing community school noted that community schools receive little beyond formal recognition when they do well academically. If community schools are to live up to one of their original promises to serve as “R&D” for school innovation, then innovators that have demonstrated exemplary academic performance should be given the support they need to scale up. A good model for this can be found in the work of private foundations such as the Charter School Growth Fund, which gives grants to successful charter schools around the country to start new schools or grow existing ones.

Finally, schools whose instructional models have already been tried and tested in multiple settings and proven to be highly effective at driving student achievement should be eligible to enter as “proven providers” and subject to less scrutiny during the approval process. Ohio might even actively recruit such providers (as Columbus Public Schools and the Fordham Foundation recently did with the Knowledge is Power Program, KIPP) and help them to find in-state sponsors where necessary.

To put this system of entry rules into place, Ohio will have to assign responsibility for implementation—due diligence for innovators, assistance for replicators, requests for proposals (RFPs) for proven providers, and determination of which type of applicant is which, among other things—to some entity at the state level. Responsibility for this function could lie in a number of places. For example, the Office of Community Schools has recently proposed the creation of an office within ODE that would unify Ohio’s various programs for alternatives to traditional schools (e.g., community, EdChoice) under a single department. Such an office might be well positioned to evaluate and assist new community school applicants (and their sponsors) in finding the best pathway into the market.

By being thoughtful and discerning about new school entrants and by relating the level of scrutiny inversely to an applicant’s prior performance record, Ohio can raise the quality bar for new school market entrants and provide better school options for students. Once these entry rules and the new universal accountability framework have been established, Ohio will have taken several important steps towards minimizing market risk. With these safeguards in place, the State will be able to turn its attention to facilitating and encouraging the entry of many more new providers of high-quality schools.

4. Lower nonperformance-based barriers to entry.

There are two major categories of non-performance-based barriers to market entry which limit the sourcing of high-quality school options for Ohio’s students. The first has to do with resources, for which the largest concern is facilities funding. Currently, community schools do not receive any facilities funding from state or local sources and must therefore fund facilities out of operating funds. However, community school operating funds are already 31.3 percent ($2,564 per pupil) smaller on average than those of traditional schools because they do not receive any local funding. Regulations also limit the entry of community schools. Because of numerical caps, the only types of nondistrict entities that can open new start-up community schools are operators that already run high-performing community schools. While this performance-based rule has merit, it leaves no space for new
innovators to enter the market. In addition, new community schools may be opened only in districts that are in Academic Watch or Emergency. This results in a system where entire swaths of Ohio, especially the rural southeast, are completely underserved by community schools.

COMMUNITY SCHOOLS ARE DISPROPORTIONATELY CONCENTRATED IN CERTAIN AREAS
Locations of Community Schools in Ohio

a. Ohio should remove resource constraints by providing facilities and operating funding to community schools on par with that of traditional schools. Once community schools have been put under the same universal accountability framework as other schools and have demonstrated improved performance as a whole, they deserve to compete on a level playing field with their traditional counterparts. Domestically, the system that has done the most to create facilities funding parity for charter schools is Washington, D.C., which provides annual per-pupil facilities funding to charters based on the annual per-pupil facilities expenditure on traditional schools in the district. Ohio should consider adopting a similar system; a useful model to consider as a starting point for distributing facilities funding to community schools is the “Ohio Charter School Facilities Foundation” proposed by the Thomas B. Fordham Institute. Operating funding parity could be achieved by requiring that the local share of public funds follow a student to a community school if they choose to enroll in one.

b. Ohio should ease and eventually eliminate growth caps on the absolute number of community schools. Caps are blunt instruments for limiting the risk from poor community schools, and they screen out providers that could benefit the children of Ohio. A far better regulatory instrument is an effective universal accountability system. If this report’s proposals on school and district ratings and interventions were implemented and applied to community schools, there would be no need for caps.

c. Ohio should ease and eventually eliminate the geographic restrictions on start-up community schools that are not sponsored by districts. The true test of whether a community school should be open is not whether other schools in the area are failing; rather, the proof of a school’s viability is in its performance against state standards and in the willingness of informed parents to send their children there. In addition, the usefulness of market competition is not merely as an escape valve for students in failing schools; at its best, competition can spur the best schools to become even better, as the evidence from Sweden demonstrates. As with numerical caps, if the proposals on school and district ratings and interventions were implemented and applied to community schools, geographic limitations would also be unnecessary.

5. Actively encourage the best education providers in the U.S. and around the world to come to Ohio.

a. Once the community school system has been regulated properly, education leaders should go a step further, seeking out the best education providers in the U.S. and around the world to bring best practices to the classrooms of Ohio.
Ohio should not stop at simply facilitating the entry of new schools; it should actively identify gaps in its school market and look for educational providers who are willing and able to fill them. In particular, Ohio should invite successful education providers to turn around failing schools by converting them into community schools. This could be accomplished by stepping up the use of conversion as a strong intervention measure under NCLB. Responsibility for seeking and selecting new providers would dovetail nicely with implementation of the entry rules recommended above and should belong to a statewide entity.

Numerous countries and several U.S. cities, most notably New York City, have taken this type of “school portfolio-management” approach.204 Typically, a portfolio-management approach involves identifying specific needs, issuing RFPs for providers to fill those needs, and holding a competitive bidding process that results in a performance contract with a proven or high-potential provider. For example, England’s system sets targets for the number of new charter schools (called academies) it wants to develop; its current goal is to open at least 200 new schools by 2010.205 The Edmonton School District, in Alberta, Canada, is a good example of a public school system responding strategically to the threat of market competition: when it started losing students to charter schools, it aggressively began to open charters of its own and convert existing schools in order to win those students back.206 At both the district and state level, Ohio should strive to create a system that has a similar orientation towards innovative ideas in education.

6. Ensure accountability for the EdChoice program so that it can provide more high-quality school options for students.

Many of the above findings and recommendations apply equally to EdChoice schools. However, several issues are unique to the EdChoice program. First, there is no public information available on the performance of EdChoice schools. Though Ohio requires these schools to test students that come to them with state funding, it does not require them to test other students. As a result, EdChoice schools do not receive report cards that allow for easy comparison of their performance with that of other schools. This lack of information inhibits the ability of parents and students to make good decisions among school options.

The State also has less leverage to conduct interventions in EdChoice schools because they are private schools. For an EdChoice school, the equivalent of “intervention” would be to terminate the school’s eligibility for EdChoice state funding. However, ODE can terminate a school’s eligibility only on the basis of noncompliance with state operating standards such as health and safety, teacher certification, and curriculum. There are no provisions in current law that allow ODE to terminate eligibility for EdChoice schools on the basis of academic performance.

Finally, EdChoice schools are allowed to admit students based on academic performance, which means that some EdChoice schools have the potential to “cream skim” those students who are least in need of help.

a. Ohio should hold EdChoice schools accountable for the performance of State-funded students. Because the State entrusts EdChoice schools with students and public dollars, it should take steps to ensure that these dollars are being spent to drive student achievement so that market risk can be minimized. To begin with, Ohio should ensure that EdChoice schools receive a publicly available report card, just like every other publicly funded school, so that students and parents can evaluate their performance. Unfortunately, most EdChoice schools do not enroll enough state-funded students to produce a report card based solely on their test scores. Therefore, producing a report card may require EdChoice schools to test all of their students, including those that are not state funded. At the very least, it would require that they test a representative sample.

b. EdChoice schools should be reviewed and evaluated like other schools that receive significant amounts of public money. The EdChoice program office at ODE already conducts site visits to EdChoice schools to assess compliance with operating standards. A parallel system of reviewing performance and quality of EdChoice schools should be developed, with the state ultimately having the authority to terminate EdChoice eligibility for schools that are failing to deliver for publicly funded students. This would ensure that public dollars flow only to private schools that improve students’ academic performance.

c. Ohio should consider establishing initial eligibility rules for the EdChoice program based on academic performance or potential performance. Right now, any chartered nonpublic school in good standing can become an EdChoice school; there is no quality control on would-be entrants other than the nonpublic chartering process itself. Ohio should discern among EdChoice school applicants by requiring evidence of academic performance in the form of state or norm-referenced test scores. If these are unavailable, Ohio should conduct due diligence similar to the process outlined for community school “innovators” to vet a school before it can receive state funding.

d. Ohio should prohibit EdChoice schools from practicing academic selection in admitting state-funded students. If the purpose of programs like EdChoice is to give opportunities to students that have been underserved by traditional schools, then those opportunities should be made equally available to all students who are eligible for the program.
Conclusion

There is a growing recognition that Ohio’s future competitiveness depends on the ability of its educational system to produce graduates ready to compete in the global workforce. While Ohio’s K-12 educational system has made significant strides in recent years, too many Ohioans leave the educational system today unprepared for this challenge. As such, there is an urgent need and an unprecedented opportunity to take a system-wide approach to reform the State’s educational system to reach levels that rival the best in the world. This new system would be characterized by “high-challenge, high-support and aligned incentives” for all key actors responsible for student achievement.

As discussed earlier, international best practice suggests that at least three key success factors are critical to ensure a successful implementation of a broad-scale educational reform effort: (a) clear vision and holistic plan; (b) broad involvement and courageous leadership; and (c) sustained commitment over time. Each of these should be monitored going forward.

Clear vision and holistic plan. This report—in its holistic and integrated nature—_attempts to avoid the piecemeal or incremental nature of most education reform strategies. Based on the practices of high-performing systems around the world, but tailored to the local context today in Ohio, it offers a vision of Ohio’s world-class educational system of the future. In doing so, it explicitly recognizes that multiple important efforts must be undertaken, acting in parallel in a mutually reinforcing way, to move the system to world-class levels of student achievement.

Broad involvement and courageous leadership. While the report outlines a clear vision of world-class excellence, in most cases it offers multiple paths forward (based on the experiences of high-performing systems) to achieve particular goals. As such, this report should be seen as an important contribution—or a starting point—for the ongoing debate around systemic school reform, in which a broad array of stakeholders involved in public education in Ohio today should participate. The report describes an integrated and balanced set of implications for Ohio based on international benchmarking, which in its totality is unlikely to be endorsed or embraced by any one stakeholder group in Ohio. However, there is an opportunity here to achieve balance and compromise in its final form—in that, there are not clear “winners” and “losers” amongst current stakeholders—which may be required to enable individual stakeholders (with opposing ideologies, perhaps) to endorse it. Finally, this report does not suggest fundamentally changing Ohio’s governance system (e.g., doing away with local districts or school boards); rather it aspires to achieve the greater coherence and alignment—focused on student achievement—which are critical to achieving Ohio’s goals. This will require, for example, bringing coherence to the regional tier of service providers which at present seems unwieldy. Such changes may need courageous leadership from Ohio’s many stakeholder groups (within and outside of the educational system) to forge new ways of working together.

Sustained commitment over time. Given the scope of the State’s ambitions, this effort will take significant time. It is important, however, not to delay getting started. Specific strategic initiatives should be thoughtfully staggered so that short-term improvements can be demonstrated, even while the groundwork for longer-term changes, is undertaken. This also can be important to gaining credibility within the system, which is also critically important, as many teachers and principals, accustomed to piecemeal and fleeting reform trends, may wait to embrace the changes. Finally, it is critical to build strong public will and commitment for these overall efforts—by engaging the public—so that, even when the particular identities of policymakers responsible for public education change, the commitment to long-term educational reform endures. This kind of sustained and quasi-permanent public will campaign to support can also be an important vehicle to ensure broad array of stakeholders stay committed to common goal over time.

Ohio’s leaders could use these three key success factors to build momentum for a radically reshaped education system in the state. No single individual, however influential, can bring this about. However, if Ohio’s leaders collaborate with educators and other stakeholders throughout the state, they can. As Governor Ted Strickland put it recently: “I believe that a governor alone can’t transform education to make it work for every child, but with the right state support our communities and teachers and students can.”

Creating a World-Class Education System in Ohio
About Achieve, Inc., and McKinsey & Company

Achieve, Inc.
Created by the nation’s governors and business leaders in 1996, Achieve, Inc., is a bipartisan, non-profit organization located in Washington, D.C., that helps states raise academic standards, improve assessments and strengthen accountability to prepare all young people for post-secondary education, work and citizenship. Its board of directors comprises six governors (three Democrats and three Republicans) and six corporate chief executive officers, including Jerry Jurgenson of Nationwide Insurance.

Achieve has helped more than half the states benchmark their academic standards tests and accountability systems against the best examples in the United States and around the world. Through the American Diploma Project (ADP), Achieve has developed benchmark standards that describe the specific math and English skills high school graduates must have if they are to succeed in postsecondary education and high-performance jobs, and Achieve works with states to incorporate these expectations in state standards and assessments for high schools. Achieve also serves as a significant national voice for quality in standards-based education reform and regularly convenes governors, CEOs and other influential leaders at National Education Summits to sustain support for higher standards and achievement for all of America’s schoolchildren.

McKinsey and Company
Founded in 1926, McKinsey & Company is an international management consulting firm, with 83 offices across 45 countries, including Midwest offices in Cleveland, Detroit, Minneapolis, Pittsburgh, and Chicago. McKinsey’s continuous goal has been to help their clients make distinctive, lasting, and substantial improvements in their performance.
## Individuals Participating in Meetings and Interviews

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<td>Edmund Adams</td>
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<td>Adrian Allison</td>
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<td>Bart Anderson</td>
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<td>J.C. Benton</td>
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<td>Marty Blank</td>
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<td>George Boas</td>
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<td>Susan Bodary</td>
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<td>Ann Bohman</td>
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<td>David Brennan</td>
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<td>Jamie Callendar</td>
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<td>Kenneth Carano</td>
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<td>Matthew Carr</td>
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<td>Howard Fleeter</td>
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<td>Kathleen Freilino</td>
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<td>Karen Fulton</td>
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<td>Karlyn Geis</td>
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<td>Stephanie Gerber</td>
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<td>Colleen Grady</td>
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<tr>
<td>Lisa Gray</td>
<td>LGA Consulting</td>
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</table>
Todd Hanes  Ohio Department of Education
Gene Harris  Columbus Public Schools
LouAnn Harrold  Ohio Board of Education
Sandra Hay  Ohio Department of Education
Kati Haycock  The Education Trust
Stan Heffner  Ohio Department of Education
Richard Hickman  Ohio School Facilities Commission
Peter Hill  Hong Kong Examination and Assessment Authority
Robin Hovis  Ohio Board of Education
Dottie Howe  Ohio Department of Education
Michelle Hussong  Ohio Department of Education
Mike Johnson  Bexley City Schools
Erin Joyce  Ohio Department of Education
Jerry Jurgenson  Nationwide
Jennifer Kangas  Ohio Department of Education
Janetta King  Governor’s Office
Carl Kohrt  Battelle Institute
Anthony Lane  East High School
Tom Lasley  University of Dayton
Ted Lempert  Children Now
Richard Levin  Tax Commissioner for the State of Ohio
Susanna Loeb  Stanford University
Sarah Luchs  Ohio Department of Education
Jim Mahoney  Battelle For Kids
Julia Mann  Akron Public Schools
Graham Marshall  Melbourne University
Tracey Martin  Office of the Mayor of Cleveland
Barb Mattei-Smith  Ohio Department of Education
Stephen Millett  Ohio Board of Education
Val Moeller  Columbus State Community College
Tom Mooney  Ohio Federation of Teachers
Michael Morris  AEP
Donna Nesbitt  Ohio Department of Education
Eric Okerson  Ohio Board of Education
Jeannette Oxender  Ohio Department of Education
Lucy Ozvat  Ohio Department of Education
Ann Palcisco  Ohio Department of Education
Heather Peske  The Education Trust
Judy Petch  Office of School Education (Victoria, Australia)
William Phyllis  Coalition for Equity and Adequacy
C.J. Prentiss  Ohio Senate
Steve Raines  Ohio Association of Secondary School Administrators
Jane Ramsey  Limited Brands
Marcy Raymond  The Metro School
Mark Real  KidsOhio.org
Dennis Reardon  Ohio Education Association
Tom Reed  Central Ohio RSIT
Ronald Richards  Cleveland Foundation
Debbie Roshto  Ohio Department of Education
Emerson Ross  Ohio Board of Education
Aron Ross  Franklin County ESC
## Glossary of Acronyms Used in this Report

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<th>Acronym</th>
<th>Description</th>
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<tr>
<td>ADP</td>
<td>American Diploma Project</td>
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<tr>
<td>AYP</td>
<td>Adequate Yearly Progress (required under No Child Left Behind)</td>
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<td>CCIP</td>
<td>Comprehensive Continuous Improvement Plan (Ohio)</td>
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<td>CDF</td>
<td>Centralized Diagnostic Function (Ohio)</td>
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<tr>
<td>CEA</td>
<td>Cambridge Education Associates (U.K. and New York)</td>
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<td>DiES</td>
<td>Department for Education and Skills (England)</td>
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<td>ERO</td>
<td>Education Review Office (New Zealand)</td>
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<td>ESB</td>
<td>Educators Standards Board (Ohio)</td>
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<td>ESC</td>
<td>Educational Service Center (Ohio)</td>
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<td>GRF</td>
<td>General Revenue Fund</td>
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<td>iLRC</td>
<td>Interactive Local Report Card (Ohio)</td>
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<td>IPDP</td>
<td>Individual Professional Development Plan (Ohio)</td>
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<tr>
<td>LEA</td>
<td>Local Education Authority (England’s equivalent of a district)</td>
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<td>LOEO</td>
<td>Legislative Office of Education Oversight (Ohio)</td>
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<td>LPDC</td>
<td>Local Professional Development Council (Ohio)</td>
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<td>NAEP</td>
<td>National Assessment of Educational Progress</td>
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<td>NCEE</td>
<td>National Center on Education and the Economy</td>
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<td>NCLB</td>
<td>No Child Left Behind</td>
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<td>ODE</td>
<td>Ohio Department of Education</td>
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<td>OFSTED</td>
<td>Office of Standards in Education (England)</td>
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<td>OCCMSI</td>
<td>Ohio Community Collaboration Model for School Improvement</td>
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<td>OGT</td>
<td>Ohio Graduation Test</td>
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<td>PIRC</td>
<td>Parent Information Resource Center (United Way effort in Ohio)</td>
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<td>PISA</td>
<td>Program for International Student Assessment</td>
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<td>PSC</td>
<td>Public School Choice</td>
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<td>RSIT</td>
<td>Regional School Improvement Team (Ohio)</td>
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<td>SERRC</td>
<td>Special Education Regional Resource Center (Ohio)</td>
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<td>SPR</td>
<td>System Performance Review</td>
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<tr>
<td>TAP</td>
<td>Teacher Advancement Program (U.S.)</td>
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<td>TIF</td>
<td>Teacher Incentive Fund (U.S.)</td>
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<tr>
<td>TIMSS</td>
<td>Trends in International Math and Science Study</td>
</tr>
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</table>
Endnotes

1 Sir Michael Barber, previous architect of England’s educational reforms and former key advisor to Tony Blair on a wide range of domestic policy issues led the McKinsey team; This report draws upon his work as well as a wide range of works from leading thinkers in education from around the globe. These works include, but are not limited to: Michael Barber, Michael Fullan. “Tri-level development: It’s the system”, Education Week, March 2005; Michael Barber. “The Virtue of Accountability”, the Inaugural Edwin J. Delattre lecture, Boston University, November 2004; Michael Barber. The Learning Game: Arguments for an Education Revolution, Indigo, 1997; Michael Barber, Michael Fullan, Peter Hill, Carmel Crevola. Breakthrough, Corwin Press, 2006; Michael Fullan. The New Meaning of Educational Change, Teachers College Press, 2001 (3rd edition); Richard F. Elmore. School Reform From The Inside Out: Policy, Practice, And Performance, Harvard educational review, 2004

2 2006 Ohio Grantmakers Report, Ohio Business Roundtable, etc.

3 Current figures are approximations based on 2005-2006 figures; “2005-2006 Ohio Department of Education Fact Sheet”, “Interactive Local Report Card”, and “Enrollment Data” ODE at http://www.ode.state.oh.us

4 “2005-2006 Ohio Department of Education Fact Sheet” ODE at http://www.ode.state.oh.us

5 “Regional School Improvement Teams – Overview” ODE at http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEDetail.aspx?page=3&TopicRelationID=1008&Content=11573

6 “Ohio SERRC Regional Resource Center Map” ODE at http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEDetail.aspx?page=3&TopicRelationID=981&ContentID=13865&Content=13880

7 “2005-2006 Ohio Department of Education Fact Sheet” ODE at http://www.ode.state.oh.us

8 Ohio ESC Association Brochure

9 “A New Compact for Ohio Schools: A Report to Ohio’s Educational Policy Leaders” Achieve Inc., March 1999

10 “Expecting More: Higher Achievement for Ohio’s Students and Schools” The Governor’s Commission for Student Success, December 2000

11 Senate Bill 1 (2001)

12 “Achieving More: Quality Teaching, School Leadership, Student Success” The Governor’s Commission on Teaching Success, February 2003

13 Total state spending includes only General Revenue Fund, tax relief, and lottery; Data from Ohio Department of Education–School Finance Division, 2006

14 The funding system was ruled unconstitutional in 1994, 1997, 2000, and 2002; the last three rulings were by the Ohio Supreme Court; “A DeRolph Chronology” Ohio Fair Schools Campaign at http://www.ohiofairschools.org/learn/derolph_chronology.htm

15 Funding inequity measured by standard deviation of funding among districts; data set is not comprehensive due to approximately 15 percent of districts not reporting nationwide, thus overall means should not be used for states, but standard deviation should closely represent actual; “Common Core of Data” National Center for Education Statistics at http://nces.ed.gov/ced/

16 Data from Ohio Department of Education – Interactive Local Report Card, 2006

17 Ibid.

18 Ibid.

19 “Quality Counts 2007” at http://www.edweek.org
Data from NAEP Data Explorer at http://nces.ed.gov/nationsreportcard/nde/, 2006

21 Data from NAEP Data Explorer at http://nces.ed.gov/nationsreportcard/nde/, 2006

22 Data from Achieve at http://www.achieve.org, 2006


24 Data from Programme for International Student Assessment at http://www.pisa.oecd.org/, 2006

25 Data from Ohio Department of Education – Interactive Local Report Card, 2006

26 Ibid.

27 Ibid.

28 Community schools have been excluded: Ibid.

29 Community Schools have been excluded: Ibid.

30 “Traditionally disadvantaged subgroups” are Black, disabled, Limited English Proficient, economically disadvantaged, and Hispanic: Ibid.


32 OSCEA brochure

33 Reading and math are administered in grades 3 through 8, science and social studies in grades 5 and 8, and writing in grades 4 and 7

34 Students may fail one subject of the OGT and still graduate provided that they did not fail the test by more than 10 points, have high attendance, at least a 2.5 GPA in the subject, have participated in intervention programs, and receive a letter of recommendation from the teacher of that subject; “Frequently Asked Questions about the Ohio Graduation Test” ODE at http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEDetail.aspx?page=3&TopicRelationID=216&ContentID=4904&Content=9557


36 Achieve survey

37 “English Expectations for College Readiness” and “Mathematical Expectations for College Readiness” Ohio Board of Regents, 2006

38 “What the United States can Learn from Singapore’s World-Class Mathematics System” American Institutes for Research, 2005. This report contrasts Singapore’s math standards to those of several U.S. states, including Ohio. Singapore attained the world’s highest math scores on the 1999 and 2003 Trends in International Math and Science Study. Singapore’s success is partly attributed to its focus on depth rather than breadth. For example, Singapore only covers 15 math topics per year, compared with 26 in Ohio.

39 “Do Graduation Tests Measure Up?”, Achieve, 2004

40 Interview with college president, November 2006

41 “Massachusetts Comprehensive Assessment System” Massachusetts Department of Education at http://www.doe.mass.edu/mcas/about1.html?faq=4

Rather than retiring at 30 years and collecting benefits worth 66 percent of the average of the highest 3 years, educators were able to retire after 35 years with 88 percent of pay.

In Ohio, the typical teacher contract year is 185 days and often specifies a minimum day of 6.5—7 hours with a duty-free lunch period of 30 minutes to an hour. Principal contracts are often 220 days per year, although this varies depending on the type of school (e.g., elementary, middle, high). Principals’ minimum day is generally 8 hours, and contracts may not provide a dedicated lunch period. Recognizing that the vast majority of educators work more than the number of hours specified in their contract, the hourly calculation is based on an 8 hour day for teachers and a 10 hour day for principals. Finally, this calculation looks at the tradeoff faced by a teacher with 5 or more years of experience. Five years is at the low end—many principals taught for 8 to 10 years prior to becoming administrators. Because this tradeoff only becomes more steep—salary rises with tenure—this calculation demonstrates that it does not take long before teachers face a significant trade-off when making the decision to become a principal. Data from Ohio Department of Education–Center for the Teaching Profession, 2005-2006.

Michael Fullan, Leading in a Culture of Change (Jossey-Bass)(2001) """"[t]he single most important factor ensuring that all students meet performance goals at the site level is the leadership of the principal—leadership being defined as “the guidance and direction of instructional improvement”"

Section 3319.02 of the Ohio Revised Code requires that administrators (other than superintendents, treasurers and business managers) be evaluated at least once in those years that their contract will not be considered for renewal/nonrenewal and at least twice in the year that the contract will be considered for renewal.

Almost 10 percent of Ohio schools responding to a 2005 survey stated that their principals have no hiring responsibilities. Hiring is done by the central office (9.4 percent of schools) or by a committee of teachers (0.4 percent). In only 12 percent of schools did principals have sole hiring authority. “The Condition of Teacher Supply and Demand in Ohio” Levin, Driscoll & Fleeter, et al., June 2005
For example, even if a principal has the ability to determine how his or her school’s professional development dollars may be spent, he or she cannot choose to spend more on professional development and less on another line item.

Michael Bloomberg, Mayor, New York City, “Taking the Next Step” State of the City Address, January 2007


McKinsey non-profit practice


Short cycle assessment tools are more fully addressed in the following best practice implication

This fits particularly well with the following best practice implication, which describes the advantages to districts transitioning to the use of a career lattice.

“Ohio’s Teacher Equity Plan” Ohio Department of Education, July 2006


The LPDC handbook states that professional development must entail: “six semester hours of coursework related to classroom teaching or the area of licensure; eighteen continuing education units, equivalent to 180 hours; or other equivalent activities related to classroom teaching or the area of licensure as approved by the LPDC.” “A Resource Guide for Establishing Local Professional Development Committees” Ohio Department of Education, Spring 2004

Many studies have indicated that there is no link between degree level and student achievement. Daniel Goldhaber, “Teacher Quality and Student Achievement” Educational Resources Information Center, May 2003. The link between professional development and student achievement has been difficult to explore. The general consensus is that only certain types of professional development—that which is ongoing, standards-based, and job-embedded—positively impact student achievement. Michael Fullan, Peter Hill & Carmel Crevola, Breakthrough (Corwin Press) (2006). This is further discussed in proposal 4 of this best practice implication

Under NCLB, after a school has failed to meet performance goals for 4 years the teaching staff is subject to removal.

“Teacher Performance Management” New Zealand Ministry of Education, 2005

“The Quest for Quality” The Ohio Education Association, April 2003

“Education for Ohio’s Future” Ohio Grantmakers Forum, December 2006

Interview with education expert, January 2007

“D3A2 Overview” Data-Driven Decisions for Academic Achievement at www.D3A2.org

“Achieving More” Governor’s Commission on Teaching Success, February 2003
Currently, LPDC registration is voluntary and the fact that an LPDC is not registered does not inhibit its ability to function and process license renewal applications. It is very likely that there are many more than 303 LPDCs.


82 Ibid.

83 “Teacher Working Conditions Are Student Learning Conditions” Center for Teaching Quality, 2006. Only 39 percent of teachers believe the amount of noninstructional time they have available is sufficient


85 “Ohio’s Teacher Equity Plan” Ohio Department of Education, July 2006

86 “Education for Ohio’s Future” Ohio Grantmakers Forum, December 2006

87 “Teacher and Principal Compensation” Center for American Progress, October 2006

While this recommendation focuses on providing opportunities for teachers to take on additional responsibilities while remaining in the classroom, equally important is providing ways to identify those teachers who would make strong administrators. As mentioned in the proposal that addresses principals’ professional development, Ohio should examine whether it has programs in place such as England’s Fast Track program that identify high-potential candidates and provide assistance (e.g., formal training, internship opportunities, mentoring) to accelerate their progression into leadership roles.

88 Ibid.

90 Ibid.

91 Interview with education officials, February 2007

92 “Teacher and Principal Compensation” Center for American Progress, October 2006

93 Ibid.


95 In fiscal year 2005-06, 64 million dollars of PBA money were spent on academic intervention services. “Poverty-Based Assistance: Findings and Recommendations” Ohio Department of Education (Draft), 2007

96 “Exploring The ‘Other Side of the Report Card’” Ohio Department of Education—Center for Students, Families and Communities, 2006


98 Ibid.

99 These agencies include the Ohio Departments of Education, Alcohol and Drug Addiction Services, Health, Job and Family Services, Mental Health, Mental Retardation and Developmental Disabilities, and Youth Services. Ibid.

100 “Supporting Children’s Learning: Code of Practice” Scottish Executive, 2005

101 “Academic Intervention Services in Ohio” Legislative Office of Education Oversight, May 2005

102 “Poverty-Based Assistance: Findings and Recommendations” Ohio Department of Education (Draft), 2007
A 2005 KnowledgeWorks Foundation Poll found that 90 percent of Ohioans believe that raising the educational level of a community will lead to better social and economic conditions in that community. “Ohio Education Matters” KnowledgeWorks Foundation Poll, 2005

In 2003, 21 percent of Ohio students who entered high school failed to graduate. In some urban districts, such as Columbus and Cleveland, this figure approaches 50 percent. Jay P. Greene & Marcus A. Winters, “Leaving Boys Behind: Public High School Graduation Rates” Manhattan Institute, 2006

This base cost amount includes both the per student basic aid funding blocks ($5,403) and supplemental building blocks ($48): Ohio Department of Education – School Finance Division

ODE does employ a handful of fiscal consultants, who provide well-received technical support with regard to compliance and fiscal projection. However, these consultants are not positioned to provide technical assistance on the alignment of resource management to academic goals

“St. Louis Public Schools: A Textbook Turnaround” Alvarez & Marsal – Public Sector Services, July/August 2004

Five Year Forecasts for Ohio Schools” Ohio Department of Education – School Finance Division at fyf.oecn.k12.oh.us/fyforecast/

Poverty-Based Assistance: Findings and Recommendations” Ohio Department of Education (Draft), January 2007


A “weight” is not necessarily a fixed amount attached to each student with a specific characteristic; some systems base their formulas on concentrations of students with certain characteristics in a given school rather than the students themselves, in which case a student’s “weight” depends on how many other similar students attend his or her school


Data from Department for Education and Skills at http://www.dfes.gov.uk, 2007
The number of students in poverty is based on a students enrolled in a non-overlapping set of six public assistance programs, as recommended by Ohio’s Legislative office of Education Oversight in 2001: Ohio Department of Education – School Finance Division.

The calculated funding for the “highest” revenue districts is an average of revenue per weighted pupil for the top 20% of all districts, while the calculated funding for the “lowest” revenue districts is an average of revenue per weighted pupil for the bottom 20% of Ohio school districts.

This assumes that all current state revenue in the system is redirected towards the formula described here.

Due to the phase-out of taxes on general tangible property value, the State would have to assume responsibility for approximately $800 million in lost local revenue, but this will happen whether reform is enacted or not.
Estimates are drawn from a school finance simulation model developed using data from the Ohio Department of Education, School Finance Division. The model is a simplified version of Ohio’s current system: it utilizes existing tax, property value, and revenue data at the district level as a baseline to estimate the effects of alternative funding formulae on the distribution of resources. For all hypothetical scenarios, the model makes the following simplifying assumptions: 1) student enrollment and demographic information, federal revenue, and property values are held constant, 2) local revenue is raised solely through property taxes, 3) property taxes are not levied on general tangible property value (this accounts for a gradual and ongoing phase-out of this property tax base, but does not account for a similar and partial phase-out of public utility property value as a source of tax revenue). As such, the model is a tool for broad estimates of the effects of policy changes, but not an exact simulator.

Ibid.

“School Finance Redesign Project” University of Washington – Evans School of Public Affairs at http://www.schoolfinanceredesign.org/


Ohio Senate Bill 55 (1997) created the rating system

Ohio House Bill 3 (2003) added the AYP measure, the performance index, and the growth calculations to Ohio’s rating system

House Bill 66 (2005) created the academic distress commissions

NCLB requires the consequences for Improvement Status and Corrective Action; Ohio House Bill 3 (2003) incorporated these federal consequences into Ohio law


The AYP target for percent of students in each subgroup who are proficient have been set to increase periodically until it reaches 100% by 2014; Ohio’s targets will increase in the 2007-2008 school year

Ohio’s Statewide System of School Improvement Support” ODE at http://www.ode.state.oh.us/GD/ Templates/Pages/ODE/ODEDetail.aspx?page=3&TopicRelationID=1110&ContentID=16293&Content=21407

There are some examples of consequences attached to Ohio’s rating system, but these are comparatively small: Ohio’s Educational Choice Scholarship gives students in Academic Watch or Academic Emergency schools funds to attend private institutions; Academic Distress Commissions authorize interventions in Academic Emergency districts that have also failed AYP for at least 4 years

“AYP Growth Model Proposal” ODE at http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEDetail.aspx?page=3&TopicRelationID=1056&ContentID=20432&Content=20439

With the exception of the academic distress commissions that must intervene in districts in Academic Emergency; however, no districts are currently in Academic Emergency; current ratings represent 2007 status based on 2005-2006 school year results; “Interactive Local Report Card” ODE at www.ode.state.oh.us/gd/gd.aspx?Page=3&TopicRelationID=1281&ContentID=13113&Content=13113

Secretary Margaret Spellings, U.S. Department of Education “Building on Results: A Blueprint for Strengthening the No Child Left Behind Act” January, 2007


Telephone interview with New York City Department of Education official, January 2007


ODE follows up with district improvement plans through its Program Audit and Compliance Tracking System; districts are separated into cohorts, but only a few are randomly audited to measure compliance with improvement plans

Data from Ohio Department of Education – Office of Community Schools, 2006

Data from Ohio Department of Education – EdChoice Office, 2007

Interview with Ohio Department of Education official, February 2006

Interview with Ohio Department of Education official, January 2006

“Open Enrollment: State-wide alphabetical listing by district” Ohio Department of Education, 2006

“Consolidated State Performance Report for NCLB, Parts I and II” Ohio Department of Education, November 2006

By law, districts are required to provide transportation services for community schools that receive funds through their SF-3. However, in practice this does not always happen: Interview with Ohio Department of Education Official, January 2007

Interview with education expert, January 2007

There would obviously be exceptions to the rule that students only make their choices in the Spring; in particular, dropout recovery programs and other alternative learning pathways are much more likely to accept students midyear


House Bill 79 (2006)

Interview with Ohio Department of Education official, January 2007

Data from Ohio Department of Education – Office of Community Schools, 2006

Interview with Ohio Department of Education official, January 2007
Due to current numerical caps, very few start-up community schools can be opened by non-district sponsors in the current regulatory environment. To its credit, Ohio’s one exception to this rule is based on performance records. However, it is a narrow exception in the context of an overall cap that does not take performance into account.

Such a process would differ from the chartering process faced by EdChoice schools, because community schools are subject to different operating standards.


“Charter Schools Institute” State University of New York at http://www.newyorkcharters.org/

“Spitzer to Seek Major Increase in Education Aid” New York Times, January 2007

Interview with educator, November 2006


“Charter School Funding: Inequity’s Next Frontier” Thomas B. Fordham Institute, Progress Analytics Institute & Public Impact, August 2005


Interview with McKinsey education practice expert, October 2006


“Turnaround Ohio,” www.tedstrickland.com