

EDUCATION ADJUSTS TO A NEW ECONOMIC REALITY

New Findings from *Quality Counts 2011: Uncertain Forecast*

NOTE: Embargoed for release until 12:01 a.m. EST on Tuesday, Jan. 11, 2011

About *Quality Counts 2011*

Uncertain Forecast—Education Adjusts to a New Economic Reality will be released Jan. 11, 2011. The report provides a timely, in-depth investigation into persistent concerns over the halting economic recovery and emerging opportunities for innovation, as state and local officials attempt to move forward despite depleted budgets. This 15th annual edition of *Quality Counts* also features a special analysis by the Editorial Projects in Education Research Center, which tracks several key economic indicators over time, unpacks education funding tied to the American Recovery and Reinvestment Act, and documents education-related jobs saved as a result of the economic stimulus package.

To help guide your reporting, we have highlighted some of the key findings below. For the purposes of the national totals reported below, the District of Columbia is counted as a state. Additional information will be provided as it becomes available.

Key Findings

Rhetoric matches reality, when it comes to education's role in federal stimulus spending through the American Recovery and Reinvestment Act.

- Education factors into the goals of the federal government's recovery plan in terms of both saving jobs (e.g., funding to help states avoid cutting existing school positions) and shoring up the foundations of the economy by upgrading skills in the workforce (e.g., funding to support educational reform initiatives).
- According to an original EPE Research Center analysis of detailed data reported to the federal government as of Sept. 30, 2010, by some 222,000 recipients of stimulus aid, more funds have flowed to the U.S. Department of Education than to any other federal agency.
- Of the \$243 billion in recovery expenditures so-far documented, education accounts for about one-third of total spending, with \$80.6 billion flowing to the U.S. Department of Education.
- Other top recipients of ARRA funding include the Transportation and Energy Departments, which have received \$40.4 billion and \$32.4 billion respectively.

Education emerges as an engine of the jobs recovery, with education-related positions accounting for more than half of all jobs saved or created through federal stimulus spending.

- An EPE Research Center analysis of ARRA data shows that recipients of recovery funds had reported saving or creating a total of more than 650,000 jobs as of Sept. 30, 2010, the end point of the most recent federal reporting period.

- Funding administered by the U.S. Department of Education has saved or created 337,000 jobs, or 52 percent of the national total, according to data reported by recipients of ARRA funds.
- Other federal agencies are responsible for far smaller shares of the jobs recovery. Ranked second and third are the Departments of Health and Human Services and Transportation, which respectively account for 11 and 10 percent of jobs reported to have been saved or created.
- *Quality Counts 2011* includes a detailed national map showing the locations of each of the 337,000 education-related jobs reported created or saved as a result of the stimulus.

States have responded to the pressures of the recession with policy changes; however, most adjustments have been relatively modest in scale.

- Since the recession began, 29 states have enacted policies that offer local school systems some form of flexibility to meet the challenges posed by the economic crisis.
- Twenty-one states have broadened the eligible uses of education funds originally intended for a particular purpose. In 11 states, class-size requirements have been loosened; 10 states have offered the option of modifying the length of the school year, week, or day as a way to cut costs.
- Only three states have waived protections on K-12 education funding since the start of the recession.

Most states have relatively limited authority over teacher compensation and layoffs, a factor that may limit their ability to control personnel costs, which account for the bulk of education budgets.

- Twenty states have an established statewide teacher-salary schedule in place for the 2010-11 school year. Sixteen states have a statewide framework for teacher health-insurance benefits.
- Only 12 states have a policy that determines whether seniority is used as a criterion for teacher-dismissal decisions.
- In most states, authority over compensation and dismissal decisions rests with local school officials.

Additional Resources

The 2011 release of *Quality Counts* will also include:

- The **Chance-for-Success Index**, which grades the nation and states on 13 indicators capturing the critical role that education plays as a person moves from childhood, through the K-12 system, and into college and the workforce.
- The **K-12 Achievement Index**, which evaluates state educational performance on 18 individual indicators that measure: current achievement, improvements over time, and poverty-based disparities or gaps.
- The **annual update of national and state grades** in key areas of performance and policy, including: the Chance-for-Success Index; the K-12 Achievement Index; Transitions and Alignment policies; and School Finance.
- **State Highlights Reports**, individualized online reports featuring state-specific findings from *Quality Counts*, including our comprehensive state report cards.

All of these resources will be available on the *Education Week* Web site: www.edweek.org/go/qc11.

GRADING SUMMARY

	OVERALL STATE GRADE			Quality Counts 2011		Quality Counts 2011		Quality Counts 2010		Quality Counts 2011		Quality Counts 2010		Quality Counts 2011	
	grade	score	rank	Chance for Success		K-12 Achievement		Standards, Assessments, & Accountability		Transitions & Alignment		Teaching Profession		School Finance	
				grade	rank	grade	rank	grade	rank	grade	rank	grade	rank	grade	rank
Alabama	C+	76.8	25	C	43	D	44	A-	12	B-	14	C+	18	C	22
Alaska	C-	70.7	46	C	37	D	41	C	40	D+	45	F	50	B-	11
Arizona	C-	71.5	42	C-	48	D	43	A-	18	C	28	D	46	D+	40
Arkansas	B-	81.4	6	C-	45	D	36	A	7	A	7	B+	2	C	27
California	C	76.2	30	C	42	D-	46	A-	17	B-	14	C	20	C	24
Colorado	C	73.7	39	B	11	D+	21	C+	32	C	28	D+	37	D+	44
Connecticut	C+	78.3	16	A-	2	C	11	C+	39	C	28	D+	40	B+	5
Delaware	C+	77.5	22	B-	18	D+	22	A-	20	C-	36	C	22	C+	17
District of Columbia	D+	69.1	50	C+	29	F	49	C+	37	C-	36	D-	49	NA	NA
Florida	B-	81.5	5	C	34	C+	6	A	5	B-	14	B	4	C-	31
Georgia	B-	80.5	8	C	35	D+	27	A-	14	B+	6	B-	8	C+	15
Hawaii	C+	77.6	20	C+	28	D	38	B+	23	C+	22	C+	17	NA	NA
Idaho	C-	71.2	44	C	36	C-	13	A-	16	D	48	D	48	D-	49
Illinois	C	73.0	40	B-	19	D+	28	C	46	C	28	D+	35	C-	34
Indiana	C+	78.6	14	C+	30	D+	26	A	2	B+	6	D	45	C	26
Iowa	C+	76.7	26	B	10	D	33	C	45	B-	14	B-	12	C	28
Kansas	C	74.4	37	B	15	C-	18	B-	29	D+	45	D	42	C+	13
Kentucky	C	75.2	34	C	38	C-	19	C	41	B-	14	C+	15	C-	35
Louisiana	C+	77.6	21	C-	47	F	48	A	3	B-	14	B	3	C-	30
Maine	C+	76.6	27	B-	23	C-	15	C-	49	B	11	C-	31	B-	10
Maryland	B+	87.6	1	B+	6	B-	3	B+	22	A	1	B	5	B+	6
Massachusetts	B	82.6	3	A	1	B	1	B	25	C	28	C	23	B	8
Michigan	C+	77.2	24	C+	31	D	42	A-	13	B	11	C-	33	C	20
Minnesota	C	74.6	36	B+	8	C	9	C	47	C-	36	D+	39	C	23
Mississippi	C-	70.0	48	C-	49	F	51	B+	24	C	28	D	43	D	45
Missouri	C	73.9	38	C+	25	D+	24	B-	31	C-	36	C	26	C-	37
Montana	C-	70.4	47	C+	27	C	10	D+	50	D-	49	C-	29	C-	36
Nebraska	D+	68.6	51	B-	16	D	34	D-	51	F	51	C-	32	C	21
Nevada	C-	70.7	45	D	51	D	39	C+	36	C+	22	C-	27	D	48
New Hampshire	C	76.3	28	A-	4	C+	5	C	43	C-	36	D	44	C+	12
New Jersey	B-	80.7	7	A-	3	B-	2	C	43	C+	22	C-	30	B+	3
New Mexico	C	75.7	32	D+	50	F	47	A-	18	B+	6	C	21	C-	32
New York	B	84.7	2	B	12	C	8	A	11	B+	6	B-	11	B+	4
North Carolina	C+	77.8	19	C+	33	D	37	B+	21	B	11	B	6	D+	43
North Dakota	C	74.9	35	B+	7	C-	12	B	26	D+	45	C-	33	D+	38
Ohio	B-	79.8	11	C+	26	C-	20	A	3	C+	22	C+	14	C	19
Oklahoma	C+	78.1	17	C	40	D	35	A	9	B+	6	B-	9	D+	41
Oregon	C-	71.5	43	C+	32	D	40	C+	35	C+	22	F	51	C	25
Pennsylvania	B-	80.1	9	B	13	C	7	B-	30	B-	14	B-	10	C+	16
Rhode Island	C	75.7	31	B-	17	D	32	C+	33	C-	36	D+	38	B+	2
South Carolina	C+	78.3	15	C	39	D-	45	A	7	C-	36	A	1	C-	29
South Dakota	D+	69.2	49	B-	21	D+	25	C	48	D-	49	D	46	D+	39
Tennessee	C+	77.4	23	C-	44	D	31	A-	15	A	3	C+	19	D	46
Texas	C+	78.8	13	C	41	C-	17	A	6	A	3	C	24	D+	42
Utah	C-	72.4	41	B-	20	D+	30	C+	34	C-	36	D+	36	D	47
Vermont	B-	79.7	12	B+	5	C+	4	B	27	C-	36	C-	28	B	7
Virginia	B-	81.8	4	B	9	C-	14	A	9	B-	14	B-	13	C+	14
Washington	C	75.4	33	B-	24	C-	16	B-	28	C	28	C	25	C-	33
West Virginia	B-	79.9	10	C-	46	F	50	A	1	A	3	B-	7	C+	18
Wisconsin	C+	77.8	18	B	14	D+	23	C	42	C+	22	C+	16	B	9
Wyoming	C	76.3	29	B-	22	D+	29	C+	38	C	28	D+	41	A-	1
U.S.	C	76.3		C+		D+		B		C+		C		C	

Note: States are ranked based on unrounded scores. The District of Columbia and Hawaii are single-district jurisdictions. As a result, it is not possible to calculate measures of financial equity, which capture the distribution of funding across districts within a state. The District of Columbia and Hawaii do not receive grades for school finance.

SOURCE: EPE Research Center, 2011. This table integrates findings reported in the 2010 and 2011 editions of *Quality Counts*.

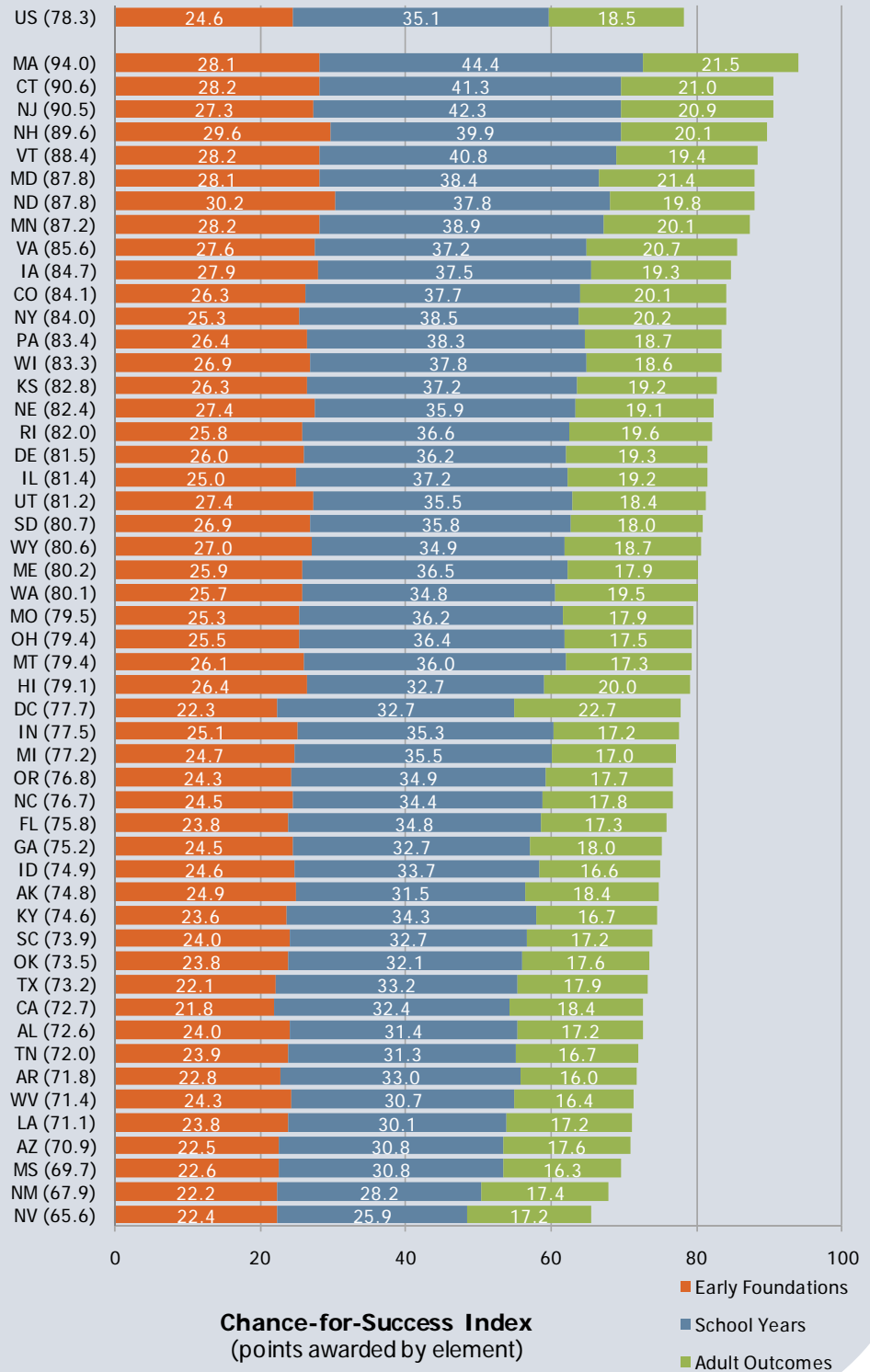
CHANCE-FOR-SUCCESS INDEX

Providing Opportunities to Succeed

The **Chance-for-Success Index** captures the importance of education in a person's lifetime from cradle to career. Its 13 individual indicators span a variety of factors, including preparation in early childhood, the performance of the public schools, and educational and economic outcomes in adulthood.

The states are graded using a "best in class" rubric, where a score of 100 points on the index would mean that a state ranked first in the nation on each and every indicator.

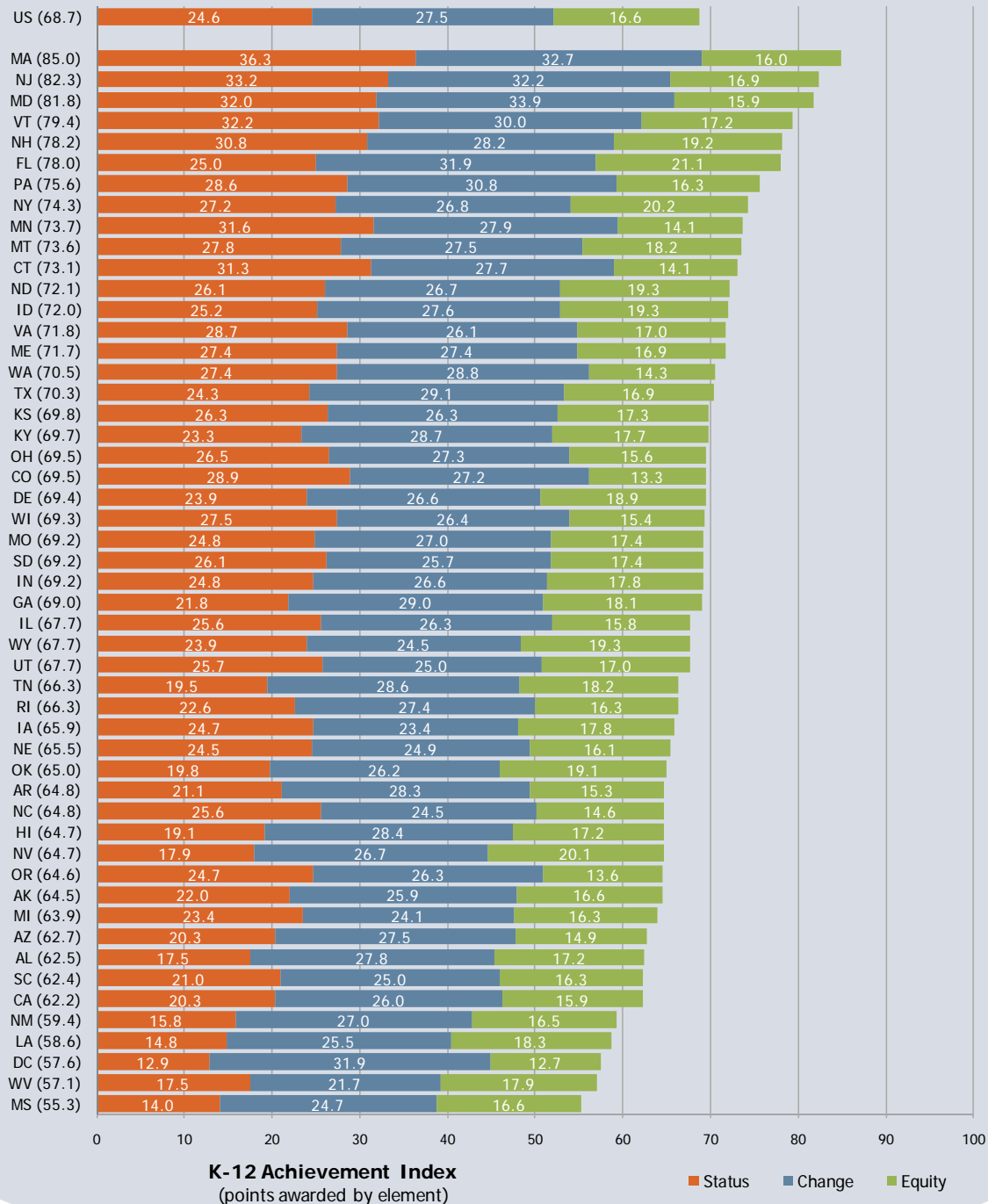
State scores range from 94.0 in Massachusetts (which earned the only A) to 65.6 in Nevada (which received a D). A closer examination of results shows that while early foundations and adult outcomes do contribute to the index, indicators related to formal education (the schooling years) are the driving force behind the state rankings.



K-12 ACHIEVEMENT INDEX

Nation Struggles to Earn Passing Grade

The EPE Research Center's K-12 Achievement Index awards states points based on three distinct aspects of student achievement: current levels of performance (status), improvements over time (change), and achievement gaps between poor and nonpoor students (equity). The nation as a whole earns 68.7 points, on a 100-point scale, for a grade of D-plus. The leading state, Massachusetts, earns 85 points and a B. Detailed breakdowns suggest that no state excels across all three dimensions of achievement captured by the index. Massachusetts, for example, ranks first in the nation for current achievement and second on gains over time, but falls to 37th when evaluated on achievement disparities between poor and nonpoor students. By contrast, Florida, which finishes sixth in the nation overall, ranks 24th for current achievement, but emerges as one of the top states on both change and equity.

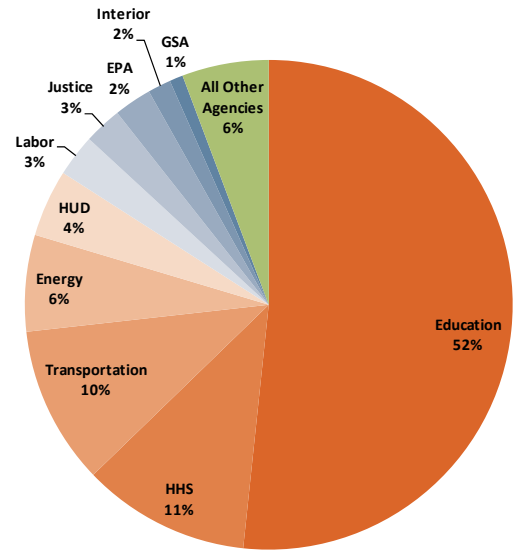


LOOKING UNDER THE HOOD OF THE ECONOMIC RECOVERY

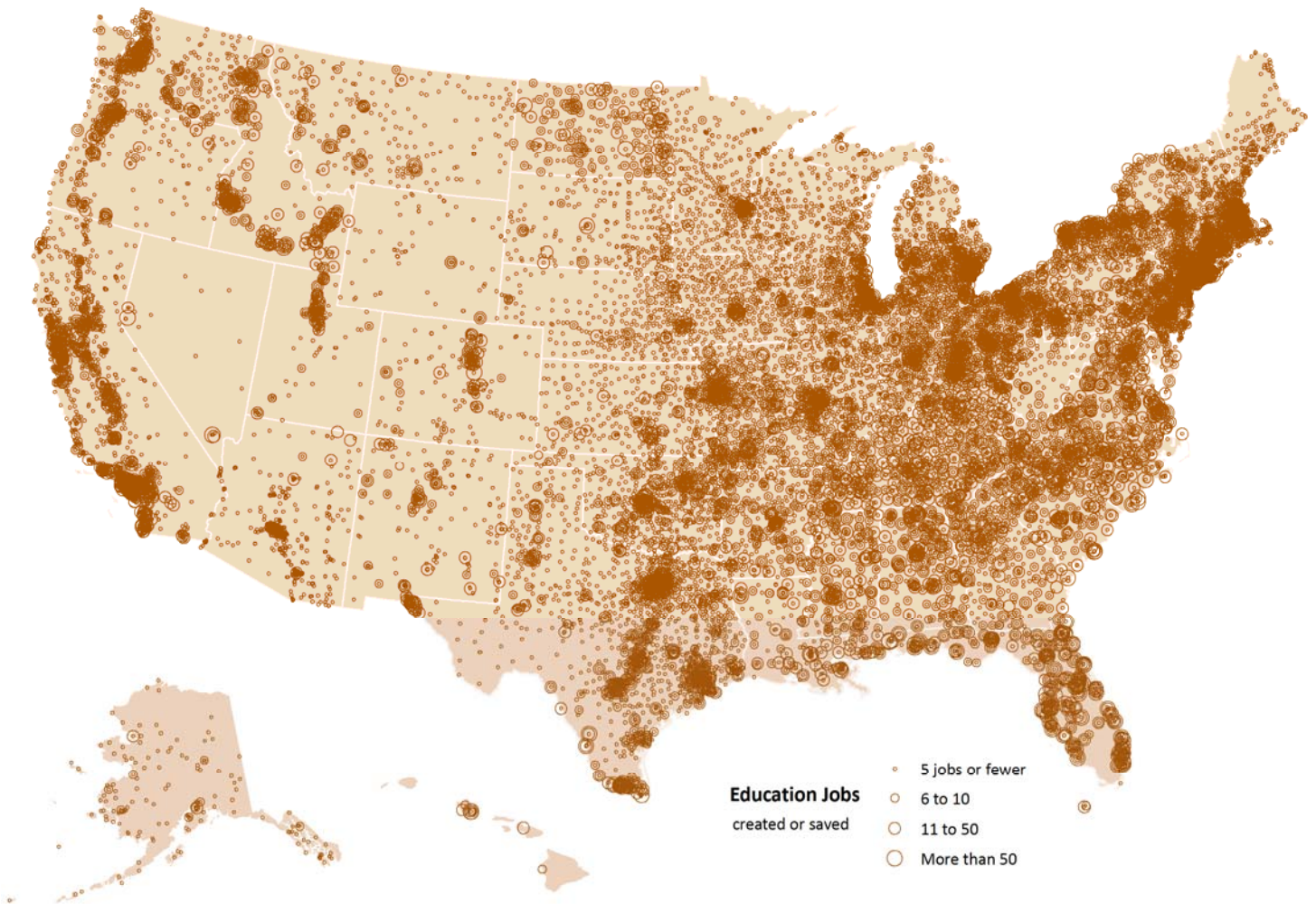
An Engine of Job Recovery

The unprecedented infusion of federal funding through the economic stimulus aims to counteract job losses resulting from a strained economic environment. Recipients of American Recovery and Reinvestment Act (ARRA) aid report that those dollars have helped create or save about 650,000 jobs, more than half of which were linked to funds distributed by the U.S. Department of Education.

To gauge the rate of return for stimulus spending against the key objective of job creation, the EPE Research Center calculated the number of jobs reported created or saved for every \$1 million of ARRA funding awarded. The U.S. Department of Education saved 4.2 jobs for every \$1 million in stimulus spending and ranks first among the 10 agencies accounting for the largest numbers of jobs. That compares with an average of 2.7 jobs per \$1 million dollars across all federal agencies.



Percent of jobs created or saved by agency



SOURCE: EPE Research Center analysis of data from recovery.gov, 2011