The Education Improvement Act

a progress report

John G. Morgan
Comptroller of the Treasury
State of Tennessee
April 2004

STATE OF TENNESSEE

John G. Morgan
Comptroller

COMPTROLLER OF THE TREASURY

STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0264
PHONE (615) 741-2501

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The Honorable John S. Wilder
Speaker of the Senate
The Honorable Jimmy Naifeh
Speaker of the House of Representatives
and
Members of the General Assembly
State Capitol
Nashville, Tennessee 37243

Ladies and Gentlemen:

Transmitted herewith is a report that examines the implementation of the Education Improvement Act of 1992. The report profiles the history of education reform in Tennessee and provides a progress report on each major component of the act. The report details trends in educational performance indicators since 1992 and compares Tennessee to other states where applicable. It also provides recommendations for ways to improve the delivery of educational services to Tennesseans.

Sincerely,

John G. Morgan
Comptroller of the Treasury

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Melissa J. Smith
Senior Legislative Research Analyst
Project Leader

Ethel R. Detch, Director
Jason Walton, Assistant Director
Office of Education Accountability
505 Deaderick St., Suite 1700
Nashville, TN 37243
615/401-7911
www.comptroller.state.tn.us/orea/reports

John G. Morgan
Comptroller of the Treasury
State of Tennessee

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The Office of Education Accountability was created in the Office of the Comptroller of the Treasury by *Tennessee Code Annotated* 4-3-308 to monitor the performance of school boards, superintendents, school districts, schools, and school personnel in accordance with the performance standards set out in the Education Improvement Act or by regulations of the State Board of Education. The office is to conduct such studies, analyses, or audits as it may determine necessary to evaluate education performance and progress, or as may be assigned to it by the Governor or General Assembly.

Comptroller of the Treasury, Office of Education Accountability. Authorization Number 307318, 536 copies, April 2004. This public document was promulgated at a cost of $5.12 per copy.

Overview

The Education Improvement Act of 1992 (EIA) was one of the most sweeping pieces of K-12 education legislation in Tennessee history. The 88 sections of the EIA brought about radical changes in state and local administration of schools, including the establishment of a new funding formula for public schools, the creation of a new local governance structure for public education, and the enactment of an accountability system requiring local schools and school systems to meet state standards and goals.

Many of the act's components were implemented quickly and over time have become part of the backdrop of life in Tennessee schools. The law and its subsequent amendments have affected students' experiences in many marked ways. Unlike those graduating before 1992, high schoolers can no longer receive general education diplomas, nor can they drop out before age 18 without suffering penalties. Tennessee's Graduating Class of 2004—which will complete school 12 years after passage of the act—does not remember a time before mandatory kindergarten and computer education.

Some changes made through the EIA remain active issues of legislative debate. Since 1992, legislators have introduced more than 30 bills to allow the re-establishment of the locally-elected school superintendent position. Additionally, some provisions of the EIA have met with mixed or limited success. State funding for K-12 education channeled through the new funding formula increased over $1.1 billion from 1991-92 to 2001-02, but Tennessee has faced subsequent education finance litigation and still trails many other states in measures of financial commitment to K-12 funding. Other parts of the EIA, such as school based decision making, appear never to have been practiced widely.

This report provides an update on the implementation of each of the EIA's major components. (See pages C-1 through C-82.)

1. 21st Century Computer Technology
2. Alternative Schools
3. Basic Education Program
4. Class Size
5. Compulsory Attendance Age
6. Family Resource Centers
7. Fee Waivers
8. Mandatory Kindergarten
9. School Based Decision Making
10. School Nurses
11. School Social Workers
12. State Accountability System
13. Superintendents
14. Teachers' Instructional Supplies Funds
15. Two-Track Curriculum

Conclusions and Outcomes

This report also profiles current trends in education reform and changes in educational performance indicators since 1992. Performance indicators include measures of school participation, academic attainment, post-secondary readiness and success, and earnings. Sample outcomes follow. (See pages B-1 through B-18.)

- Tennessee's student attendance rates have improved since 1992, particularly in grades 7-12.
- Overall financial commitment to education has increased since 1992, but Tennessee still trails many other states in comparison.
- Most Tennessee districts can cite examples of improvement in specific subject areas and grade levels as measured through the Tennessee Comprehensive Assessment Program, though there is room for improvement statewide.
- The average ACT-taker in Tennessee scores higher than in the early 1990s but still performs below the national average. However, test-taking participation rates affect score comparability.
- More Tennessee students who take the ACT complete "core coursework" than in 1994.
- Tennessee has one of the lowest graduation rates in the nation.
- Over time, Tennessee has improved educational attainment rates, but performance has fallen compared to border states.
- A smaller percentage of Tennessee's postsecondary freshmen (50.2 percent in 2002 vs. 55.7 percent in 1992) require remedial and developmental coursework than in 1992.
- Tennessee has effectively improved the percentage of graduates going to college but has not improved the percentage of 18-year-olds graduating from high school at the same rate.
- From 1989 to 2002, Tennessee's overall wealth (as indicated by per capita personal income) grew more than the state's peers, but individual earning power (as measured by median personal income) has not mirrored this trend.

Recommendations

Legislative and administrative recommendations related to major components of the EIA, some of which have appeared in previous Comptroller's Office of Education Accountability (OEA) reports, are compiled in the final section of this report and include the following. (See pages D-1 through D-7.) Responses from the State Department of Education and the State Board of Education to these recommendations can be found in Appendix H and Appendix I.

- The General Assembly may wish to modify several aspects of the BEP formula, including the following related to components of this report:

  Class size – Consider decreasing BEP-generated class sizes in response to student dispersion within a local education agency and instructional demands of specialized classes (e.g., laboratories), and consider increasing vocational class sizes in cases where instruction is similar to regular classes (e.g., mathematics).

  Superintendents – Consider adjusting the BEP-generated superintendent salary according to number of students.

  School nurses – Consider decreasing the ratio of school nurses per pupil. Consider changing the school nurse component to a nonclassroom component.

  Alternative schools – Consider increasing the BEP alternative schools component to reflect more accurately the cost of providing alternative programs.

- The General Assembly may wish to amend *Tennessee Code Annotated* Section 49-6-501(a) to reduce the age at which a student can participate in adult high school programs.
- The General Assembly may wish to amend *Tennessee Code Annotated* Section 49-2-115 to define specifically the role and mission of family resource centers. Lawmakers should determine whether they intend for the programs to provide information and referral, broker services, or provide direct services that communities lack.
- The General Assembly may wish to amend Titles 49 and 68 relative to school nurses. Existing laws do not clearly establish expectations for local education agencies or the State Departments of Education and Health.
- The General Assembly may wish to request a study or commission an external evaluation of the state accountability system.
- The General Assembly may wish to update *Tennessee Code Annotated* Section 49-3-359(a) to account for the eroded buying power of the teacher materials allotment set in 1992.
- The State Board of Education and the State Department of Education may wish to use the alternative school standards to assess the effectiveness of programs across the state.
- The State Department of Education, the State Board of Education, and the General Assembly may wish to consider monitoring Hamilton County's change to a single path curriculum as a pilot for the state.
- The Basic Education Program Review Committee should analyze the school social worker component and may wish to recommend adjusting the ratio to provide funds for additional positions.

History

Many parts of Tennessee's K-12 education landscape have taproots to the EIA, and gaining insight into education in the state necessitates understanding the act and the circumstances that brought it to bear. The introduction of this report and each component section includes information on education in Tennessee before and since the EIA. (See pages A-1 through A-8 and Section C.)

All branches of Tennessee government have been involved in education reform since the 1980s. In 1984, the General Assembly enacted legislation aimed at reforming the K-12 system. Governor Lamar Alexander's Better Schools Program created several initiatives, including the Career Ladder program for educators, changes in vocational and technical education, and increased funding for instructional materials and standardized testing.

Fiscal conditions in many small school systems did not improve substantively after implementation of Better Schools, which was funded by a one-cent increase in the sales tax. Many of the program's funds were not directed at improving classroom resources, and wealthier systems continued to provide better educational opportunities for their students. In 1988, a coalition of small systems sued the state, charging that education funding deprived poor areas of the state their right to equal protection. The Tennessee Supreme Court eventually ruled that the state's method of funding public schools was the

principal cause of "the disparities in the educational opportunities afforded under the state's public school system."[1]

State-level education reform activities were underway when the first *Small Schools* suit was filed. When Governor Ned McWherter took office in 1987, he directed Education Commissioner Charles E. Smith to tour the state and ask how Tennessee could improve K-12 education. Commissioner Smith returned to Nashville with blueprints for an improvement plan. The State Board of Education had focused on the state's education funding formula for several years. The department's plan, coupled with the state board's 1990 Master Plan, formed the basic elements of the EIA.

The EIA legislation was introduced on February 4, 1991, in the General Assembly. The original bill contained configurations of the major components passed in the final version. Regular session adjourned in 1991 with no consensus on the education bill or a revenue proposal. After an unsuccessful Special Session on education and tax reform in January 1992, the conference committee completed its work on the education bill in February. Governor McWherter signed the EIA into law on March 11, 1992.

The General Assembly approved a half-cent sales tax increase to fund the EIA, though it should be noted that actual costs have outpaced funds generated by the 1992 tax increase and have required substantial investments of general revenue. At such a level of investment, legislators want to understand the EIA's impact on education in Tennessee. On April 26, 2003, members of the Senate Education Committee requested the OEA to study the implementation of the act.

The objectives of this project were:

- To determine the political and historical context surrounding the enactment of the EIA and how this context has changed since that time.
- To analyze and evaluate the major components of the EIA.
- To determine the conditions of education inputs and outputs/outcomes in Tennessee when the EIA was enacted and how these conditions have changed since that time.
- To compare the conditions of education from 1992 through 2003 and the effects of broad education reform efforts in Tennessee to those of other SREB states and other relevant states, as identified.

Previous Reports

The following OEA reports provide additional information and recommendations for various components of this report. All reports are available online at http://comptroller.state.tn.us/orea/reports/index.htm.

- *Teaching to Empty Desks: The Effects of Truancy in Tennessee Schools*, January 2004
- *Elected vs. Appointed Superintendents: Questions and Answers, A Legislative Briefing Paper*, November 2003
- *Funding Public Schools: Is the BEP Adequate?*, July 2003
- *Multiple Choices: Testing Students in Tennessee*, March 2002

[1] S.C. No 01-S01-9209-CH-00101, Supreme Court of Tennessee, at Nashville, 851 S.W.2d 139; 1993 Tenn., March 22, 1993, Filed.

- *A Look at Tennessee's Family Resource Centers*, April 2002
- *Considering Nursing Practices in Tennessee Schools*, April 1999
- *Ready or Not…A Look at Kindergarten Readiness*, June 1998
- *Work in the School Place: Tennessee's School-to-Work Program*, December 1997
- *Tennessee's Alternative Schools: Serving Disruptive Students*, September 1995

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List of Exhibits

"If the legislature agrees to fully fund Governor McWherter's Basic Education Program for Tennessee schools, then:

- *Every child in Tennessee will sit in smaller classes and receive more individualized instruction.*
- *Every teacher will have adequate materials and supplies to meet classroom needs.*
- *Both students and teachers will benefit from additional guidance counselors, special education instructors, psychologists, social workers, school nurses and art, music, and p.e. teachers.*
- *Every school will have access to 21st century technology.*
- *Buses will run in every school system.*
- *And there will be adequate, quality classroom space in every school."*
  - ~ Commissioner Charles Smith, Tennessee Department of Education, Media Briefing, Executive Conference Room, State Capitol, November 1991

Section A. Introduction

The Education Improvement Act (EIA), Public Acts, 1992, Chapter No. 535, was one of the most sweeping pieces of K-12 education legislation in Tennessee history. The 88 sections of the act brought about radical changes in state and local administration of schools. The act established a new funding formula for public schools to provide greater assistance to poorer districts. It also created a new local governance structure for public education, including abolition of the locally-elected superintendent position, and a system of accountability requiring local schools and school systems to meet state standards and goals. The EIA laid the groundwork for Tennessee to conduct annual, statewide assessments of all students and adopt a performance model for schools and districts.

A half-cent sales tax increase to support public education funding accompanied the EIA. Consequently, state funding for K-12 education channeled through the new funding formula increased over $1.1 billion from 1991-92 to 2001-02. At such a level of investment, legislators want to understand the EIA's impact on education in Tennessee.

Some components of the EIA remain issues of legislative engagement while others have become established parts of Tennessee's educational landscape. On April 26, 2003, Senator Jeff Miller presented a bill to the Senate Education Committee that would have allowed a return to the election of local superintendents of schools. During discussion of the bill, Senator JoAnn Graves requested the Comptroller's Office of Education Accountability (OEA) to study the implementation of the entire Education Improvement Act.

Methodology

The OEA, itself established by the EIA, has studied various pieces of the act since 1994. Before beginning this analysis, the OEA divided the act into major components, defined by the impact and original intent of those sections. Other components are outlined in Appendix A. Of the following major sections under review, the OEA has examined starred components of the act in some manner since 1992.

- ✯21st Century Computer Technology
- ✯Alternative Schools
- ✯Basic Education Program

- ✯Class Size
- Compulsory Attendance Age
- ✯Family Resource Centers
- Fee Waivers
- ✯Mandatory Kindergarten
- School Based Decision Making
- ✯School Nurses
- School Social Workers
- ✯State Accountability System
- ✯Superintendents
- Teachers' Instructional Supplies Funds
- ✯Two-Track Curriculum

Teams assigned to each component designed research steps using the following rubric, ensuring that each team asked specific questions about various phases of major components under review.

Exhibit A-1: Program Evaluation Rubric

Pre-Legislation
- Description of need (i.e., what was the problem?)
- Was the problem addressed in any way before the legislation?
- If so, why wasn't this solving the problem?

Legislation
- What statutes were enacted to fix the problem?
- Describe/capture the original intent.
- Were any goals or objectives articulated?
- Were there any measurable outcomes developed to evaluate legislation?

Implementation
- How has the legislation been implemented?
- Is there misalignment between the legislative intent and the implementation?
- Was there an implementation timeline?
- What have the significant milestones been?
- Has the component been amended by subsequent legislation? To what end?
- Did the legislation require collaboration among state/local actors?
- How might the contributions of these collaborators be characterized?

Cost
- How much state and local money has been allocated over time?
- In constant dollars?
- Cost savings?
- Cost increases?
- Projected costs?

End State/Current State
- Have there been:
  - Improvements in effectiveness?
  - Improvements in efficiency?
  - Any processes eliminated?
- What are the critical success factors that can be attributed to the legislation?
- Are there shortcomings associated with this component of the EIA?
- Any failures?
- Any attempts to correct?

Evaluations
- Any formal evaluations?
- Reports?
- Audits?

Satisfaction surveys?
What was return on investment?

Comprehensive evaluation of each major component and of the overall effects of the legislation included a literature review and a review of historical documents (i.e., newspaper clippings, media briefings, etc.), including listening to archived tapes of legislative committee discussions. Analysts used school and system report cards and other state-produced documents to complete their reviews. Teams also interviewed relevant parties, including legislators, state officials, and local educators and distributed a brief questionnaire to a limited sample of school system personnel. (See Appendices B and C.)

The objectives of this project were:

- To determine the political and historical context surrounding the enactment of the EIA and how this context has changed since that time.
- To analyze and evaluate the major components of the EIA.
- To determine the conditions of education inputs (e.g., funding) and outputs/outcomes (e.g., student achievement, higher education attainment, dropout, attendance, economic viability) in Tennessee when the EIA was enacted (late 1980s leading into the 1990s) and how these conditions have changed since that time.
- To compare the conditions of education from 1992 through 2003 and the effects of broad education reform efforts in Tennessee to those of other SREB states and other relevant states, as identified.
- To compile findings and recommendations about the EIA and present them to the General Assembly.

Background

A Trend of Education Reform

"[I]n the 1980s, the South was a leader in emphasizing statewide goals…in strengthening the course requirements for graduation from high school and in reporting information on educational performance to the public school-by-school."[1] In Tennessee, all branches of government have been involved in education reform since the 1980s. For example, a 27-member Education Task Force assembled and released the *Tennessee Comprehensive Education Study* in 1982. The 489-page report documented many of the same policy issues discussed during passage of the EIA. The following timeline displays some of the other activities taking place before, during, and after the passage of the EIA.

[1] Southern Regional Education Board Commission for Educational Quality, "1938-1998: Education and Progress in the South," 1998, p. 12

Exhibit A-2: Education Timeline in Tennessee

	EXECUTIVE			LEGISLATIVE	JUDICIAL
	Governor	*State Board of Education*	*State Department of Education*		
1982				The TCES examines issues related to education funding in Tennessee	
1984				The General Assembly passes legislation to create the Better Schools Program.	
1987	Ned McWherter takes office as Governor.	SBE Education Funding Needs Report recommends altering the TFP.	Commissioner of Education Charles Smith visits 139 school districts.		
1988		SBE Education Funding Needs Report recommends the Basic Education Program.			Small Schools I: 77 small systems file a lawsuit against the state claiming education funding inequities.
1990	Governor McWherter holds community education meetings.	SBE Master Plan suggests many components of the future EIA.	Draft Goals and Objects of the 21st Century Challenge Plan released.	Education Improvement Act is introduced to the General Assembly.	Small Schools I tried in Chancery Court.
1991	Governor McWheter holds educational forums across the state.				Chancery Court rules in favor of the plaintiffs.
1992			Department releases Steps Toward Excellence document.	General Assembly passes the EIA and a half-cent sales tax increase to phase in funding over five years.	Court of Appeals overrules the Chancery Court ruling.
1993					Tennessee Supreme Court overrules the Court of Appeals and upholds Chancery Court ruling.
1995				Small Schools II: The General Assembly adopts the Teacher Salary Equity Plan.	Tennessee Supreme Court upholds the new education funding formula, the BEP.
1997			The BEP reaches full funding levels.		
2002					Small Schools III: Tennessee Supreme Court rules that the BEP does not equalize teacher salary funding.
2003				General Assembly distributes $27 million to districts with lowest teacher salary levels.	

Source: OEA analysis of historical documents.

In 1983, the National Commission on Excellence in Education released *A Nation at Risk: The Imperative for Educational Reform*. This document, credited with initiating two decades of discussion about education reform, pointed out major problems in the nation's K-12 education system. Findings included weak curricula, low expectations for students, too little time devoted to education, and teacher quality issues. The report recommended several changes to policymakers: raising graduation requirements, instituting merit pay

programs for teachers, increasing funding and commitment to public schools, and taking several steps to improve teaching quality.[2] During this time, several southern governors became very involved in education reform. At the 1984 SREB annual meeting, Tennessee Governor Lamar Alexander and Arkansas Governor Bill Clinton pushed for improvements in measuring educational progress and other reforms.[3]

In 1984, the 93rd Tennessee General Assembly enacted several pieces of legislation aimed at reforming K-12 education. The Public Education Governance Reform Act, (Public Acts, 1984, Chapter No. 6) made the State Board of Education (SBE) independent and gave it the authority to set policies for the distribution of school funding. Governor Alexander's Better Schools Program, embodied in the Comprehensive Education Reform Act of 1984 (Public Acts, 1984, Chapter No. 7) enacted several initiatives, including the Career Ladder program for educators, changes in vocational and technical education, and more funds for instructional materials and standardized testing. The program did not include all of the recommendations of the *Risk* report, but did channel thoughts toward education reform.

Many other southeastern states also legislated major educational changes, such as new funding formulas, testing programs, and accountability systems, at this time. (See Exhibit A-3.)

Exhibit A-3: Education Reform Legislation in the Southeast

SREB STATE	YEARS OF EDUCATION REFORM LEGISLATION
Alabama	1991, 1995, 2000
Arkansas	1983, 1989, 1991, 1995, 1997, 1999, 2001
Delaware	1998, 2000
Florida	1991, 1992, 1999
Georgia	1985, 2000
Kentucky	1990
Louisiana	1979, 1993, 1996
Maryland	1990
Mississippi	1982
North Carolina	1984, 1989, 1993, 1997
Oklahoma	1990
South Carolina	1984, 1989, 1993, 1994, 1998
Texas	1984, 1999
Virginia	1980, 1994, 1995, 1999
West Virginia	1983, 1994, 1998, 2000

Source: Office of Education Accountability review of state statutes.

[2] National Commission on Excellence in Education, *A Nation at Risk: The Imperative for Educational Reform*, U.S. Department of Education, April 1983, http://www.ed.gov/pubs/NatAtRisk/risk.html, Accessed: December 22, 2003.

[3] Maris A. Vinovskis, "Overseeing the Nation's Report Card: The Creation and Evolution of the National Assessment Governing Board (NAGB)," U.S. Department of Education, November 19, 1998, p. 12.

Small Schools Lawsuit

Following implementation of the Better Schools Program, funded by a one-cent increase in the sales tax, fiscal conditions in many small Tennessee school systems did not improve substantively. Many of the program's funds were not directed at improving classroom resources, and wealthier systems continued providing better educational opportunities for their students. According to one author, "by the late 1980s three to four dozen largely rural school systems did not have enough money to provide basic educational services."[4] However, support for increased funding suffered from public perceptions that the education system routinely performed poorly.[5] In 1988, a coalition of 77 small Tennessee school systems sued the state, charging that the state's education funding mechanism "was unconstitutional because it deprived the poorer counties of their constitution [sic] right to equal protection of the laws."[6]

In July 1991, the Chancery Court issued an opinion favoring the plaintiffs, stating that "[s]ome of the poorer school districts cannot even comply with the state's minimum standards because of inadequate funding."[7] The Court of Appeals reversed the decision, but the Tennessee Supreme Court eventually upheld the original ruling of the Chancery Court. The high court ruled that the state's method of funding public schools was the principal cause of "the disparities in the educational opportunities afforded under the state's public school system."[8]

Tennessee was not alone in being sued for K-12 educational funding and performance. Every SREB state except Mississippi and Delaware defended at least one education-related lawsuit between 1979 and 2001.[9]

Preparation

As shown in the timeline on page 4, education reform activities were occurring at the state level prior to the filing of the first Small Schools suit. After the high court's decision, legislative and executive actions meant to remedy the situation continued. Governor Ned McWherter had witnessed court intervention with the state's prison system and was unwilling to allow the court to take the same steps with the education system: "I am absolutely opposed to letting the courts get involved in our school financing system like they have in our correction program."[10]

When Governor McWherter took office in 1987, he began canvassing the public for input into policy decisions. The governor directed the commissioner of the State Department of Education (SDE) to tour the state and ask how the state could help improve education. Commissioner Charles E. Smith visited all 139 school systems and returned to Nashville

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[4] William Lyons, John M. Scheb II, Billy Stair, "Public Policy in Tennessee: Education," *Government and Politics in Tennessee*, (Knoxville, TN: UT Press, 2001) p. 298.
[5] Lyons, et.al., p. p. 298.
[6] "Presentation to the House Education Committee," Lewis Donelson, February 19, 2003; *Tennessee Small School Systems et al. v. Ned Ray McWherter et al.* (I). I – 851 S.W.2d 139 (Tenn. 1993).
[7] Presentation to the House Education Committee, February 19, 2003, by Lewis Donelson, Attorney, Tennessee Small Schools Association
[8] S.C. No 01-S01-9209-CH-00101, Supreme Court of Tennessee, at Nashville, 851 S.W.2d 139; 1993 Tenn., March 22, 1993, Filed.
[9] OEA research, including SREB documents and Internet sources.
[10] "Address to Chattanooga Area Chamber of Commerce," Governor Ned McWherter, January 7, 1992, State of Tennessee

with blueprints for an improvement plan.[11] By this time, the SBE had focused on the state's education funding formula for several years.[12] Education officials drafted the 21st Century Challenge Plan based on the concerns that had been gathered across the state. The plan underwent a review process by stakeholders and was released in 1990. The plan contained 12 major goals that, with the state board's 1990 Master Plan, formed the basic elements of the Education Improvement Act. In remarks to the Select Oversight Committee on Education in February 1990, Commissioner Charles Smith noted that full implementation of the plan would:

- Lead parents back into the educational lives of their children.
- Give teachers competitive pay, better work conditions, and more respect.
- Put principals in charge of their schools.
- Make superintendents CEOs of their systems.
- Produce equity in school funding.
- Bring accountability into the schools.
- Make schools 21st century learning centers with computers, interactive video, and satellite receivers.
- Bring business and industry leaders in to the mainstream of school goal setting and long-range planning.
- Above all, give students a fighting chance to make it and fulfill their potential.[13]

In 1990, Governor McWherter and SDE staff visited communities across the state to inform them about changes needed in K-12 education.[14]

The Education Improvement Act of 1992

The Education Improvement Act was introduced on February 4, 1991, in the General Assembly. As filed, the bill contained 50 sections and included configurations of the major components passed in the final version of the EIA: the Basic Education Program, appointed superintendents, performance indicators, class size standards, and accountability measures.

Sponsors Senator Andy Womack and Representative Bill Purcell shepherded the EIA through the committee process. Standing committees on education and finance discussed and amended the bills for several months before the full houses adopted different versions of the bill in May 1991. The differences between House and Senate bills were significant enough to prevent consensus. In June, a conference committee was appointed to produce a report on the bill that could then be voted up or down by both houses. The committee met through the fall and winter and conducted public hearings on the bill.

The EIA was originally accompanied by a massive tax reform proposal. Governor McWherter supported a plan that would have raised $627 million in revenue by

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[11] Telephone Interview with Dr. Charles Smith, former Commissioner of Education, Tennessee Department of Education, December 4, 2003.
[12] Interview with Dr. Brent Poulton, former Executive Director, Tennessee State Board of Education, October 14, 2003.
[13] Comments to the Legislative Oversight Committee on Education, by Commissioner Charles E. Smith, Tennessee Department of Education, February 22, 1990, pp. 5-6.
[14] *Governor Ned Ray McWherter Papers, 1987-1995*, Processed by: Harry A. Stokes, Archival Technical Services, Tennessee State Library and Archives, October 2000.

instituting a 4 percent state income tax while lowering and repealing other state taxes. However, regular session adjourned in 1991 with no consensus on a revenue proposal. After an unsuccessful Special Session on education and tax reform—this time a 3 percent income tax proposal—in January 1992, the conference committee resumed its work and passed the education bill in February. The House approved the Conference Committee Report on February 24; the Senate on March 2, 1992. When it became Chapter No. 535 of the Public Acts of 1992, the Education Improvement Act had gained nine additional Senate sponsors and 27 additional House sponsors. (See Appendix G for a description of each section of the EIA.)

Before passing the EIA, the General Assembly approved a half-cent sales tax increase to fund the bill. The move was estimated to bring a $230 million recurring revenue increase, with half dedicated to restoring cuts made to education funding for fiscal year 1992. Because of the funding, the press referred to the final version of the EIA as "watered down." Original fiscal impact estimates for the bill topped $560 million, though the final version was estimated at less than half that cost and was accompanied by phased-in funding.[15] It should be noted that actual costs for the new education funding formula have outpaced funds generated by the 1992 tax increase and have required substantial investments of general revenue.

The conclusions and outcomes section of this report summarizes current trends in education reform and overall changes in K-12 education today that have resulted from the EIA. This section also profiles trends in educational indicators since 1992. Following are reports on the implementation and current status of each major component of the EIA. Legislative and administrative recommendations related to the EIA are compiled in the final section of this report.

[15] Gail McKnight, "Education reform gets final approval," *The Tennessean*, Volume 88, No. 63, March 3, 1992.

Section B. Conclusions and Outcomes

The EIA ushered in major changes for Tennessee's public schools. The General Assembly enacted the sweeping legislation in a specific context of national education reform movements, as noted in the background of this report. Many other circumstances also surrounded the act's passage. In the early 1990s, state legislators were not concerned with funding TennCare or Homeland Security—neither existed. Government employees did not correspond by electronic mail, and state offices and schools generally lacked networked computers or printers. Many citizens were engaged in a debate about state taxes after an unsuccessful initiative by Governor McWherter to institute a general income tax.

As the act has been implemented, circumstances affecting states, schools, and students have shifted. Education reform efforts across the nation have built on more than a decade of major changes to states' education finance, accountability, and testing policies. Current improvement efforts continue to focus on student achievement, especially the achievement gap, but also include discussions about school choice such as charter schools and vouchers. In recent years, the *No Child Left Behind* law has greatly affected the nature of states' education reforms. Tennessee's educational priorities have shifted from meeting the requirements of one lawsuit (*Small Schools I*) to meeting those of another (*Small Schools III*). In addition, the dedication of state funds since 1992 to health and social services has increased by five percent while percentages allocated to other state government responsibilities—excluding law, safety, and correction—have decreased.[16]

Many of the changes instituted by the EIA are now embedded in the education landscape, their effects minimized by time and standard application across the state. The act and subsequent legislation have affected students' experiences, for instance, in many marked ways. The following exhibit shows the differences between major education experiences of students graduating from Tennessee high schools in 1990 versus those who will graduate in 2005.

Exhibit B-1: Public Education Milestones, Graduating Class of 1990 vs. 2005

IN 1990, TYPICAL HIGH SCHOOL GRADUATES WOULD…	IN 2005, TYPICAL HIGH SCHOOL GRADUATES WILL…
NOT have been required by the state to complete a kindergarten program.	HAVE completed at least a half-day kindergarten program.
HAVE completed the High School Proficiency Test, written on roughly the 6th grade level, before exiting high school.	HAVE completed Gateway examinations in math, science, and language arts before exiting high school.
HAVE been able to graduate with a general education diploma, which may not have qualified them for postsecondary study or work.	HAVE completed a secondary program of study in vocational, academic, or dual path education.
HAVE taken courses with up to • 28 students in grades K-3	HAVE taken courses with no more than • 25 students in grades K-3

[16] State of Tennessee Budget documents, 1993-94 and 2003-04, actual funding columns by program area.

• 31 students in grade 4 • 33 students in grades 5-6 • 39 students in grades 7-12 • 25 students in vocational classes	• 30 students in grades 4-6 • 35 students in grades 7-12 • 25 students in vocational classes
HAVE been able to drop out of school at age 16 with no penalties.	HAVE to attend school until they turn 18, with driver license penalties for nonattendance.
PERHAPS have received some computer education.	HAVE to participate in at least one full year of computer instruction.

Source: OEA analysis and interviews.

A recent *Education Week* article asked, "How much time should we give a reform before we demand to see results?"[17] The article refers to "lag time," or the time taken from initial identification of a problem to its solution, and notes that many policymakers expect results from school improvement initiatives before the changes have time to address the problem. In the case of the EIA, some components of the law enacted to address specific problems—such as high school end-of-course testing requirements—have not yet taken full effect. The author suggests that policymakers "judge the effectiveness of a policy by considering the 'preponderance of the evidence'" as gained through a number of evaluations over time.

This section presents educational performance trends over time—one approach to evaluating the effects of the EIA. Legislators and policymakers should also examine program-specific analyses as available and weigh multiple evidences for any reform efforts aimed at complex systems such as K-12 education.

Outcome Effects

How a law is implemented greatly affects legislative outcomes. In addition, multiple factors at different levels of government and in the general public simultaneously influence K-12 education. As one author explains:

> Improving the quality of superintendents and school boards cannot prevent bickering or ensure a commitment to excellence among county commissions, county executives, mayors, and the business community. Reforms do not eliminate political and religious agendas. Neither can they mitigate the problems of drugs or domestic violence that are figures in many Tennessee communities. Reforms can remove some ineffective principals and teachers, but not all of them. Most important, state-initiated reforms simply cannot supplant local attitudes about the importance of education. Where attitudes of indifference exist no combination of funding, academic standards, or any other policy change will make a great deal of difference.[18]

Linking specific outcomes to one piece of legislation is, therefore, difficult. Each component section of this review examines certain outputs, or implementation effects.

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[17] Lewis C. Solomon, "Education Policy 'Lag Time,'" Education Week, December 10, 2003, www.edweek.com/ew/ewprintstory.cfm?slug=15solomon.h23, (accessed: January 5, 2004).

[18] William Lyons, John M. Scheb II, Billy Stair, "Public Policy in Tennessee: Education," *Government and Politics in Tennessee*, (Knoxville, TN: UT Press, 2001) p. 304.

The EIA also included certain "built-in" performance measures—including test scores, academic gain, attendance rates, and dropout rates.[19] In studying overall outcome effects, OEA analysts selected various measures of educational performance, including school participation, academic attainment, post-secondary readiness and success, and earnings. Although the interrelatedness of many variables makes it difficult to infer causality, trends in each of these measures provide a snapshot of changes in Tennessee since passage of the EIA.

When analyzing statewide data, it is important to note that improvements may not be uniform. Rural districts, for instance, have reaped many pronounced benefits of the EIA. Lewis Donelson, the lead attorney for the plaintiffs in the *Small Schools* lawsuits testified before the House Education Committee in February 2003:

> [T]he BEP has caused a substantial improvement in the quality of education. Rural test scores have risen. Whereas, in 1988 not a single advanced placement course existed in the 77 [plaintiff] school districts, now I believe every one of them has at least one. They now have adequate and up-to-date textbooks, and physical facilities have been greatly improved. All of the schools now have foreign languages so they are able to qualify their students for the leading colleges. It is heart-warming to realize that in many school districts they had never had a student to attend Vanderbilt, Sewanee, Rhodes, much less Ivy League schools, now they have them, not every year, but frequently.[20]

OEA analysts were unable to disaggregate data for each indicator to account for differences in urban, suburban, and rural districts. Some districts have increased achievement in certain ways, while others cite different improvements.

School Participation

Attendance rates

Tennessee's student attendance rates have improved since 1992, particularly in grades 7-12. Exhibit B-2 displays changes in attendance rates from 1992 to 2001 for grade groups K-6 and 7-12. The State Board of Education *Performance Model* specifies student attendance goals for these grade groups—95 percent and 93 percent, respectively.[21] Grades K-6 showed minimal improvement toward the goal over time, while grades 7-12 showed marked improvement and met the attendance goal. District-level analysis shows that urban schools achieved the largest improvements in attendance rates in grades 7-12.[22] In 2002, the State Department of Education (SDE) began reporting attendance rates for grades K-5, 6-8, and 9-12 groups rather than the two aforementioned groups.

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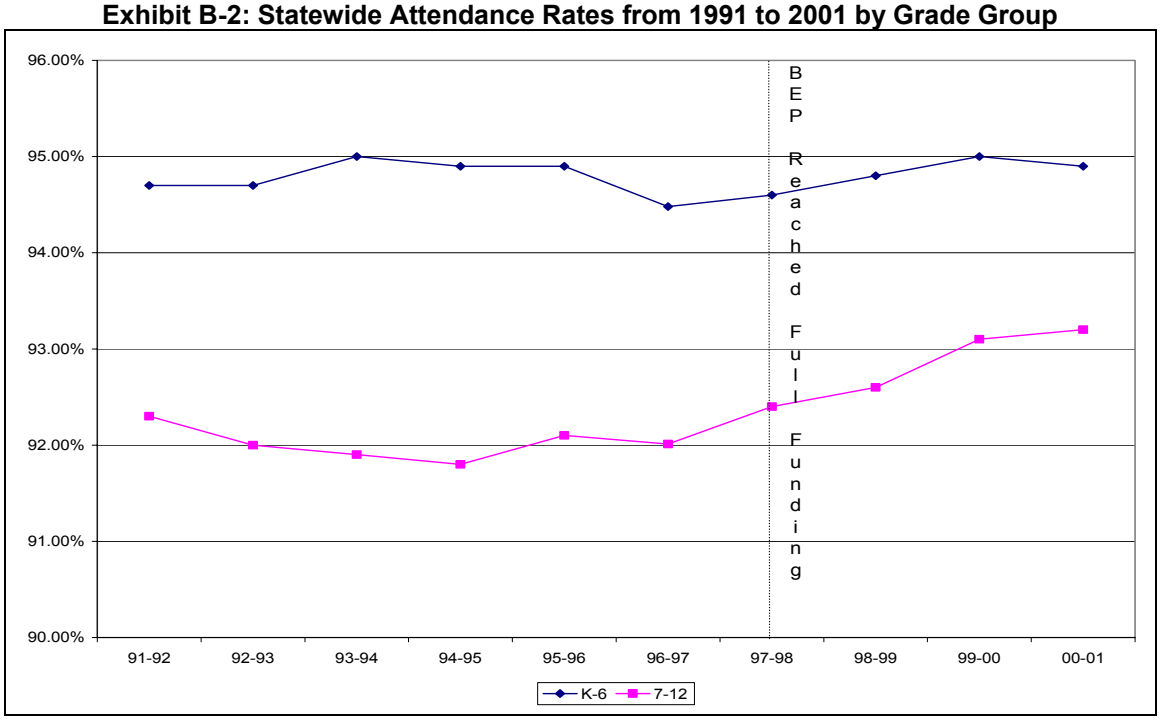
[19] *Tennessee Code Annotated Section* 49-1-601

[20] Lewis Donelson, Lead Attorney for Tennessee Small Schools Association, Testimony before the Tennessee House Education Committee, February 19, 2003.

[21] Tennessee State Board of Education, *Performance Model*, May 2, 2003.

[22] Analysis entails separating Tennessee school districts into five categories by population, population density, and location within a Metropolitan Statistical Area.

Exhibit B-2: Statewide Attendance Rates from 1991 to 2001 by Grade Group



Source: State of Tennessee Report Cards 1991 to 2001, Tennessee State Department of Education.

Rising attendance rates have accompanied growing student counts. Average daily membership in Tennessee schools was 827,998 K-12 students in 1993 and 903,388 in 2003.[23]

Public Awareness

Though difficult to assess their use, public reports on school quality have a much higher profile than before 1992. The SDE began releasing reports on public school performance following the 1990-91 school year. That report, the Commissioner's Report Card, contained standardized test data and other information for every school system in the state. After passage of the EIA, which required public reporting, the state department began releasing 21st Century Schools Program reports with supplementary information for every public school.

In 2003, the SDE released public school report card information to 327 media organizations across the state.[24] The report cards contain academic information based on state testing and other non-academic information (i.e., grades served, number of students, suspensions and expulsions) for every school. Most major newspapers carry test scores for their region following the annual release of report card data. The SDE publishes state, district, and school report cards on the Internet. The 2003 report card website received over 100,000 hits on the first day of publication.[25] The state department's website contains public school report cards dating to 1995.

[23] ADM counts taken from historical spreadsheets, Tennessee Department of Education, January 22, 2004.
[24] E-mail to the author from Bruce Opie, Legislative Liaison, Tennessee Department of Education, "Re: Fwd: EIA/Public Interest," December 3, 2003.
[25] Telephone interview with Dr. Bill Sanders, SAS In School, December 16, 2003.

An OEA report released in March 2002 recommended that the SDE "continue to evaluate the format of the school report cards in an effort to improve communication with parents and the public at large."[26] Specifically, the report detailed deficiencies in the paper version of report cards, noting that explanations of measures on the report cards did not give a "clear picture of what is taking place in the school."[27] In 2003, the state department did not issue paper report cards. The Internet version contained detailed information about terminology and how to interpret report cards.

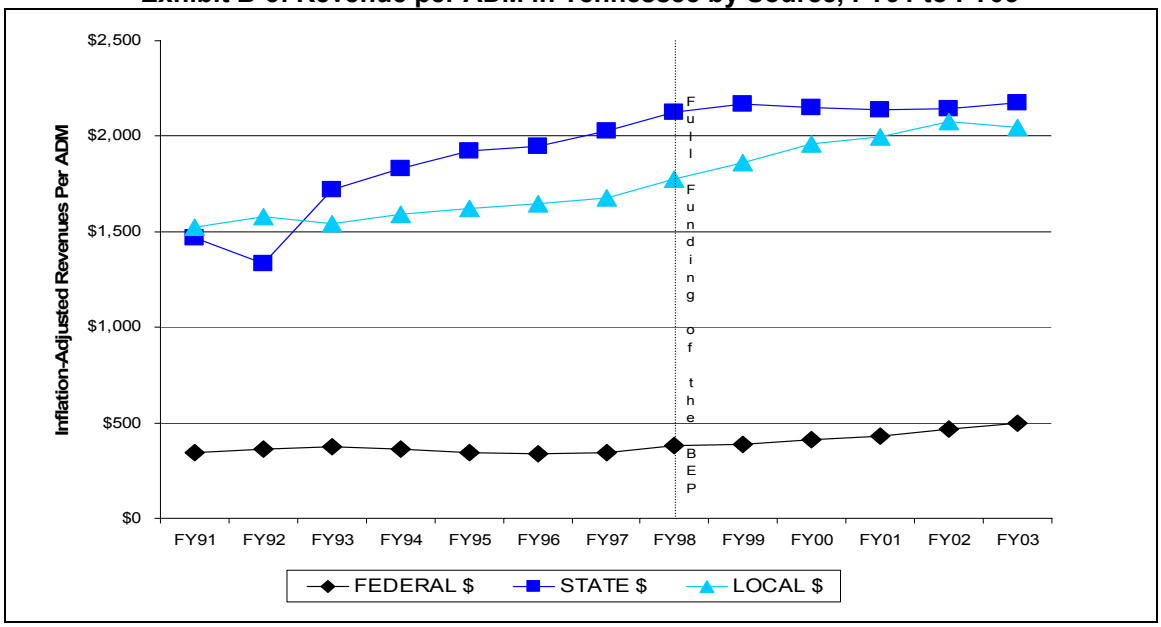
Financial Commitment

Overall financial commitment to education has increased since 1992, but Tennessee still trails many other states in comparison. The EIA altered the state's financial commitment to its public schools. Accompanied by a half-cent sales tax increase, the EIA brought about large increases in K-12 education funding through a new formula, the Basic Education Program (BEP). In FY98, when the formula reached full funding, the state's share of total K-12 education funding was $2,268,052,719—an increase of 72 percent from fiscal year 1992 when adjusted for inflation.[28] The BEP generated a total of $3,141,128,000 at full funding in 1998, including the local share. The actual dollar increase of the state share was almost 100 percent.

As noted in the BEP component section of this report, Tennessee's expenditures per pupil trail all other SREB states. In 2000, the McLoone index indicated that funding equity in Tennessee increased throughout the phase-in of the BEP but is now below the national average and most SREB states. In recent years, spending among local education agencies (LEA). has grown less equitable as local revenues have increased as a percentage of all revenues. Exhibit B-3 shows inflation-adjusted federal, state, and local revenues for Tennessee's public schools. Local shares have increased while state revenues have flattened since full funding. (See the BEP component section of this report for additional information and data on financial commitment.)

[26] Office of Education Accountability, *Multiple Choices: Testing Students in Tennessee*, State of Tennessee Comptroller of the Treasury, March 2002, p. 43.
[27] Office of Education Accountability, March 2002, p. 38.
[28] Figures held constant in 1991 dollars. Analysis of Tennessee Department of Education, *Annual Statistical Report* documents, Fiscal Years 1991-92 and 1997-98.

Exhibit B-3: Revenue per ADM in Tennessee by Source, FY91 to FY03



Source: Tennessee Department of Education, Revenue and Attendance Data.

Academic Attainment

Test Data

Most Tennessee districts can cite examples of improvement in specific subject areas and grade levels as measured through the Tennessee Comprehensive Assessment Program (TCAP), though there is room for improvement statewide. Tennessee has administered statewide standardized tests to students in public schools since 1989-90.[29] The state is widely acknowledged for having one of the most thorough databases of student test data in the country. Each year, Tennessee's average achievement scores are reported as national median percentiles in each subject area and grade level. Fluctuations in scores could be caused by unstable achievement of the national norm group, against which Tennessee's students are scored, but could also be caused by actual changes in Tennessee students' performance.

In June 2000, Dr. Bill Sanders and Dr. June Rivers published a report analyzing student achievement trends by district, grade level, and subject area. The report included TCAP data analysis from 1991 through 1999 and concluded that:

> [M]any districts have made consistent progress that has accumulated over the various grades. For others, progress has been made in the lower grades but has not been sustained in the later elementary grades. However, for most districts there certainly are subject-grade combinations that can be pointed to as examples of measurable progress in their districts.[30]

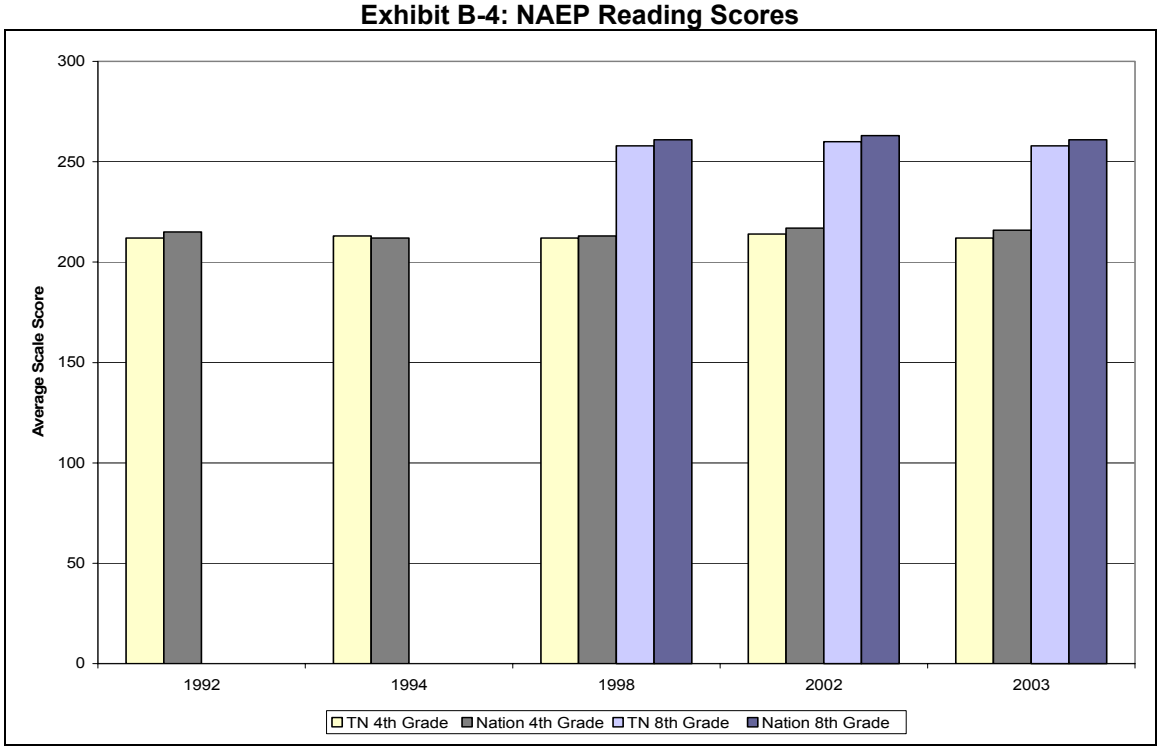
Specifically, the analysis revealed significant positive changes in math, language arts, and science. Reading gains, however, followed a different trend. Many districts achieved

[29] "Commissioner's Report Card, 1990-91," State Department of Education, January 1990.
[30] William L. Sanders, Ph.D., and June Rivers, Ed.D., "Tennessee Elementary Student Achievement Trend Analyses (1991-1999)," University of Tennessee Value-Added Research and Assessment Center, January 2000, p. 4.

progress in reading through the 5th grade but lost ground afterward. Fifty-two districts had an actual decline in 8th grade reading comprehension, meaning that their 8th graders in 1999 "were reading less well than their 1991 counterparts."[31]

Student performance on National Assessment of Education Progress (NAEP) tests in Tennessee has increased since the implementation of the BEP, but other southeastern states, such as North Carolina, have achieved greater gains. The NAEP, or the Nation's Report Card, tests a sample of states' fourth and eighth grade students in several subject areas. Average math scores in Tennessee on the NAEP increased from 1992 to 2003, but the national average also increased. The state's scores in reading were the same for 1992 and 2003, mirroring the national average. Tennessee's scores on all exams remain below the national average.[32]

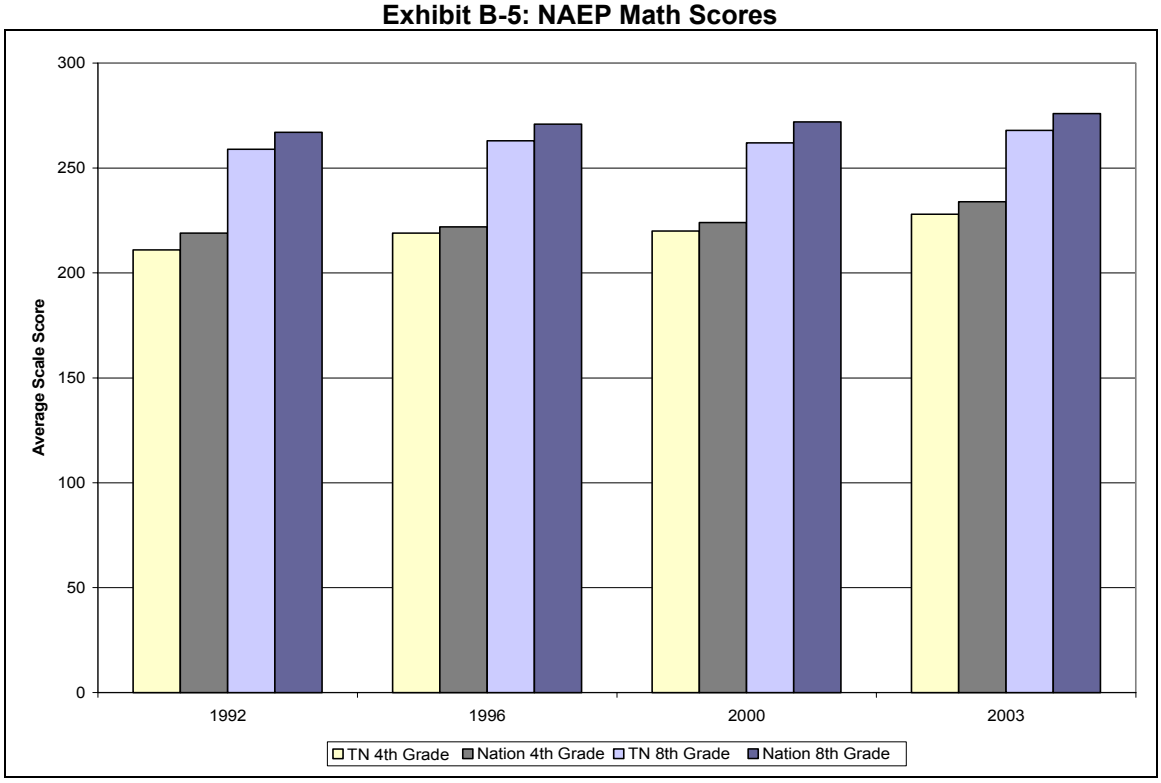
Exhibit B-4: NAEP Reading Scores



Source: National Assessment of Education Progress, NCES, USDOE.

[31] Ibid., p. 5.
[32] Center for Education Statistics, "The Nation's Report Card: State Profiles—Tennessee," October 30, 2003, http://nces.ed.gov/nationsreportcard/states/profile.asp, (accessed December 22, 2003).

Exhibit B-5: NAEP Math Scores

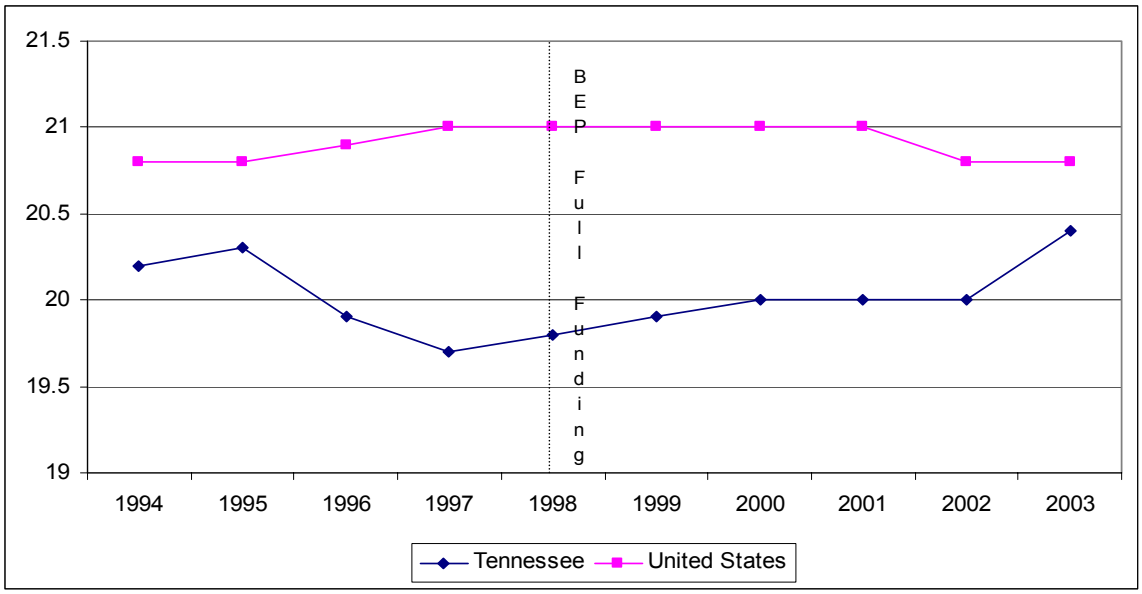


Source: National Assessment of Education Progress, NCES, USDOE.

The average ACT-taker in Tennessee scores higher than in the early 1990s but still performs below the national average. However, test-taking participation rates affect score comparability. The average ACT score in Tennessee in 2003 was 20.4, slightly higher than the state average of 20.2 in 1994 but still below the national average of 20.8 for both years.[33] Almost twice the percentage of Tennessee students take the ACT compared to the nation. The percentage of test-takers in Tennessee rose from 67 percent in 1994 to a high of 83 percent in 1997 between 1994 and 2003. In the same time period, the national percentage remained relatively stable—ranging from a low of 35 percent in 1996 to 40 percent in 2003. It is important to note that in 2003, Tennessee's high school graduates were not required to take an exit exam (i.e., ACT, SAT, or WorkKeys), though almost three-quarters of the state's graduates (74 percent) took the ACT that year.

[33] ACT Newsroom, "ACT National and State Scores," http://www.act.org/news/data.html (accessed October 15, 2003).

Exhibit B-6: Average ACT Composite Scores



Source: ACT Newsroom, "ACT National and State Scores," 1994 - 2003.

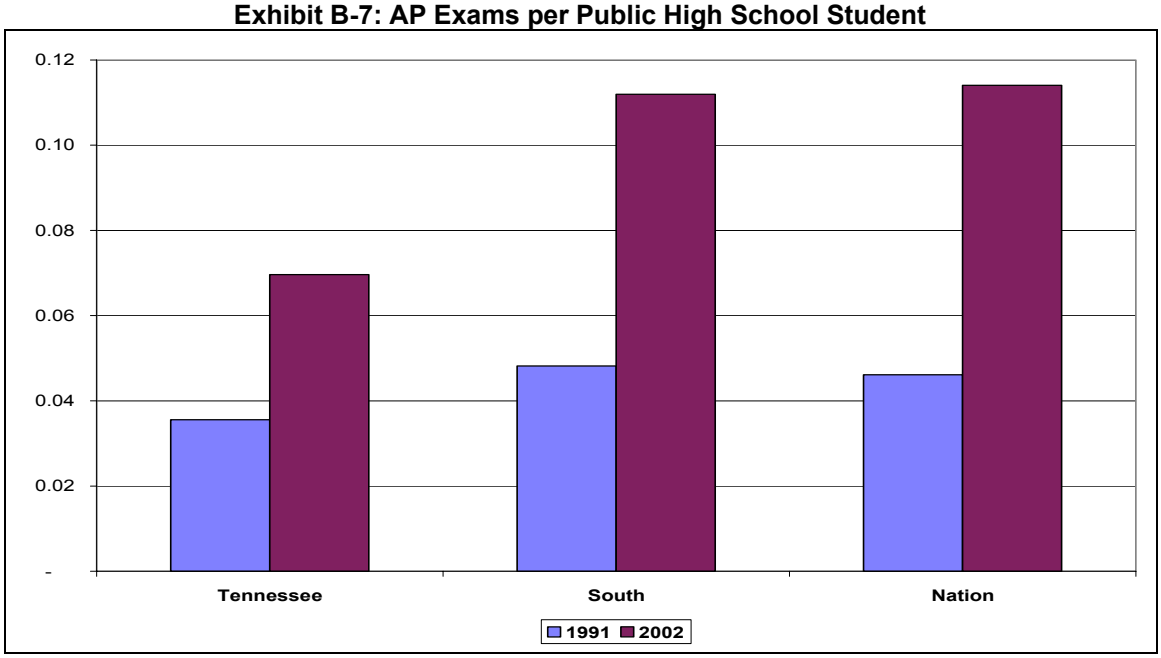
Curriculum

More Tennessee students who take the ACT complete "core coursework" than in 1994. Core course completers take at least four years of English and three years each of mathematics (algebra and above), natural sciences, and social sciences. According to ACT data, the percentage of Tennessee test-takers completing core coursework increased from 46 percent in 1994 to 62 percent in 2003.[34]

Advanced Placement (AP) coursework was not as widely available to Tennessee students in 1991 as in 2003, though Tennessee still lags behind the South and the nation in AP examination rates. The AP program allows secondary students to take college-level coursework in high school. Research has shown that students who place out of introductory college courses through their AP scores generally perform better in higher-level college coursework than students who take introductory courses.[35] Schools with high populations of minority or low-income students are less likely to offer AP courses, especially in math and science, than others. Even when such coursework is available, "students from underrepresented and low-income groups take advanced courses less frequently than students from other groups."[36] (See Exhibit B-7.)

[34] "ACT National and State Scores: ACT Average Composite Scores by State," ACT Newsroom, 2003, http://www.act.org/news/data.html, (accessed December 17, 2003).
[35] Rick Morgan and Len Ramist, *Advanced Placement Students in College: An Investigation of Course Grades at 21 Colleges*, Educational Testing Service, Report No. SR-98-13, February 1998.
[36] Jerry Gollub, et. al, Eds., *Learning and Understanding: Improving Advanced Study of Mathematics and Science in U.S. High Schools*, "Executive Summary," National Research Council, Washington, D.C., 2002, p. 4.

Exhibit B-7: AP Exams per Public High School Student



Sources: National Center for Education Statistics, *State Comparisons of Education Statistics: 1969-70 to 1996-97*; National Center for Education Statistics, *Public School Student, Staff, and Graduate Counts by State: School Year 2001-02*; and The College Board, AP Central, Exam Data: 2002.

Graduation

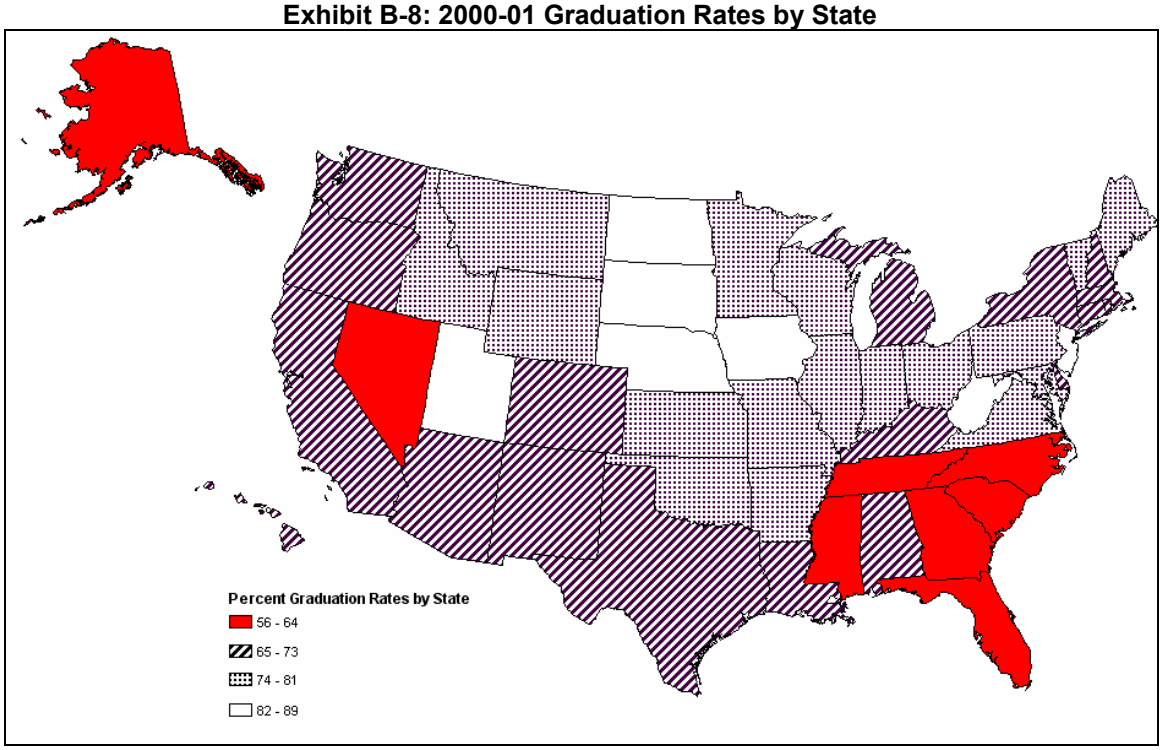
Tennessee has one of the lowest graduation rates in the nation. High school graduation rates can be difficult to compare because each state collects and reports information differently. One set of researchers recently calculated graduation rates for each state using a common set of data. According to their estimates, only 60 percent of Tennessee high school freshmen in 1997-98 graduated with a regular diploma by the end of the 2000-01 school year, a rate higher than only three states: Florida, Georgia, and South Carolina.[37] Exhibit B-8 shows that southeastern states generally have lower graduation rates than other regions.

The SDE reported a higher graduation rate of 76 percent in 2003.[38] This figure represents the total number of Tennessee students graduating with regular diplomas in 2003 divided by the total number of regular graduates plus dropouts and students finishing school with a GED, a special education diploma, or a certificate of attendance.

[37] Jay Greene and Greg Forester, *Public High School Graduation and College Readiness Rates in the United States*, Manhattan Institute, Center for Civic Innovation, September 2003, p. 17. Note: Researchers used the U.S. Department of Education's Common Core of Data; graduation rates represent each state's total number of 2001 graduates with regular diplomas divided by an estimate of how many students should have graduated that year if completing high school within four years.

[38] "2003 Tennessee Report Card," Tennessee State Department of Education, Lana Seivers, Commissioner, http://evaas.sasinschool.com/tn_reportcard/stateReport_print.jsp, (accessed: December 17, 2003).

Exhibit B-8: 2000-01 Graduation Rates by State



Source: Jay Greene and Greg Forester, *Public High School Graduation and College Readiness Rates in the United States*, Manhattan Institute, Center for Civic Innovation, September 2003, p. 17.

Over time, Tennessee has improved educational attainment rates, but performance has fallen compared to border states. In 1991, 67.4 percent of Tennessee's 25-year-olds had completed at least four years of high school. Tennessee performed more poorly than six border states but outperformed Alabama and Kentucky for this measure.[39] Although Tennessee raised its percentage of 25-year-olds having completed high school to 78.1 percent by 2001, the state had fallen to last place among border states for this measure.[40]

Post-Secondary Success

Entering Class Students

The percentage of Tennessee students earning honors diplomas has increased since 1993. Districts may issue honors diplomas to university or technical curriculum completers who have maintained at least a 3.0 grade point average. Districts may add additional requirements.[41] Honors students may be better prepared to enter postsecondary education and succeed than those students who are not accustomed to excelling in coursework.

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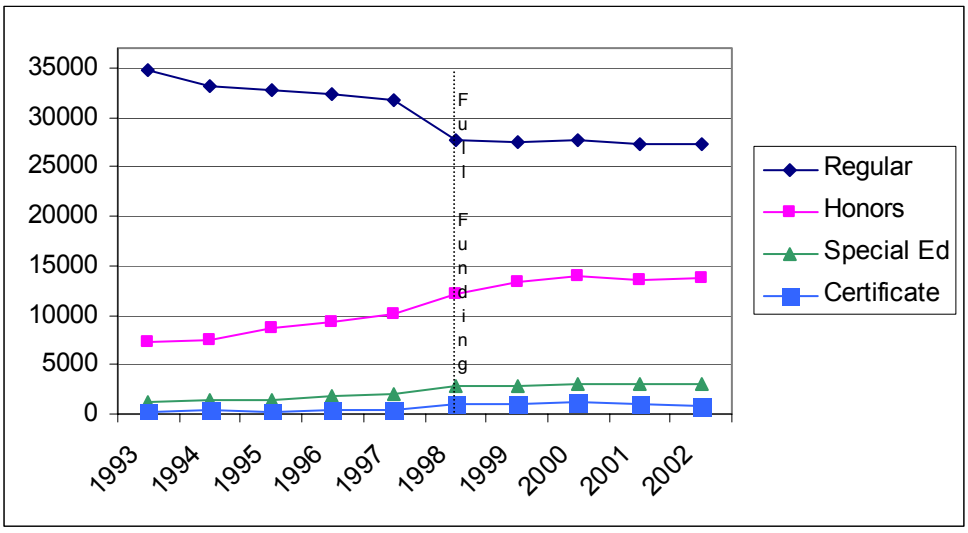
[39] "Table 13. Years of School Completed by Persons 25 Years Old and Over, for States: March 1991," U.S. Bureau of the Census, http://www.census.gov, (accessed: December 22, 2003).
[40] "Table 13. Educational Attainment of the Population 25 Years and Over, By State, Including Confidence Intervals of Estimates: March 2001," U.S. Bureau of the Census, http://www.census.gov, (accessed: December 22, 2003).
[41] Tennessee High School Policy, Tennessee State Board of Education, Revised January 31, 2003, p. 9.

Exhibit B-9: Number of Students Earning Regular, Honors, and Special Education Diplomas and Certificates of Attendance



Source: Annual Statistical Reports, Tennessee Department of Education.

A smaller percentage of Tennessee's postsecondary freshmen require remedial and developmental coursework than in 1992. Tennessee's postsecondary education institutions offer remedial and developmental coursework to students who are not fully prepared to begin a higher education program. Remedial coursework is for students below the skill-level of an average 8th grader, and developmental coursework is designed to bring an entering student up to the level of a high school graduate. The percentage of all first-time freshmen at four-year and two-year institutions taking remedial and developmental coursework fell from 55.7 percent in 1992 to 50.2 percent in 2002. Additionally, the percentage of freshmen taking only one remedial or developmental course rose while the percentage taking more than one course fell.[42] A subset of this category—the percentage of first-time freshmen 18 years of age and under requiring any remedial or developmental coursework—was also slightly lower in 2002 (39.35 percent) than it was in 1993 (42.8 percent).[43]

These figures are not adjusted to remove the percentage of out-of-state students requiring these courses, but the aggregate numbers suggest that entry-level students may be more prepared to begin postsecondary coursework after high school than they were in 1992.

Average ACT scores for entering-class university students have remained above the state average since 1994. Alternately, freshmen entering two-year institutions have a lower-than-average score, though the gap between two-year freshmen and the state average has narrowed.[44] (See Exhibit B-10.) These figures are not adjusted for the percentage of in-state students composing the freshman class, but they provide a useful comparison of university and two-year college entrants to the average ACT-taker in Tennessee.

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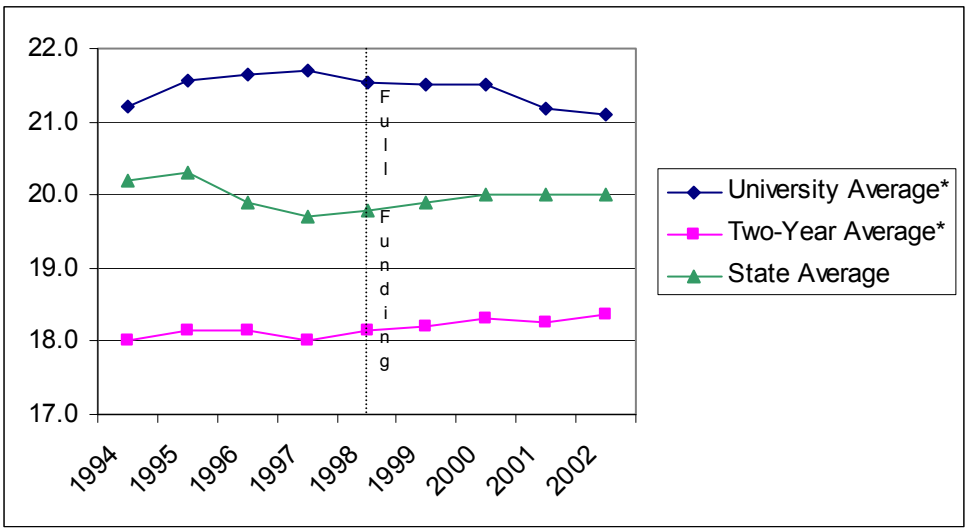
[42] E-mail to the author from Dr. Brian Noland, Associate Executive Director of Policy, Planning, and Research, Tennessee Higher Education Commission, "Re: Questions," December 9, 2003.
[43] E-mail to the author from Jeri Fields Rampy, Assistant Director of Policy, Planning, and Research, Tennessee High Education Commission, "Re: Email," April 22, 2004.
[44] Ibid.

Exhibit B-10: ACT Scores, University & Two-Year Freshmen vs. State Average



Source: Tennessee Higher Education Commission, *Unweighted averages; ACT Newsroom, "ACT National and State Scores," 1994 - 2003.

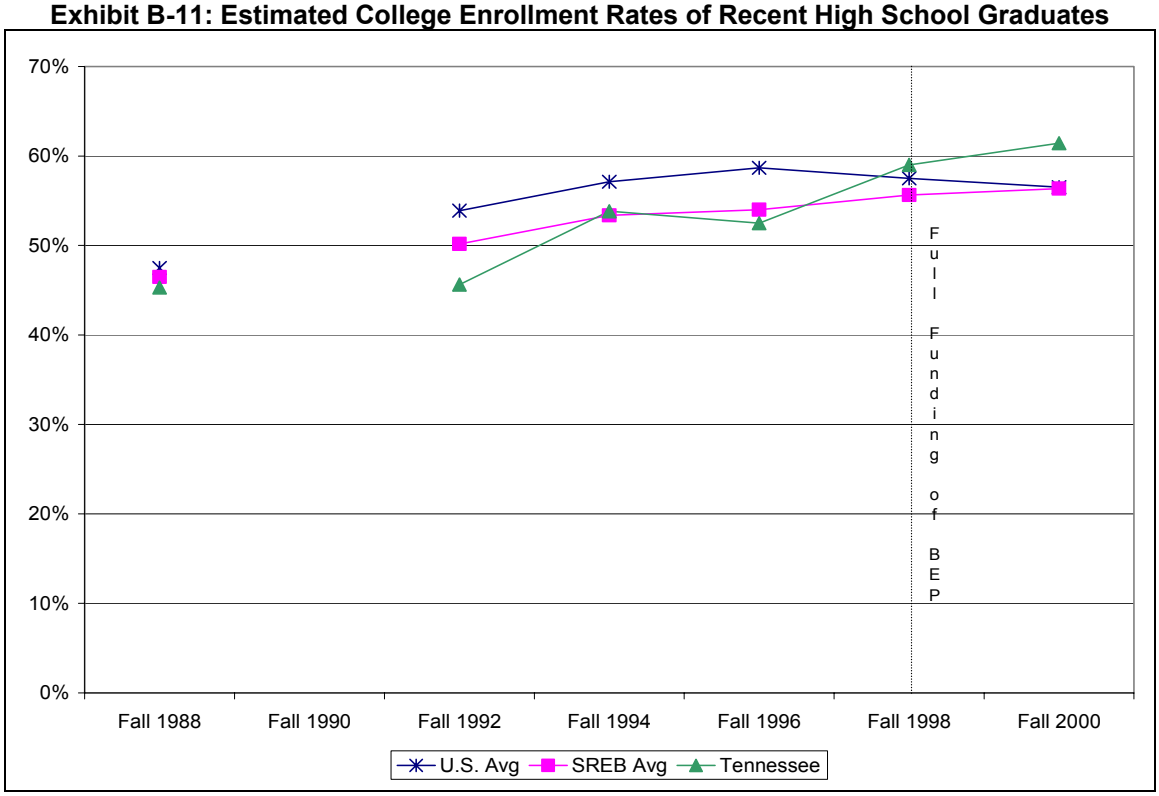
College Matriculation and Completion

Tennessee has effectively improved the percentage of graduates going to college but has not improved the percentage of 18-year-olds graduating from high school at the same rate. Although college enrollment rates tend to be somewhat volatile, data indicate that Tennessee high school graduates were less likely to attend college than average students in SREB states and the nation as a whole in the late 1980s and early 1990s. However, the college enrollment rate for Tennessee students who graduated from high school in the past 12 months rose from 45 percent in 1988 to 61 percent in 2000, and Tennessee's rate now exceeds the national average and 12 SREB states.[45] (See Exhibit B-11.)

Though students graduating high school in Tennessee are more likely to go to college than students in many states, Tennessee actually graduates fewer high school students than many other states. The average 18-year-old in Tennessee (including those who have dropped out of high school) was less likely than the average student nationwide to enroll in college in the year 2000. (See Exhibit B-12).

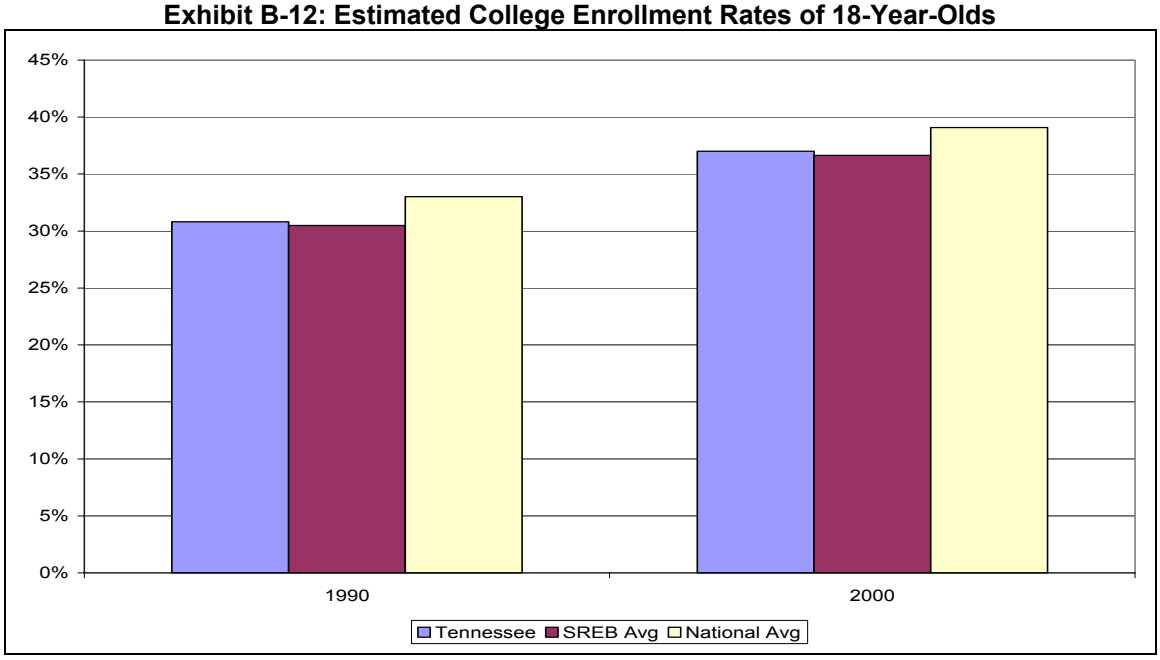
[45] Southern Regional Education Board, *Data Library: Index of Tables and Updates 2003*, Table 17, http://www.sreb.org/main/EdData/FactBook/indexoftables03.asp#Enrollment (accessed October 23, 2003).

Exhibit B-11: Estimated College Enrollment Rates of Recent High School Graduates



Source: Southern Regional Education Board, *Data Library: Index of Tables and Updates 2003*, Table 17, http://www.sreb.org/main/EdData/FactBook/indexoftables03.asp#Enrollment (accessed October 23, 2003).

Exhibit B-12: Estimated College Enrollment Rates of 18-Year-Olds

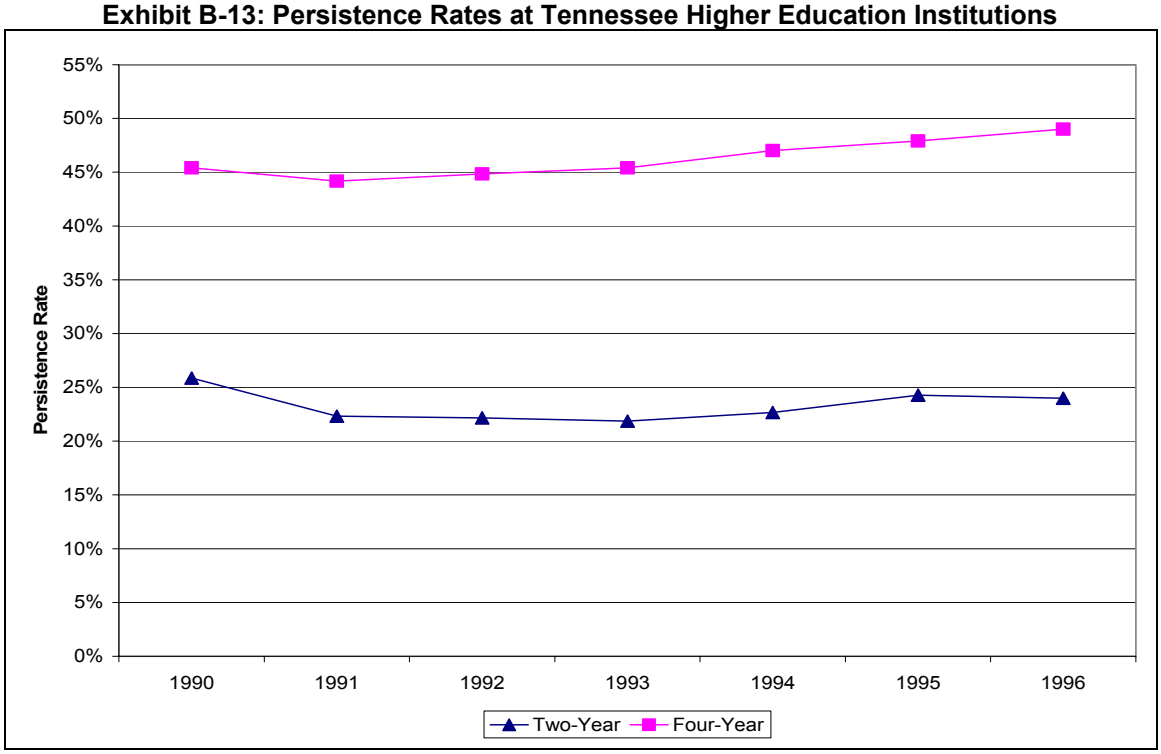


Source: Office of Education Accountability analysis of Census Bureau and SREB data.

From 1990 to 1996, persistence rates at Tennessee's public four-year institutions increased over three percentage points (from 45.42 percent to 49 percent) while those at two-year institutions declined almost two percentage points (from 25.86

percent to 23.98 percent).[46] Long-run trend rates for college persistence, the percentage of students entering a post-secondary institution who receive a bachelor's degree within six years, are difficult to establish because it takes six years to compile necessary data. (See Exhibit B-13.)

Exhibit B-13: Persistence Rates at Tennessee Higher Education Institutions



Source: Tennessee Higher Education Commission.

Earnings

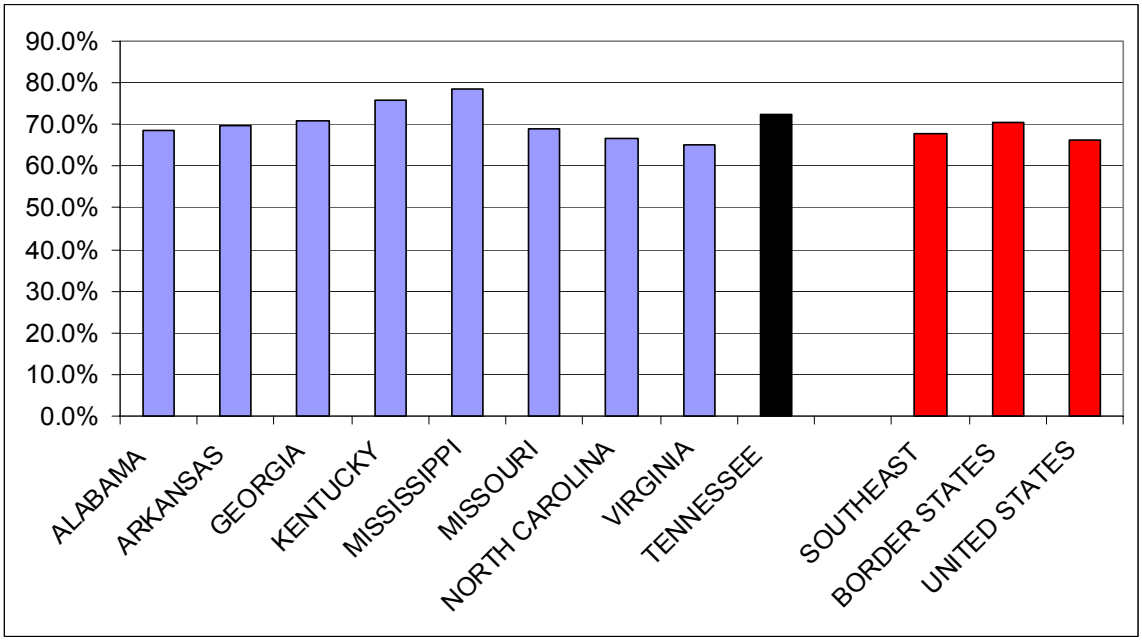
"From increased earnings capacity to worker productivity and flexibility, education is one variable that drives micro and macro level prosperity."[47] However, it is difficult to attribute the level of economic success of the citizenry to one piece of legislation or even the state's entire education system. Many factors, such as increased public spending for education, influence a state's economic vitality and residents' earning potential. Almost any government spending produces benefits, but taxes levied to support spending can produce economic drag. Researchers at the University of Nebraska concluded that increased state spending on education reduces short term worker productivity (and economic growth) because of higher tax rates but produces higher worker productivity (and economic growth) in the long run. This increase is potentially much greater than the cost of increased education spending.[48]

[46] Spreadsheet received from Tennessee Higher Education Commission, "Persistence-To-Graduation Rate Comparisons (6 Year Rates) By Institution and Race," received October 14, 2003.
[47] Houston P. Davis, Ph.D., and Brian E. Noland, Ph.D., *Aligning Resources to Meet State Needs: Educational Needs Index*, no date, p.10.
[48] Kevin Smith and Scott Rademacker, "Expensive Lessons: Education and the Political Economy of the American State," *Political Research Quarterly*, December 1999, p. 719.

From 1989 to 2002, Tennessee's overall wealth grew more than the state's peers, but individual earning power has not mirrored this trend. Per capita personal income in Tennessee increased at a rate exceeding the national, southeastern, and border state averages, as shown in Exhibit B-14. However, an examination of median personal income tells a different story. In 1989, the median personal income for Tennessee was 82.5 percent of the national median, a figure that improved to 84.4 percent in 2002.[49] Though Tennessee outpaced the nation in median income growth from 1989 to 2002, the state lags behind the growth of its peer states for this measure. (See Exhibit B-15.)

Per capita personal income is often used as an indicator of financial well-being but, because it is an average, does not reflect income distribution. Increasing per capita income could mean some individual incomes have increased while others are stagnant or even declining. Median personal income indicates the point at which incomes of half the people are higher and half are lower—people are defined as related wage-earners in a household without consideration to household size. Data are estimated through a formula that is less reliable than for per capita income.

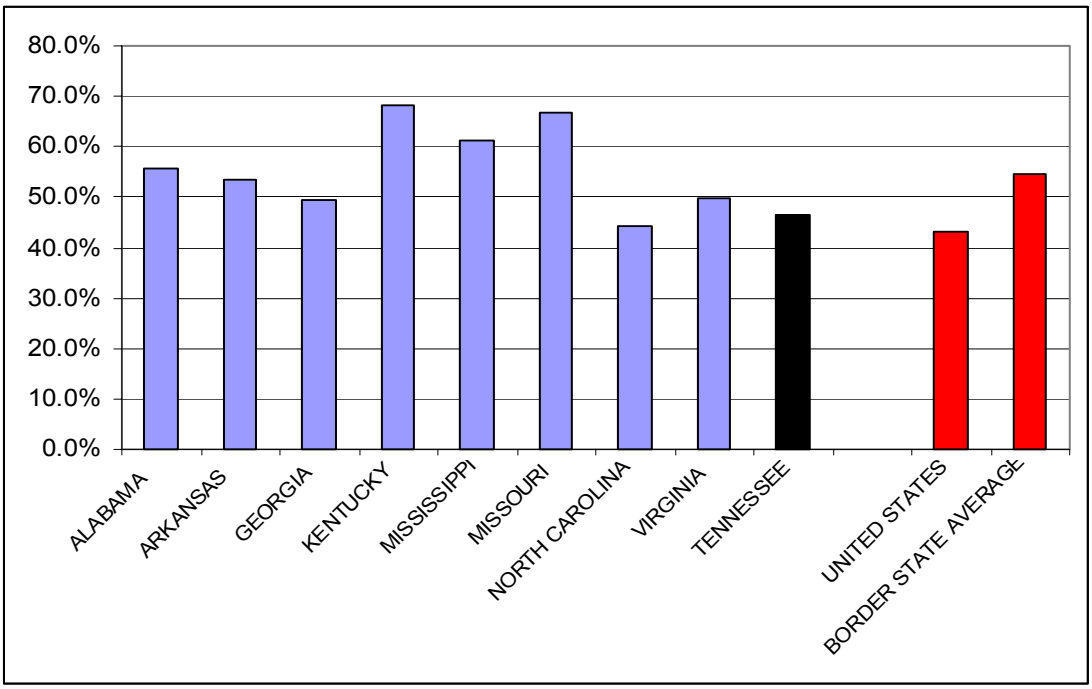
Exhibit B-14: Percent Increase in Per Capita Personal Income, 1989 to 2002



Source: U.S. Bureau of Economic Analysis, Regional Economic Accounts.

[49] U.S. Census Bureau, Census of Population and Current Population Survey. Comparisons of median personal income for 2002 are based on a three-year average of years 2000, 2001, and 2002.

Exhibit B-15: Percent Increase in Median Personal Income, 1989 to 2002



Source: U.S. Census Bureau, Census of Population and Current Population Survey.

Tennessee has produced some other intermediate outcomes that research has shown improve economic outcomes. Research indicates that students taking more advanced math courses in high school have higher salaries as adults, even after controlling for student effort and ability in high school or demographic, family, school, and college attainment variables.[50] As noted earlier, the percentage of Tennessee ACT-takers who have completed "core coursework"—including at least three years of mathematics and natural sciences—has increased since 1994.

Other researchers have found that students who attend higher-quality high schools, those with smaller class sizes and higher numbers of teachers with graduate degrees, experience a small direct increase in earnings as adults and a larger indirect increase because those students are more likely to attend college and more likely to attend higher quality colleges.[51] The EIA included direct provisions for class size reduction, which all school systems met by the required date in school year 2001-02. Teachers in 2002 were only slightly more likely to hold an advanced degree than in 1993; however, the EIA contained no language related to teachers' graduate degrees.[52]

Researchers have also found that students who attended high schools with higher spending per student earned more eight years after graduation than their peers at lower-spending schools, even after controlling for family income, parents' education level, and other demographic variables. Lower-middle and middle income students had the greatest

[50] Heather Rose and Julian Betts, *Math Matters: The Links Between High School Curriculum, College Graduation, and Earnings*, (San Francisco, CA: Public Policy Institute of California, 2001), pp. 39-51.
[51] Wayne Strayer, "The Returns to School Quality: College Choice and Earnings," *Journal of Labor Economics*, July 2002, pp. 475-503.
[52] OEA Analysis of Tennessee Department of Education Annual Statistical Report Data.

gains in earnings.[53] The implementation of the BEP has greatly increased statewide spending for K-12 education, but analysts were unable to analyze individual high school spending changes because school-level expenditures are not disaggregated in available data sets.

Written by: Richard Gurley, Kevin Krushenski, Melissa Smith

[53] Eric Eide, Mark Showalter, and David Sims, "The Effects of Secondary School Quality on the Distribution of Earnings," *Contemporary Economic Policy*, April 2002, pp. 167-169.

Section C. Components of the EIA

Component

21st Century Computer Technology

Pre-Legislation

In the latter half of the 20th century, American education reform focused on measurable student achievement outcomes and accountability for educators. The changing global economy and job market now demand a technologically-skilled workforce. As a result, in addition to appropriate academic standards and valid assessment tools, policymakers and administrators have emphasized integrated education technology systems. In October 1990, the State Department of Education (SDE) contracted with a private company for the development of an instructional and data management plan to move the state's educational technology into the 21st century. The Tennessee Education Network (TEN) evolved from this effort and contained four components:

- 21st Century Classrooms;
- a technology training program for teachers;
- a telecommunications network to connect the state department, schools, and school districts; and
- a statewide management information system (SMIS).

These original TEN initiatives predated the EIA but were part of the 21st Century Schools plan that spurred the legislation. Funding streams and administrative focus on EIA initiatives were concurrent with the other TEN activities. The technology goal in the State Board of Education *1993 Master Plan*—released following passage of the EIA—focused on the TEN initiatives. Two indicators of progress included in that plan were the "ratio of computers to students" and the "number of classrooms equipped with 21st century classroom technology."[54]

The SDE conducted a survey to determine the total number of computers in local education agencies (LEA) before the EIA, but that information is no longer available.[55] Moreover, an estimate of the number of computers purchased through the 21st Century Classrooms program is indeterminable because the program requirements changed yearly. The state department currently tracks the number of students per computer and other statistics related to computer technology. It should be noted that these statistics provide only one measure for education technology and do not indicate rate of use.

According to the 2003 Tennessee Online Technology Evaluation System, Tennessee schools have a ratio of 3.9 students to each computer.[56] This ratio is slightly lower than the 4.1:1 average reported for the state by *Education Week* in 2003.[57] However, the ratio is noticeably higher—5.2 students to every one computer—when isolated for mid- to high-capacity computers. In addition, district-level ratios for all computers and mid- to high-capacity computers fluctuate from a low of 1.5 to 13 students per computer. (See Appendix D for a list of district-level student-to-computer ratios.)

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[54] Tennessee State Board of Education, *Master Plan for Tennessee Schools: Preparing for the Twenty-First Century*, 1993, p. 11.

[55] Department officials indicate that they maintain records for about three to five years depending on the records series as prescribed by the Department of General Service's rules and regulations. Telephone Interview with Nancy Stetten and Mary Taylor, Tennessee Department of Education, February 9, 2004.

[56] Tennessee Online Technology Evaluation System, *Where Do We Stand in 2003: State Summary*, http://tn.ontargetus.com/tnreports/StateSum.asp, Accessed: February 11, 2004.

[57] "Technology Counts, 2003," *Education Week,* May 8, 2003, pp. 54-55.

While pre-EIA statistics are not available, it is fair to assume that the 21st Century Classrooms program, described below, was a catalyst for schools' use of and emphasis on computer technology, though the growth of computers in classrooms cannot be completely attributed to any one program.

Instructional Technology and the 21st Century Classrooms Program

Computer technology began appearing in Tennessee's classrooms in the mid-1980s. As part of the Comprehensive Education Reform Act of 1984, Tennessee purchased over 6,000 computers for use in middle school grades. According to a report by the Information Systems Council, "The Better Schools Program established Tennessee as the first state to offer a fully funded statewide computer literacy course, the Computer Skills Next Program."[58] The program was designed to allow 7th and 8th graders to gain computer skills and experience.

As computer technology became more prevalent in homes and businesses, educators lobbied policymakers to make computers available for every student. Governor Ned McWherter stated at the time, "If our children are to compete in a 21st Century economy, they will need a 21st Century classroom."[59] As the state looked for a way to prepare students for the future, Tennessee launched the 21st Century Classroom Program in 1990. The initiative was designed to enhance student learning through technology. Students in these classrooms used computer workstations to learn specific subject matter from educational software. Teachers had workstations that were connected to student computers, a CD-ROM player, a large screen television, and a printer.

Funding for the program began after passage of the EIA. Funds initially provided two 21st Century Classrooms for every school system in 1994-95. The state's goal was to expand instructional technology into every Tennessee classroom by 2000. The General Assembly made special 21st Century Classroom appropriations of $53.9 million in FY94 and $10 million each in fiscal years 1995, 1996, and 1997. The special appropriations were allocated to school districts based on average daily membership (ADM), with a minimum of one 21st Century Classroom per school district.

The SDE developed a cost model for classrooms based on the state's multi-vendor contract. Based on this model, school systems were required to spend $20,000 for each 21st Century Classroom, including $18,000 for equipment and $2,000 for software.[60] According to the SDE, the 21st Century Classroom project and funding were discontinued in 1997.

Technology Training

According to Charles Smith, former commissioner of education, as he visited schools across the state in the late 1980s, he was impressed by the number of unopened computers being stored in closets. Though some systems had acquired computers as a result of former initiatives, there was seemingly no training for teachers to employ them

[58] *Information Systems Plan*, State of Tennessee Information Systems Council, July 1986
[59] Tennessee Department of Education, "21st Century Schools: ABC State of Tennessee, Tennessee 2000," January 1992.
[60] Implementing the Tennessee Education Network, Office of Education Accountability, 1995

for instruction.[61] Therefore, the SDE included training as an essential component of its classroom technology initiative.

Teachers in 21st Century Classrooms were required to attend 30 hours of technology training provided by the state at three regional centers in Jackson, Nashville, and Knoxville. The teachers reviewed computer hardware and software and were trained to incorporate computer technology into their lesson plans. The department gave school systems additional options to obtain training at local sites with training plans approved by the SDE or to provide their own training and receive a $225 training stipend per teacher. Training for 21st Century Classroom teachers was funded at approximately $140,000 per year from 1993 to 1996.

Statewide Telecommunications Network

The statewide telecommunications/computer network, funded initially by $7 million earmarked by the Tennessee Information Systems Council and the SBE, was created to provide Internet access for instructional purposes and allow school systems to be connected to each other and to the SDE. The network was implemented jointly by the SDE, the State Board of Regents, the Office of Information Resources in the Department of Finance and Administration, and school systems. The network initially connected schools through a statewide network called TEN/TECNet that used 14 Board of Regents school sites across the state as connecting points. Since 1998 the network has been connected by Education Network of America and maintained with ConnecTEN funds.

State, federal, and local governments provide financial support to the ConnecTEN program. The federal government matches funding through the E-Rate program. In 2000-01, the federal government allocated approximately $12 million to the state ConnecTEN program and approximately $35 million directly to LEAs through the E-Rate program. Additionally, the state provided 75 percent of the $5,873,000 cost of ConnecTEN, Internet connectivity, e-mail, and Internet content filtering, requiring LEAs to fund only the remaining 25 percent.[62]

Technology Funding Since 1992

In addition to special appropriations for technology, the Basic Education Program (BEP) has generated $20 million per year for classroom technology since its inception. The formula distributes this amount proportionally to LEAs based on ADM. In 2002, this translated to $22.20 per student. Additionally, the BEP generates funds for classroom equipment. Equipment may include computer hardware, printers, fax machines, televisions, and other electronic devices. In 2003-04, the BEP generated $190,545,767 for this component. The BEP also generates salaries for local technology coordinators as a non-classroom component. The following table shows state funds that have been allocated for technology since 1993, estimated at over $370,000,000. The amounts are funding figures only and do not reflect total dollars Tennessee schools have actually

[61] Telephone interview with Dr. Charles Smith, Former Commissioner, State Department of Education, December 4, 2003.

[62] Telephone interviews and subsequent email correspondence with Tom Bayersdorfer, Director of Information Technology, Tennessee Department of Education, November 21, 2001 and January 18, 2002; Memorandum from Jim Jones, Assistant Commissioner for Business Administration, Tennessee Department of Education, May 23, 2003.

spent for technology, which include local, federal, and certain other state funds (i.e., grant funding) that may also have been used for technology.

Exhibit C-1: State Technology Funding, 1993 through 2004

Year	BEP Technology Component	21st Century Special Appr.	21st Century Funding	21st Century Training	Library-Internet Project	Technology Coordinator Salaries	Estimated Total
93-94	$20,000,000	$36,950,864	$15,471,032	$173,968	$7,000,000	$2,879,356	$82,475,220
94-95	$20,000,000	-	$9,996,200	$148,275	-	$2,879,356	$33,023,831
95-96	$20,000,000	-	$9,996,198	$148,275	-	$8,386,254*	$38,530,727
96-97	$20,000,000	-	$10,000,000	-	-	$5,601,453	$35,601453
97-98	$20,000,000	-	-	-	-	$5,612,735	$25,612,735
98-99	$20,000,000	-	-	-	-	$5,765,077	$25,765,077
99-00	$20,000,000	-	-	-	-	$5,908,360	$25,908,360
00-01	$20,000,000	-	-	-	-	$6,104,662	$26,104,662
01-02	$20,000,000	-	-	-	-	$6,304,331	$26,304,331
02-03	$20,000,000	-	-	-	-	$6,308,864	$26,308,864
03-04	$20,000,000	-	-	-	-	$6,441,509	$26,441,509
Total	**$220,000,000**	**$36,950,864**	**$45,463,430**	**$470,518**	**$7,000,000**	**$62,191,956**	**$372,076,768**

Source: Spreadsheet "Total Technology Allocated 1993-96 – Summary" and BEP models. *This number is a combination of BEP funds and 21st Century funds dedicated to technology coordinators' salaries in 1995-1996.

In addition, Tennessee received funding through the federal Technology Literacy Challenge Fund. In 2000-01, the state received $7,011,388 from the grant.[63] Though 2001-02 was the last year the grant was funded, the state continued to receive funding at a lower level than the initial amount.

Because LEAs do not report specific technology expenditures separately, it is impossible to determine the total funds that LEAs spend on technology. Technology expenditures are included in general equipment expenditure reports. Equipment includes computer hardware and software, but it also includes desks, chairs, and other items used to deliver instruction. In 2002-03, Tennessee's public schools spent at least $63 million for regular, special, alternative, and vocational education equipment.[64] A study by the Education Commission of the States found that in 1996-97, approximately 1.2 percent of total school expenditures were for technology, a figure expected to rise to 1.5 percent by 1997-98.[65] (For comparison, 1.5 percent of the total 2001-02 BEP was approximately $53 million.)

The 21st Century Schools program and the TEN initiatives contributed to the significance of technology in public education by providing a specific pilot program to demonstrate effective use of computers in classrooms. Though the 21st Century Classrooms program has been obsolete since 1997, LEAs continue to invest in classroom technology—as indicated by the higher number of computers per student in Tennessee classrooms. Teacher training and technology support problems continue to plague school systems' efforts to improve instructional technology strategies; however, it is clear that as

[63] Ibid.
[64] Annual Financial Report 2002-03, database prepared by the Tennessee Department of Education.
[65] Linda Hertert and Mary Fulton, *Investing in Teacher Professional Development*, (Denver, CO: Education Commission of the States, 1997).

computer use has grown statewide, more Tennessee teachers and students have access to computer technology.

Provisions of the Education Improvement Act

As detailed in this section, language in the EIA expressly included the development of the SMIS, an original component of the TEN. Additionally, the EIA mandated computer education for all K-12 students. Section 34 of the legislation stated:

> In order that every pupil for whom it is appropriate receive instruction in the use of computers sufficient to enable that pupil to communicate and participate in the twenty-first century, the State Board of Education shall require every candidate for a full high school diploma after September 1, 1994, to receive a full year of computer education at some time during his educational career. Pupils who transfer from another state to a Tennessee school during their senior year are exempt from this requirement.

Although the EIA required students to receive a full year of computer education after 1994, SDE officials indicate that students were already receiving more than one year of computer education prior to 1994. According to the state department, students were receiving some computer education as early as 1984, and the EIA merely expanded computer curriculum to include elementary grades, giving districts the option to introduce technology skills before middle school.

Legislation

The General Assembly included in the EIA statutory requirements for annual educational data reporting in a state "report card."[66] In addition, the EIA set up a complicated funding formula for Tennessee's schools based on enrollment, demographic, and scheduling data reported periodically by school systems. In order to collect the required data, the act authorized the commissioner of education to "prescribe a management information system through which local school systems maintain, record, and report information to the department and information for internal school and system management."[67]

Student Management Information System

Prior to the TEN, most school systems used the Tennessee Student Register (TSR) as their attendance accounting system. The TSR operated on an MS–DOS platform and was incapable of supporting applications required to convert local data to a statewide accounting system.[68] School systems using TSR transmitted paper copies of student information reports to the state department. Other LEAs used desktop software packages or custom software systems developed in-house or by independent vendors. In many instances these systems were inflexible and unable to communicate efficiently.

In the early 1990s, policymakers saw technology and data management as essential tools to meet demands for increased accountability in Tennessee's education system. The State Board of Education's *1990 Master Plan* prescribed a management information system that "provides information on students, schools, and school systems to improve

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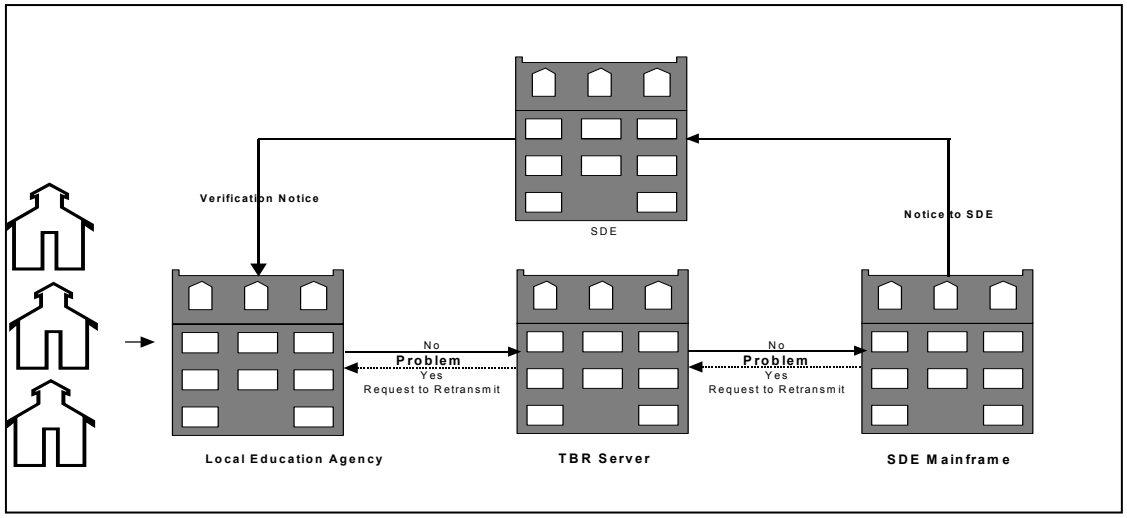
[66] See *Tennessee Code Annotated* §49-1-211.
[67] Tennessee Code Annotated Title 49, Chapter 1, Section 209, Management Information System.
[68] Elizabeth Reagan & Bridget N. O'Conner, *End-User Information Systems,* MacMillan Publishing Company, Englewood Cliffs, NJ. 1994, p. 51.

learning."[69] Education agencies and other state officials were to use these data "for resource deployment and policy-making."[70] Legislators envisioned Tennessee's student management information system as one that would include a comprehensive set of data for schools and social service agencies that serve K-12 students.

Department officials planned a state mainframe-based student management information system that would contain demographic and longitudinal performance information on every student. Data would flow from principals' offices through district central offices to the state's mainframe.[71]

Exhibit C-2: Student Management Information System Flow of Education Data



Source: "File Processing instruction," Office of Information Resources, April 29, 1997, Figure 3.

LEAs were first supposed to transmit student management information through the TEN. The system was to maintain a historical record on every student including attendance, courses, and performance; collect school and district level information such as staffing; and provide consistent, accurate information for funding calculations, research purposes, legislative mandates, and federal reporting requirements.[72] The department's 1993, 1994, and 1995 TEN Implementation Plans outlined the following objectives for the SMIS:

- To meet the State's needs for up-to-date reliable information to fulfill the mandates of the Education Improvement Act and manage state education initiatives.
- To provide local school systems with the information they need to manage their educational efforts, make program decisions, and assess student progress.

[69] State Board of Education, "Master Plan for Public Education Grades K-12," November 1990, p. 14.
[70] Ibid.
[71] Tennessee Department of Education, *Tennessee Education Network: Student Management Information System,* July 1993: Memorandum from Donna Harris to Chris Steppe, Subject: Student Management Information System for TEN, July 9, 1993, Attachment C.
[72] Tennessee Department of Education, "Project Proposal: Student Management Information System," 1997.

- To provide local school systems with reasonable freedom to choose the computer platform and software that best meets locally defined needs while also meeting the state's needs.
- To coordinate our implementation efforts with local school systems to ensure the department's reporting requirements will be met.[73]

To meet these objectives, the SDE developed the following implementation schedule in fall 1993.

Exhibit C-3: SMIS Implementation Schedule

August 1993-September 1994	Mainframe Development
August 1993-September 1994	Modifications by LEAs with Existing Systems
August 1993-September 1994	LEA Tech Plans submitted to DOE
March 1994	Multi-vendor Software Contract
March 1994-May 1995	Software Package Purchases and Installations
October 1994-June 1995	9 months of Acceptance Testing
October 1995	Statewide Production (parallel mode 1 year)

Source: Student Management Component of TEN – Statewide Implementation: Overview of Key Milestones, September 24, 1993.

At the time of initial implementation of SMIS, the four largest school systems were allowed to develop or modify their own software to meet reporting requirements. All other school districts could choose from three certified software vendors. The three vendors provided software packages that met minimum requirements and contracted to provide training and ongoing product support to the systems.[74]

Districts were required to transmit the following information:

- Attendance figures
- Net enrollment and membership data
- Preliminary School and Staff Report
- Suspension/Expulsions, Promotion/Retention, and Dropout Report
- 200 Day Accounting Report
- Vocational Education VEDS MIS report

Implementation

The software packages and state system were tested in three counties—Moore, Pickett and Lake—with positive results. However, as the SDE brought other systems online, programming problems prevented the department from receiving accurate student-level data, especially in the area of attendance. The system generated paper error reports that were sent to districts in boxes. Local personnel reportedly spent days trying to fix their errors and retransmit the reports.

According to SDE personnel, the department tried to fix the problems within the mainframe and allow for more flexibility in the system while expanding the vendor choices to help districts find solutions for all the errors. Unfortunately, the process never

[73] " Tennessee Education Network Implementation Plan: Executive Summary," State Department of Education, 1993, 1994, and 1995.

[74] Project Proposal Student Management Information System: Alternate Plan, State Department of Education, July 1997, project number: CA011P01.

worked as envisioned.[75] Frequent changes in administration as well as alterations to required reporting specifications complicated attempts to fix the system and find the best software applications while creating additional funding needs and conflict between stakeholders.

As local districts incurred additional expenses modifying software in attempts to meet state data requirements, some became less able and willing to pursue compliance. A 1997 survey of school districts by the Tennessee Organization of Superintendents (TOSS) found that the SDE withheld funds at least once from 39 of 109 (36 percent) responding systems for noncompliance.

Education Information System

In 1998, the state department terminated the SMIS program and unveiled a new plan. The Education Information System (EIS) functioned similarly to SMIS using the OIR mainframe to perform calculations. However, the new reporting system was web-based and intended to provide instant electronic error reports notifying systems what changes to make to their data. A private contractor developed the new system and provided ongoing support and training for department personnel and local technology coordinators.[76] Still unable to get consistent, accurate data, the department abandoned the mainframe and went to a more flexible system of SDE servers in 2002.

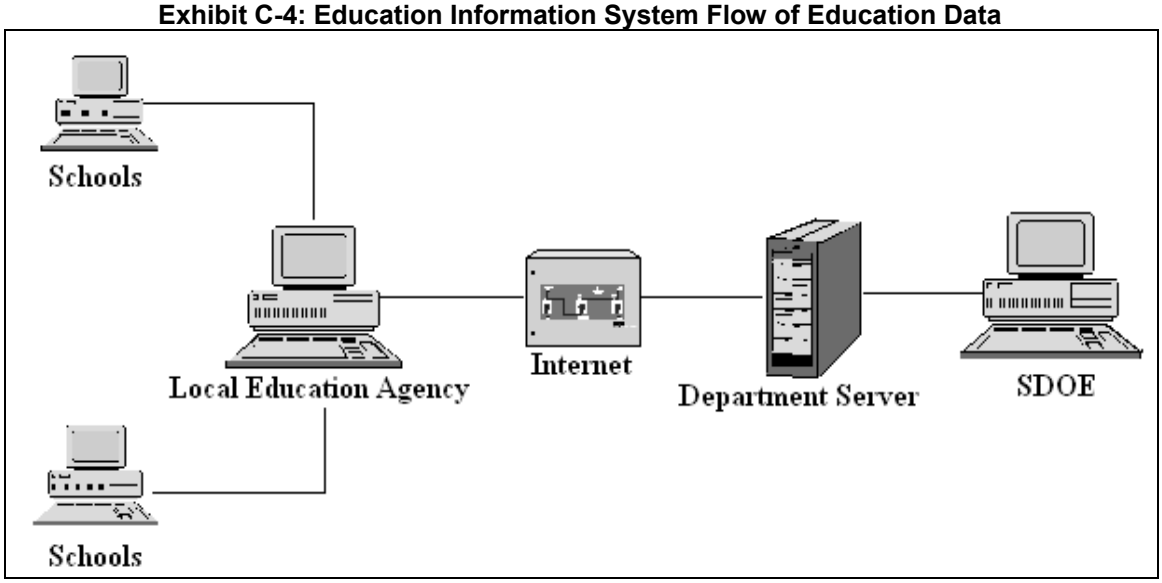
Department administrators estimate that 75 to 80 percent of districts submitted data in 2002-03. Some districts anticipated changes from the department and ceased reporting compliance until the state proposed a solution. As of September 2003, attendance, student ID numbers, and staff information still suffered accuracy problems.[77]

The SDE indicates that the flow of information has changed with the EIS to the following:

1. Schools enter the required information into their software packages.
2. Districts receive the data and transfer the data to the EIS (via the Internet).
3. The SDE receives the data, analyzes for errors, and stores the data.
   If an error is detected, the record will not be processed and an error report is produced for access by the sender via a web page.

[75] Interview with Anna Kniazewycz, Research and Information Services, Tennessee Department of Education, September 2, 2003.
[76] Department of Education, Education Information System Request for Proposal (RFP) 331.040.002.
[77] Phone Interview with Anna Kniazewycz, Research and Information Services, DOE, September 2, 2003.

Exhibit C-4: Education Information System Flow of Education Data



Source: Produced by OEA based on information from the SDE.

Cost

Because of indirect costs analysts could not accurately calculate total expenditures associated with SMIS and EIS. The state department and local governments incurred direct costs such as hardware and software purchases in addition to system maintenance. Indirect costs included training, personnel time, and administrative costs associated with management of the SMIS and EIS systems. While total indirect costs and local expenditures have proved difficult to calculate, direct state expenditures associated with SMIS and EIS are summarized below.

State Funding

In 1993-94, the General Assembly authorized $11.2 million for implementation of the SMIS. The Information Systems Council and State Board of Education approved the allocation of funds as follows:

- $1.4 million to the SDE for state mainframe development, teacher and technology coordinator training, and additional infrastructure costs
- $9.8 million to districts for local implementation:
  - $2.9 million for Technology Coordinators in every district
  - $3.3 million for hardware
  - $3.4 million for software
  - $200,000 for telecommunications

After abandoning the SMIS in 1997-98, the SDE expended nearly $2 million on the EIS. These funds were allocated as follows:

- $1,070,175 to purchase application software
- $135,000 for Oracle Database Licenses
- $303,684 for MicroStrategy (maintenance and support)
- $388,637 for two database servers and three application/web servers
- $5,628 for one Compaq 35/70 GB DLT External Backup[78]

[78] EIS Expenditure History from John Sharp, Fiscal Director, State Department of Education.

Local Expenditures

As stated earlier, LEAs have incurred many costs associated with the student management information system. To capture LEAs' experiences with the implementation and operation of the SMIS, OEA sent a short survey to a randomly-selected group of LEAs to gather information. (See Appendix B for survey questions.) Survey responses from 10 systems indicated little interaction between LEAs and the SDE in designing and planning the SMIS. When asked the question "What are or have been the obstacles in implementing a student management system?," LEAs responded as follows:

- five indicated lack of funding
- three indicated poor planning and lack of expertise
- three indicated lack of expertise with the Department of Education's Technology Office[79]

Respondents also indicated spending from $25,000 to $11 million on SMIS and EIS. Memphis City Schools expended almost $11 million in 2000 to overhaul its student management system and send data required by the new EIS. According to Robert Archer, Associate Superintendent of Memphis City Schools, "this was mainly driven by the new requirements of the EIS."[80] Other school systems also indicated spending changes associated with the new requirements.

End State/Current State

To increase the efficiency of the EIS, the SDE proposed in July 2003 the procurement of a single student management software package. According to the department, the new project referred to as the Statewide Student Management Software Package (SSMS) will "improve Departmental efficiency by utilizing a manageable centralized repository of information needed to provide student and staff information necessary…to ensure accurate, equitable distribution of funds for education purposes."[81] The SSMS is intended to provide:

- A centrally-managed system supported by state department personnel.
- LEAs with the basic functionality required to generate calendar, student, staff, and class data for their schools including the ability to generate grade book, special education census, scheduling, and discipline information.
- LEAs with a standardized, electronic method for meeting the SDE's reporting requirements.
- LEAs with the ability to produce export files to EIS and other applications.
- A flexible system that can respond to constantly changing legislative mandates.[82]

The SSMS project will put in place a support system that will allow LEAs to upload information into the EIS. State department technology administrators indicate that software should be available to all school systems by July 2004. The SDE set the following implementation schedule for the SSMS program.

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[79] 10 survey responses to the OEA survey.
[80] Phone interview with Robert Archer, Associate Superintendent of Memphis City Schools.
[81] Department of Education, RFP Development for a Statewide Student Management Software Package, July 2003.
[82] Ibid.

Exhibit C-5: Statewide SSMS Implementation Schedule

July- September 2003	RFP Development
October 2003	RFP to F&A/ Comptroller for Review/Approval
November 2003	RFP released
January 2004	Contract Awarded
February 2004	Data Conversion Begins for Pilot LEAs
July 2004	Basic Program Available to All LEAs

Source: Department of Education, RFP Development for a Statewide Student Management Software Package.

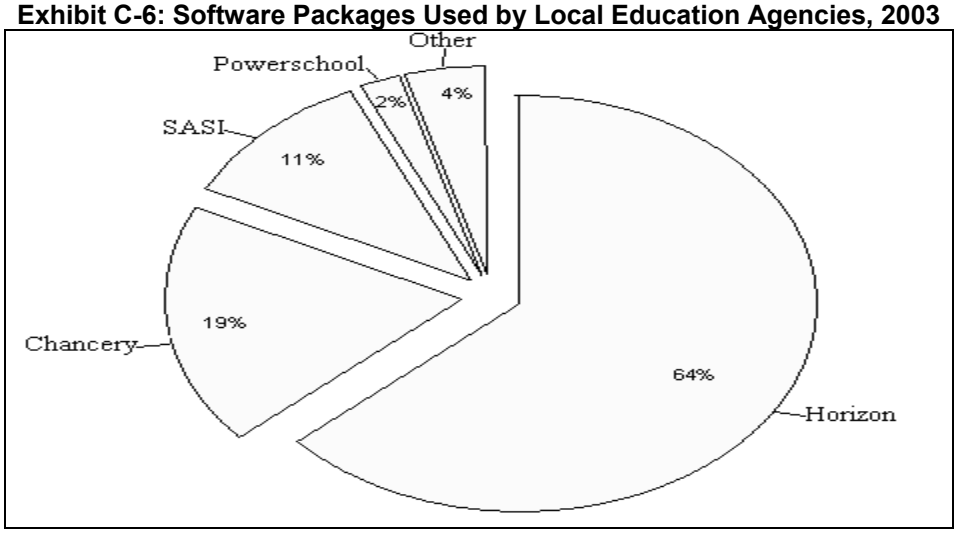
As of February 2004, the state department was on schedule with its timeline. However, LEAs that have recently undertaken a similar procurement process for software indicate the timeline is too ambitious.

Tennessee school districts use a variety of local student management software packages developed and supported either by in-house staff or various software vendors. According to some technology directors, this lack of uniformity caused many problems with SMIS and EIS. Under the new SSMS, the SDE will pick one vendor and districts can either choose it or a vendor's package that can interface with the EIS. Consequently, compatibility problems may persist because the state department will not require all LEAs to use the same software package.

At present, 64 percent of LEAs use Horizon software, a product whose company has recently encountered financial difficulties. Department officials indicate that these school systems will take priority for conversion to the new software package. Twenty-eight schools districts, mainly Horizon users, were recently chosen by the SDE to pilot data conversion.[83] Other systems—having recently invested in newer packages—do not plan to switch in the near future but will modify their systems as needed to comply with reporting requirements. For example, Metro Nashville Public Schools is switching to Chancery and will stay with that company. Central office administrators do not anticipate difficulty transmitting data to the state department. Exhibit C-6 displays software packages used by Tennessee LEAs.

[83] Tennessee Department of Education, Statewide Student Management System Project Schedule, Pilot Implementation Stages, http://www.tennessee.gov/education/techssms.htm, Accessed: April 13, 2004.

Exhibit C-6: Software Packages Used by Local Education Agencies, 2003



Source: EIS contact list obtained from Lisa Cothron, Tennessee Department of Education.

Technology coordinators and other local officials indicate reluctance to switch to new packages as the department has rolled out new data software solutions several times in the last decade at significant costs to school systems. Frequent changes in policy and reporting requirements have also led to multiple software modifications over the years and added to local costs. However, the SDE believes providing software packages at no cost to LEAs will increase the number of districts willing to participate.

SSMS Funding

The contract for SSMS begins January 1, 2004, and expires on June 30, 2008. Software development, maintenance, and other services will be provided by Public Consulting Group, Inc., at a total cost of $15,909,310 in state funds.[84]

Other State Examples

The North Carolina Window of Information for Student Education (NC WISE) is a web-based, integrated tool for managing student information and instruction in North Carolina schools.[85] NC WISE furnishes educators with immediate access to a range of data on a student's entire career in the North Carolina school system. NC WISE supports federal and state reporting requirements. The system is in use at 210 schools in six LEAs across North Carolina. The state plans to implement NC WISE in all LEAs.

The Florida Information Resource Network (FIRN) electronically links all of Florida's public education entities to computing resources.[86] FIRN connects universities, community colleges, and school districts to a complete data communications network directly linked to Florida's Department of Education. An extension of FIRN is the Florida Automated System for Transferring Educational Records (FASTER). "FASTER is Florida's electronic system for exchanging student transcripts between school districts,

[84] Contract Summary Sheet, RFS Number 331.114-004, Contract between Department of Education and Public Consulting Group, Inc. (Contractor Number 04-2942913) for Statewide Student Management Software, January 1, 2004—June 30, 2008.
[85] Information gathered from the NCWISE website, http://www.ncwise.com.
[86] The Florida Information Resource Network webpage, http://www.firn.edu/about, Accessed: October 2003.

and state community colleges and universities."[87] FASTER has allowed Florida to electronically evaluate high school student transcripts for lottery scholarships.

Evaluation

The SMIS project never met its original goals and has been replaced with a new, though not very different, Education Information System (EIS). The State Board of Education's *Master Plan* initially established 1994-95 as the date that the SMIS would be fully functional. The State Department of Education established October 1995 as the date for full implementation. Despite at least seven years of effort and millions of dollars, the SDE has been unable to implement the SMIS successfully and has abandoned the system for an alternate approach. Software modifications, transmission problems, and failure to pilot the project contributed to the failure of SMIS.

The State Department of Education's use of multiple vendors hampered its ability to implement the SMIS. Although the department implemented a certification process to ensure predominant software packages would satisfy the state's needs, school systems often experienced difficulties meeting reporting requirements. When the SDE changed policies, department personnel tried to ensure all vendors could make the necessary adjustments. However, numerous changes and associated costs stifled cooperation and communication among the department, the LEAs, and the vendors. The SDE is reportedly trying to rectify these issues with the current package.

The SMIS resulted in many reporting errors that were costly to school systems. The state department's project proposal for the EIS confirms that reporting problems were present in the SMIS. As a result of these problems, the department withheld funds from some school districts and sent late disbursements to some. According to a department memorandum, BEP funds would only be distributed to districts that successfully transmitted required data beginning in the 1997-1998 school year.[88] This created cash flow problems for some LEAs. For example, officials in Anderson County reported that the state withheld financial support that affected payroll accounts and other services.[89]

Written by: Bonnie Adamson, Bintou Njie

[87] Ibid.
[88] Memorandum from Lynnisse Roehrich-Patrick, Tennessee Department of Education, April 17, 1997.
[89] Interview with three Technology Coordinators, August 28, 2003.

Alternative Schools

Pre-Legislation

Alternative schools first appeared in the 1960s as free or community schools that tried to match education to each student's needs, interests, and abilities.[90] Today, alternative schools continue to exist outside of the traditional K-12 environment, focusing on different student populations and using a wide variety of approaches. Alternative schools generally serve the growing population of students who are at risk of failing in traditional schools. These students are often dropouts, zero tolerance offenders, or otherwise disruptive students.

Alternative schools first formally entered Tennessee law in 1984 when the General Assembly passed Public Acts, Chapter No. 5, authorizing the creation of alternative schools for students with disciplinary problems. About 50 alternative schools were created within the first year of this legislation, but in 1986 the General Assembly passed Public Acts, Chapter No. 939, amending the legislation to require that each local education agency provide alternative education to students in grades 7 through 12 who have been suspended or expelled. The goal of this early legislation was to remove disruptive students from classrooms to protect the learning environment. School districts provided alternative education programs either individually or cooperatively with funding through an SDE grant program.

Legislation

The EIA produced no substantive changes to the statutes governing alternative education. Instead, Section 41 clarified the law's language, requiring local education agencies (LEA) to provide at least one alternative school for grades 7-12. Under the provision, districts were not required but are allowed to provide alternative schools for grades K-6. The legislation also stated that students must attend traditional high schools and not solely alternative schools to graduate. In clarifying this legislation, the General Assembly hoped to prevent situations in which younger students might be placed in alternative classes with high school students.[91] They also ensured that all students who graduate will have some experience in a traditional school setting.

Although the EIA made no significant changes to the alternative education law, the General Assembly demonstrated its commitment to the programs by including the section. With 39 percent of public school districts in the country providing at least one alternative school or program for at-risk youth, Tennessee is one of only 14 states in the country to require any alternative schools or programs for disruptive students.[92] Other states have provisions for alternative schools but may not require or fund the programs. Exhibit C-7 provides descriptions of similar legislation in other SREB states. In

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[90] Suzie Boss, "Learning from the Margins: The Lessons of Alternative Schools," *Alternative Schools: Caring for Kids on the Edge*, Northwest Education, Summer 1998.

[91] Lewis Butler, Department of Education, Assistive Technology Consultant, "Re: Alternative Programs," e-mail to the author, July 29, 2003.

[92] U.S. Department of Education, National Center for Education Statistics, *Public Alternative Schools and Programs for Students At Risk of Education Failure: 2000-2001*, (Washington: National Center for Education Statistics, 2002) p.iii.; Education Commission of the States, "Alternative Schools for Disruptive Students: Information Clearninghouse May 1999," http://www.ecs.org/clearinghouse/15/05/1505.htm, Accessed: July 18, 2003.

comparison to other SREB states, Tennessee's legislation offers one of the most thorough directives on alternative schools.

Exhibit C-7: Alternative Education Legislation by State

STATE	TYPE	CITATION	DESCRIPTION
Arkansas	Mandatory	6-18-508	Every school district shall establish an alternative learning environment.
Florida	Mandatory	1006.09	Requires students who have been suspended or expelled from school to be immediately enrolled in an alternative education program.
Georgia	Mandatory	20-2-154.1	Each school system must provide an alternative education with the aim of returning students to a general or career program as soon as possible.
Kentucky	Mandatory	158.150	Local boards must provide educational services to students that have been expelled from a regular school setting.
Louisiana	Mandatory	17:416.2	Requires suspended or expelled students to be placed in an alternative education program.
Maryland	Voluntary	7-303	The board shall establish a juvenile justice alternative education pilot program in a county designated by the State Superintendent.
Mississippi	Mandatory	37-13-92	All school districts must provide alternative school programs for suspended and expelled students.
North Carolina	Mandatory	115C-47-32a	Each local board must establish at least one alternative learning program and create guidelines for assigning students to these programs.
South Carolina	Voluntary	59-63-235	Students who are expelled for one year or more for possession of a firearm are allowed to receive education in an alternative setting.
Tennessee	Mandatory	49-6-3402	Local boards must provide access to alternative schools for students in grades 7-12 and may establish alternative schools for students in grades 1-6.
Texas	Mandatory	37.008	Students who are expelled for one year or more for possession of a firearm are allowed to receive education in an alternative setting.
Virginia	Pilot	22.1-209.1:2	Up to ten alternative education pilot projects may be established across the state.
West Virginia	Voluntary	18-2-6	County boards of education may establish alternative education programs in accordance with the State School Board Rules.

Source: State legislative websites, accessed July 26, 2003.

Implementation

State law and state board rules and program standards govern the creation and operation of alternative schools.[93] At the time of the EIA's passage, many alternative schools were already operating across the state. Because the EIA made only minor changes to the law, most alternative schools continued to operate as usual. For districts without alternative programs, the EIA served as a reminder that alternative schools must be available for suspended or expelled students.

[93] *Tennessee Code Annotated* §49-6-3402; State Board of Education Rule 0520-1-2-.09; State Board of Education Alternative School Program Standards.

To help districts understand the need for alternative schools, the SDE released a memorandum to superintendents on May 7, 1992, about changes to the alternative schools statute.[94] The memo defined alternative school as "a short term intervention program designed to develop academic and behavioral skills for students who have been suspended or expelled from the regular school program." The memo also outlined the requirements and funding for alternative schools. However, the memo did not provide a target date for all school districts to comply with the alternative school mandate.

The definition and recommendations provided in the May memo were later incorporated into state board rule. The rule also outlines the requirements, funding, and facilities for alternative schools across the state. Tennessee's LEAs can provide alternative school services in any one of five ways: contract with an alternative school program (which requires an order of a court as a precondition of placement), contract with independent contractors to provide services, establish a facility, join with another school board to create a joint facility, or send students to another school system's alternative school. The rule provides no clear consequences for schools that fail to offer an alternative school.

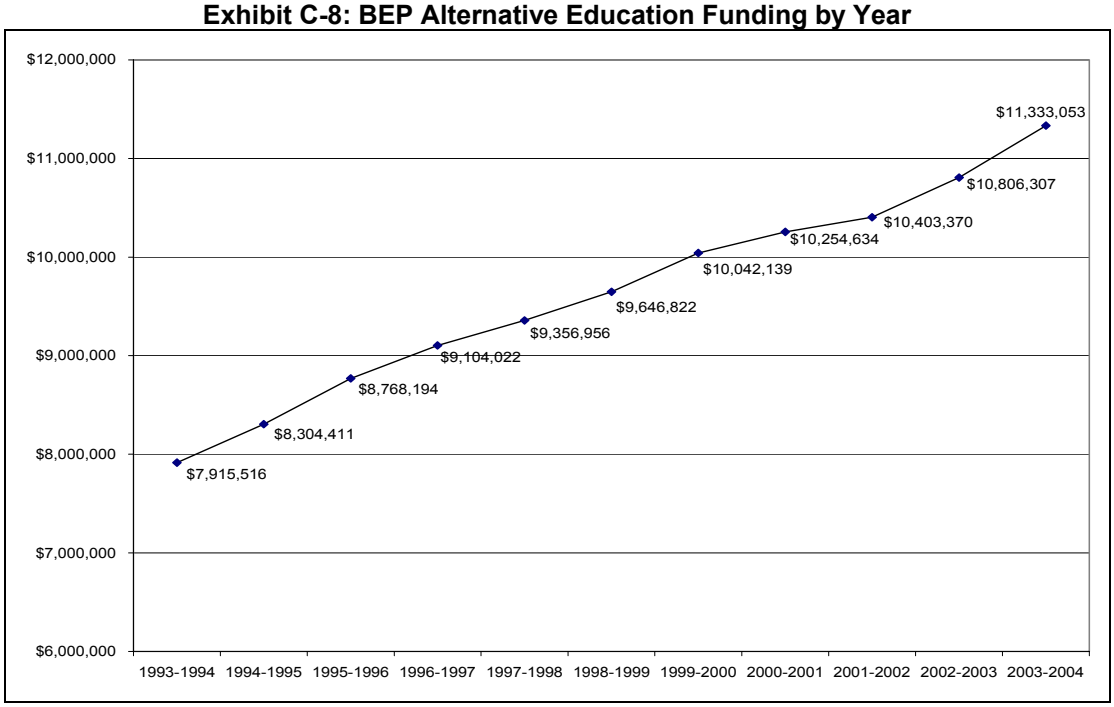
The SBE has also created alternative school program standards to help districts develop curricula for disruptive students. According to these standards "the mission of the alternative school is to positively intervene with students who currently are not succeeding in a traditional school environment." Although the document presents program expectations for each of nine standards, there are no sanctions defined for schools that do not adhere to the standards.

Cost

Original estimates placed state and local costs of the alternative schools provision of the EIA at $7.5 million.[95] Basic Education Program (BEP) funding for alternative schools, however, is not based on cost but is determined by multiplying each district's total average daily membership (ADM) by $2.71 and multiplying the ADM of grades 7-12 and vocational students by $22.75. Under this formula, LEAs will receive over $11 million for alternative schools for FY03-04. Exhibit C-8 illustrates total funding for alternative schools from 1993-94 through 2003-04.

[94] Tom Cannon, Assistant Commissioner, "Alternative Schools," Memorandum to Superintendents and Directors of Tennessee School Systems, May 7 1992.
[95] "Cost Estimates—Education Reform Bill," January 21, 1992, no author.

Exhibit C-8: BEP Alternative Education Funding by Year



Source: Tennessee Department of Education, BEP Formula Documents.

Determining actual costs of alternative schools is more difficult, but available information indicates that the BEP does not adequately fund these programs. The SDE added a separate category for alternative schools to the financial reports in 2001-02, but previously did not collect these costs. That year, 63 LEAs reported a total of $18,963,322 in alternative school expenditures. In a 1998 OEA survey, 135 school districts reported a total cost of about $22 million, excluding building costs, for alternative schools. Directors of the Williamson County and Jefferson County alternative schools—two alternative schools that officials claim meet SBE standards—more recently provided figures to OEA indicating that the BEP funds 23 percent to 40 percent of the actual costs of their programs.[96] As with the rest of the BEP's classroom components, local districts provide 25 percent of alternative school funding overall while the state contributes the other 75 percent. The OEA's 1998 analysis indicated that the largest districts, which receive lower portions of state funding, had 84 percent of the total alternative school population.

End State/Current State

Alternative schools vary considerably in format and quality across the state. Some districts have separate school buildings and resources for alternative students while others provide services that mirror in-school suspensions. In general, schools try to maintain a 12:1 student-teacher ratio, but there is no official enforcement of this standard. The average stay of a student in alternative school can range from two weeks to a month depending on the district.[97] In 2001-02, the State Department of Education (SDE)

[96] *Funding Public Schools: Is the BEP Adequate?* Comptroller of the Treasury, Office of Education Accountability, July 2003, pp. 39-40.

[97] Telephone interview with John Gunn, President, Tennessee Alternative School Administrators Association, July 25, 2003.

reported more than 13,000 incidents of students remanded to alternative schools.[98] Alternative schools play an important role in the disposition of zero tolerance offenses as well. In 2001-02, 29 percent of all zero tolerance violators were sent to alternative schools.[99]

Recently, a class action lawsuit in Knox County used the alternative education statute to insist that students placed on a waiting list for alternative schools were denied their right to a free public education. Under pressure from the lawsuit, the Knox County Board of Education opened an alternative school in each middle school and high school in the district.[100] The lack of available space in alternative schools may be a problem in other districts as well. A 1995 Comptroller's Office of Education Accountability report found that the need for alternative schools exceeded the available space in many districts.[101] Districts lacking the capacity to serve students in alternative schools may find themselves subject to lawsuits similar to that filed in Knox County.

Written by: Ethel Detch, Alisa Palmisano

[98] Nancy Stetten, Research and Information Services, TN Department of Education, "Re: Suspension Data," e-mail to author, May 16, 2003.
[99] Office of Education Accountability, *Zero Tolerance in Tennessee Schools: An Update*, Comptroller of the Treasury, Aug. 2003, p. 10.
[100] Jennifer Lawson, "Ruling Throws Board a Curve," *Knoxville News Sentinel*, July 6, 2003.
[101] Melissa McNeil Brown, *Tennessee's Alternative Schools: Serving Disruptive Students*, Office of Education Accountability, September 1995.

Basic Education Program

Pre-Legislation

When 77 rural LEAs brought the *Small Schools* lawsuit against the State of Tennessee over the state's education finance system, the existing funding formula, the Tennessee Foundation Program (TFP), distributed less than $60 million out of the total $2.5 billion education allotment. The TFP used an equalization formula based on local taxing capacity. Comptroller William Snodgrass noted at the time that the equalization formula "affects about four percent of the state's funds for education and thus has no real effect in directing more state funds to counties less able to provide funds for education."[102] As the lawsuit worked its way through the state court system, the State Board of Education and others developed the Basic Education Program (BEP) as a replacement for the TFP and as a basis for its annual *Funding Needs Report*.[103]

Legislation, Implementation, and Cost

In 1992, the General Assembly included the BEP as a central part of the EIA. According to former Senator Andy Womack, the BEP was the cornerstone of the EIA. He noted that the General Assembly wanted to increase the level of education funding.[104]

The BEP formula calculates the cost of providing 45 components of a basic education and then generates funding necessary to provide these components to students in each of Tennessee's 136 local education agencies (LEA). The BEP divides components into two categories, classroom and non-classroom. State law requires the state to fund 75 percent of classroom components of the BEP and 50 percent of the non-classroom components. LEAs fund the remaining 25 percent and 50 percent of classroom and non-classroom components, respectively. However, the state and local shares for individual LEAs vary based on the Tennessee Advisory Commission on Intergovernmental Relations' (TACIR) fiscal capacity index, which measures counties' abilities to raise local revenue for education. Generally, LEAs in counties with higher fiscal capacities must provide larger local shares of BEP funding while the state provides more funding for those in counties with lower fiscal capacities. This mechanism increases funding equity among Tennessee LEAs.

Section 61 of the EIA required the SDE, the SBE, and the commissioner of finance and administration to conduct a study related to cost-of-living, with the intent of including an adjustment in the BEP. This study culminated in the development of the cost differential factor, which is now included in the funding formula.

The BEP significantly increased the level of state funding for K-12 education, particularly for rural LEAs with small tax bases. Largely funded by a half-cent sales tax increase, the BEP reached full funding in fiscal year 1998. That year, the state share of the BEP was $2,268,052,719, an actual dollar increase of 99.56 percent from FY92, the last year of TFP funding. When adjusted for inflation, the increase in the state share is 72

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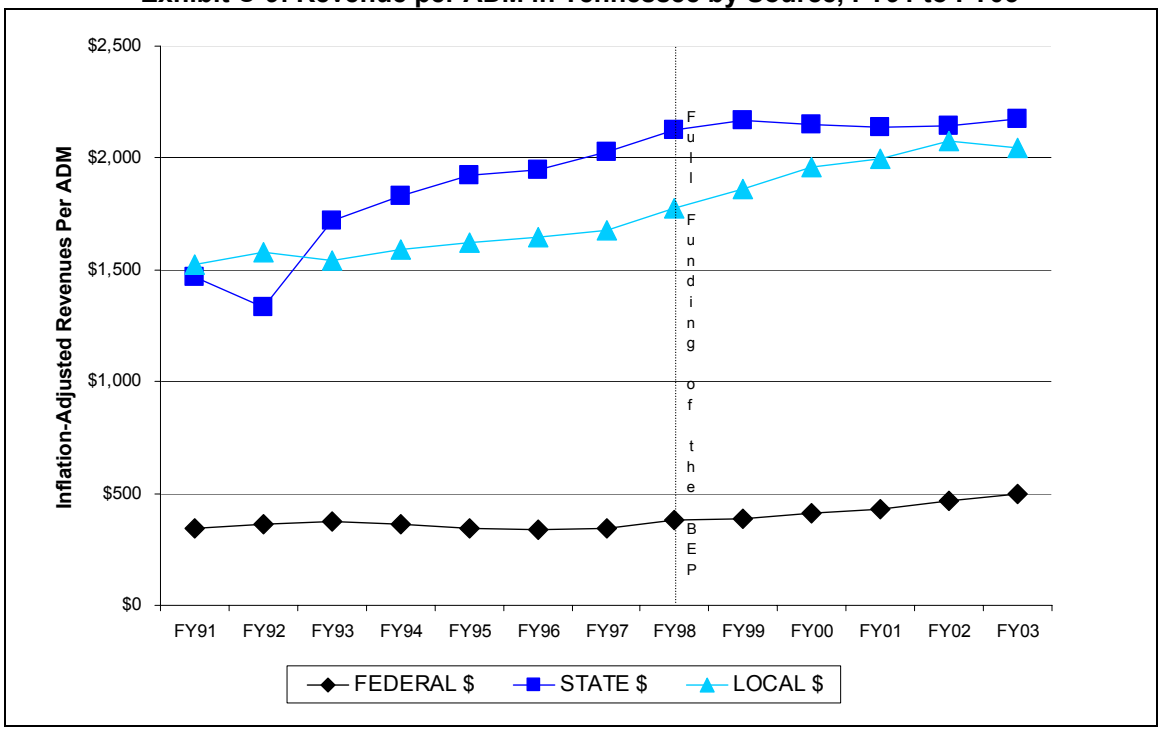
[102] "Local Issues: A Comptroller of the Treasury Publication for Local Government and the Public," William R. Snodgrass, July 1989, p. 4

[103] Tennessee Department of Education, *Basic Education Program: Education Funding in Tennessee*, no date, p. 4.

[104] Interview with Hubert McCullough, Chairman, State Board of Education, and Andy Womack, Former Senator, Tennessee General Assembly, August 27, 2003.

percent. Exhibit C-9 shows local, state, and federal revenues for Tennessee from FY91 to FY03 in inflation-adjusted dollars. Though the BEP resulted in a substantial increase in the state's share of overall revenues, local revenue has taken on a larger role in recent years.

Exhibit C-9: Revenue per ADM in Tennessee by Source, FY91 to FY03

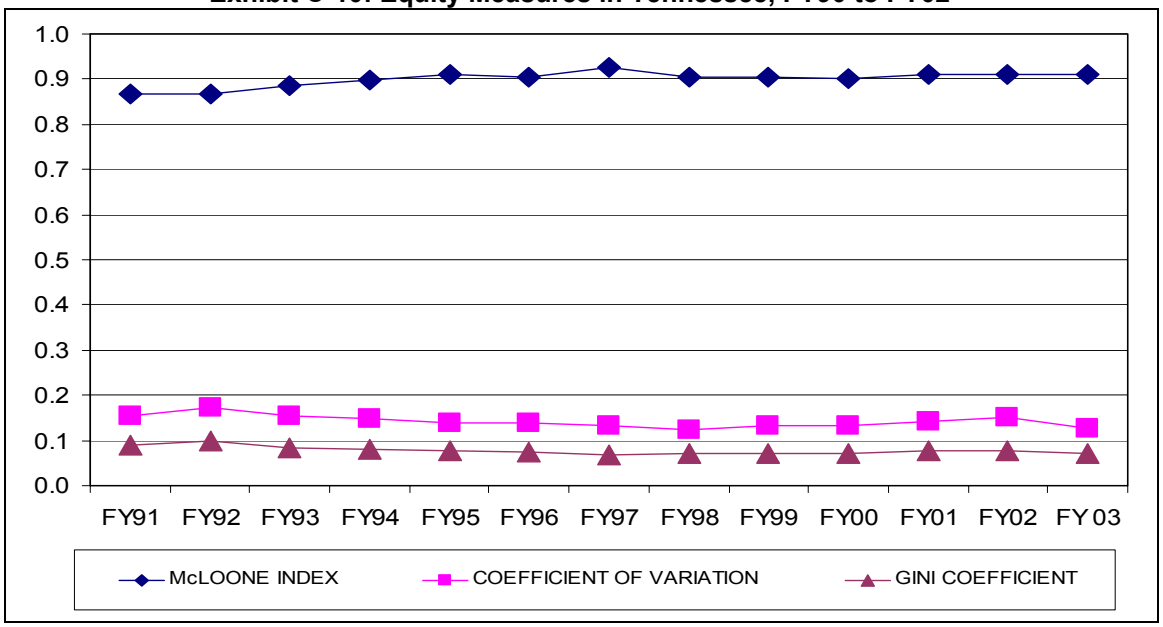


Source: Tennessee Department of Education, Revenue and Attendance Data.

School funding equity among LEAs has decreased as local funds have begun to comprise a larger share of school revenues. Funding equity occurs when students attending different school districts benefit from similar levels of financial resources. In an equalized funding system, districts with fewer local resources available receive more state resources so that funding per pupil and, therefore, instructional quality are not compromised. When school districts receive comparable revenues per pupil, the state experiences a higher level of funding equity.

Exhibit C-10 shows three statistical measures of equity: the coefficient of variation, the McLoone index, and the Gini coefficient. All three range from zero to one. For the McLoone index, one represents perfect equity; for both the Gini coefficient and the coefficient of variation, zero represents perfect equity. (See Appendix E for more detailed methodology.) All measures presented in Exhibit C-10 indicate that school funding equity increased throughout the phase-in of the BEP but has decreased since full funding of the BEP. Two measures (coefficient of variation and Gini coefficient) show improvements in equity in 2003, but it should be noted that local revenues comprised a smaller share of education funding that year. (See Exhibit C-9.)

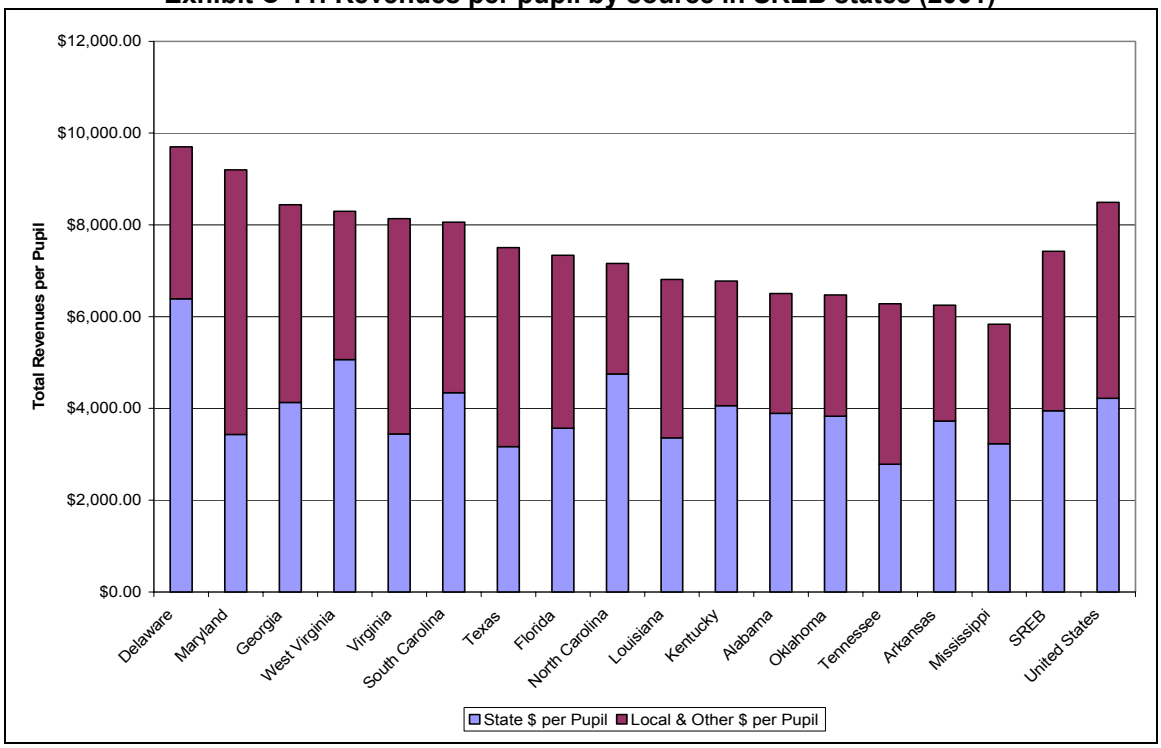
Exhibit C-10: Equity Measures in Tennessee, FY90 to FY02



Source: Office of Education Accountability Analysis of Tennessee Department of Education data.

Though the phase-in of the BEP resulted in a substantial increase in both the level and equity of education funding, Tennessee still lags behind many other states in these areas. Exhibit C-11 shows total revenues per pupil by source in 2001 for SREB states. State expenditures per pupil trailed all SREB states in 2001, and combined state and local expenditures surpassed only Arkansas and Mississippi.

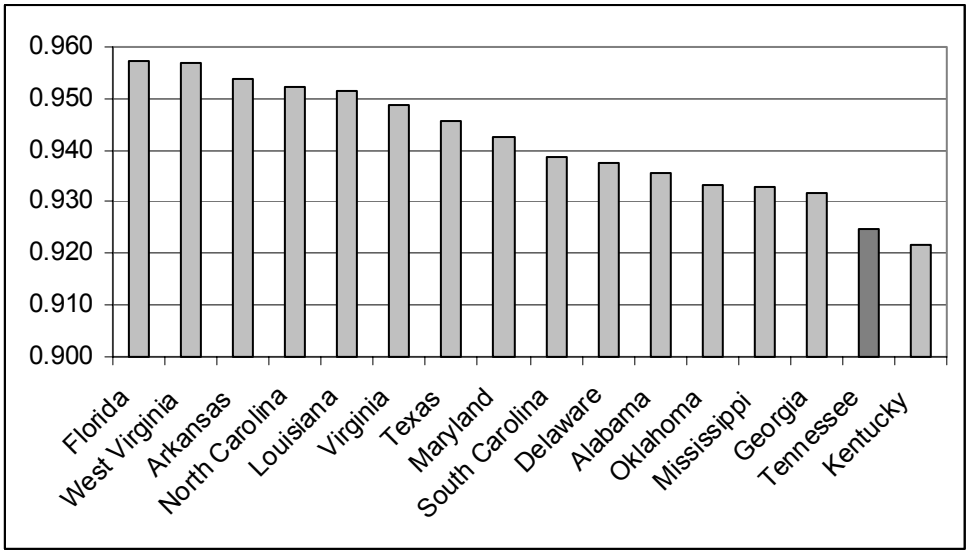
Exhibit C-11: Revenues per pupil by source in SREB states (2001)



Source: NCES *Revenues and Expenditures for Public Elementary and Secondary Education: SY2000-01*

Exhibit C-12 shows the McLoone Index in 2001 for SREB states. Tennessee is below every other SREB state except Kentucky, indicating revenue per pupil in Tennessee is relatively inequitable. (Note: One represents perfect equity on the McLoone Index.)

Exhibit C-12: McLoone Index for SREB States (2001)



Source: *Education Week*, Quality Counts 2004, State Data, Resources: Equity.

Evaluations

Ultimately, the success of a funding formula hinges on education outcomes, such as student test performance and graduation rates. The July 2003 Office of Education Accountability Report *Funding Public Schools: Is the BEP Adequate?* noted that funding within the BEP is based on inputs rather than specific outcome goals. However, it appears that some measurable outcomes have improved since implementation of the BEP, with rural LEAs experiencing many pronounced benefits.

The precise benefits of the BEP are difficult to measure. Much of the current state testing program began around the same time the BEP began its phase-in, meaning there is no firm pre-BEP baseline against which to compare student test scores in individual LEAs. Finally, the EIA instituted a host of statutory changes simultaneously, and the education landscape has shifted significantly since 1992. These factors make it difficult to isolate the impact of the BEP on any specific outcomes changes. Therefore, it appears that the BEP has contributed to improved education outcomes, but its exact impact remains unclear. (See Conclusions and Outcomes for more information.)

Written by: Richard Gurley, Kevin Krushenski

Class Size

Pre-Legislation

Project STAR and the Class Size Debate

Class size reduction is a highly visible reform measure, but it is also an expensive one. As such, class size reduction has been a contentious issue in education policy for many decades. In January 1984, Governor Lamar Alexander proposed a revised version of the Comprehensive Education Reform Act (CERA). Because of its cost and the lack of evidence demonstrating the benefits of class size reduction, the General Assembly eventually stripped one part of the bill that would have reduced the pupil-teacher ratio from 25:1 to 20:1 for all grade levels. The final version of CERA included a provision for funding several research centers across Tennessee.[105]

With financial assistance from one of these research centers, Helen Pate-Bain completed a modest study examining the effects of smaller classes on students at one elementary school. In 1985, she used the results of this study to urge the legislature to support incentive grants to districts to reduce pupil-teacher ratios for 1st grade classes. With a price tag of up to $42 million, the General Assembly chose instead to fund approximately 200 new teachers in a $3 million pilot study to provide a more thorough evaluation of the impact of class size reduction. On May 30, 1985, Governor Alexander signed legislation creating Project STAR (Student/Teacher Achievement Ratio), a three-year study to investigate the effects of smaller classes on student achievement.[106]

Project STAR began in 1985 with researchers from the State Department of Education, Memphis State University, Tennessee State University, the University of Tennessee-Knoxville, and Vanderbilt University. The project used 328 K-3 classrooms throughout the state and placed students into one of three classroom styles: small classes between 13 and 17 students, regular classrooms between 22 and 25 students, and regular sized classrooms of 22 to 25 students with a full time teacher's aide.[107] The students were randomly assigned to one of these classroom designs in kindergarten and followed through 3rd grade.

Early analyses of the Project STAR data found that smaller class sizes in early grades significantly improved student success, especially for low-achieving students.[108] Students of all racial groups in smaller classes outperformed corresponding students in both other groups in math and reading in every grade and every community setting (inner city, urban, suburban, and rural). Researchers concluded: "These data confirm that a small-class effect, while not immense, is found in two basic subject areas, at four grade levels,

[105] Public Acts, Chapter No. 7, 1984; Gary W. Ritter and Robert F. Boruch, "The Political and Institutional Origins of a Randomized Controlled Trial on Elementary School Class-Size: Tennessee's Project STAR," *Education Evaluation and Policy Analysis*, Summer 1999, pp. 111-125.
[106] Public Acts, 1985, Chapter No. 463.
[107] Frederick Mosteller, "The Tennessee Study of Class Size in the Early School Grades," *The Future of Children*, vol. 5, Summer/Fall 1995.
[108] Helen Pate-Bain, Jayne Boyd-Zaharias, and C.M. Achilles, "Class Size Does Make a Difference," *Phi Delta Kappan*, November 1992, vol. 74, pp. 253-257.

and in all four school settings….Few, if any, other classroom-level interventions have been identified that have a consistent impact of this sort."[109]

Legislation

The results of Project STAR provided a strong justification for class size reductions, and the original draft of the EIA required significant reductions. However, legislators proposed numerous alternative requirements. At least one amendment attempted to eliminate maximum class sizes altogether, and others would have relaxed the standards. The final House version of the bill included provisions to study the impact of smaller class sizes and provide additional funding to reduce the teacher-pupil ratio to 1:15 for K-3 students at schools with high numbers of children in poverty. Neither of these provisions were included in the final bill.

Although the EIA established both average and maximum class size limits for every public school in the state, it did not lower class size to the 15-17 pupil level the STAR study results recommended. Exhibit C-13 illustrates the EIA's standards, which require individual classes to be at or below the maximum limits and average class sizes by grade in each school to be at or below the average limits.

Exhibit C-13: EIA Class Size Standards

Grade Level	Average	Maximum
K-3	20	25
4-6	25	30
7-12	30	35
Vocational	20	25

Source: TCA §49-1-104.

Pupil-teacher ratios are different from class size figures but are often used as a proxy for analysis because they are easier to generate. Class size refers to the number of pupils an individual teacher or grade level of teachers is charged with educating in a school year. Pupil-teacher ratios generally reflect the total number of students in a school, district, or state, divided by the total number of teachers. Tennessee class sizes, as shown in Exhibit C-14, are calculated using school-level class sizes by grade group. Data comparing Tennessee with other states, as shown in Exhibit C-15, are generated using statewide total student and teacher counts. Tennessee-specific pupil-teacher ratios, as shown in Exhibit C-16, are calculated by dividing the number of regular classroom teachers by grade level into corresponding ADM counts.

Exhibit C-14: Average Class Size in Tennessee, 2002-03

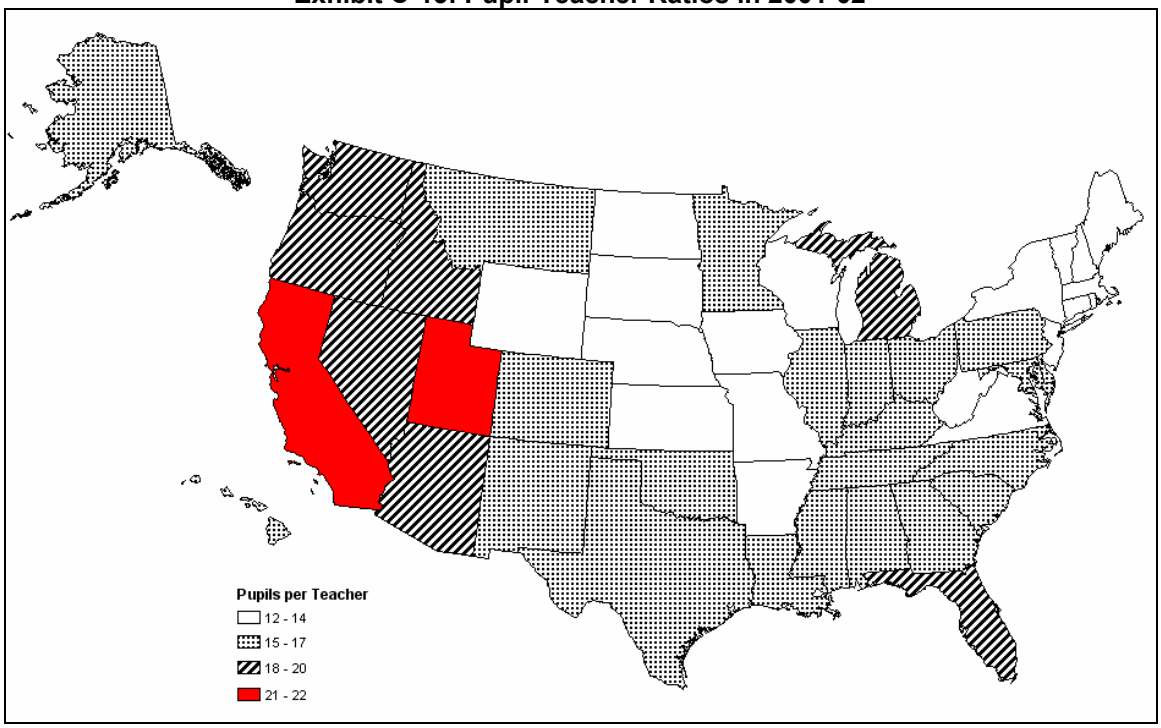
Grade Level	Average Class Size
K-3	18.13
4-6	21.69
7-12	22.58
Vocational	16.88

Source: Tennessee Department of Education, School Approval.

[109] Elizabeth Word, Project STAR Director, Tennessee Department of Education, Student/Teacher Achievement Ratio (STAR): Tennessee's K-3 Class Size Study, *Final Summary Report: 1985-1990*, pp.10-14, 31.

The standards set forth in the EIA are typical of class size reduction goals established by many other states. In 2001-02, the pupil-teacher ratio in Tennessee public schools was identical to the national ratio of 15.9. Exhibit C-15 shows pupil-teacher ratios for each state. Though Tennessee's pupil-teacher ratios are comparable to other states in the Southeast, some states, including Alabama and Florida, have chosen to establish lower class size standards than Tennessee while others, including Kentucky and Texas, have made less substantial reductions. However, faced with mounting costs, some states are reconsidering aggressive reductions. In August 2003, the Florida State Board of Education voted unanimously to oppose the continued implementation of the state's Class Size Amendment requirements; however, doing so would require legislative action and voter approval.[110]

Exhibit C-15: Pupil-Teacher Ratios in 2001-02



Source: National Center for Education Statistics, *Statistical Analysis Report 2003*

Implementation and Cost

Each October, Tennessee schools must file a Preliminary School Report with the State Department of Education's (SDE) Office of School Approval. The report includes the number of students and classes in each grade level. Officials analyze the reports to ensure compliance with EIA class size standards. Schools have until November 1 to correct any issues of noncompliance.[111] The SDE's Division of Internal Audit then compares the October reports to average daily membership (ADM) reports filed by local education agencies (LEA). If the division finds inconsistencies, it conducts further analyses and on-

[110] Abby Goodnough, "Florida Board Backs Retreat on Class Size," *The New York Times*, August 20, 2003.
[111] Correspondence from Donnie Jordan, Director of Accountability Projects, Tennessee Department of Education, Division of School Approval, April 8, 2003.

site reviews in some cases. The division also follows up on class-size complaints voiced by parents or teachers.[112]

Recognizing that class size reduction could not be accomplished right away, the General Assembly allowed the commissioner of education to grant waivers to schools unable to meet the class size requirements immediately. In the 1992-93 school year, the commissioner granted all systems a blanket waiver.[113] After that year, the department granted individual waivers to school systems that appeared to be making progress toward meeting the class size requirements. Granted on a yearly basis, these waivers allowed schools to exceed the maximum class size until the 2001-02 school year, four years after the EIA reached full funding.[114] Though student transfers and other factors cause some classes to fall out of compliance from time to time,[115] no school has failed to meet EIA class size standards in its October reports since 2001-02.[116]

The EIA also directed the SBE and the SDE to develop and implement a K-3 at-risk class size program.[117] As a result, for one third of K-3 students eligible for free and reduced-price meals, the Basic Education Program (BEP) generates additional positions within the formula sufficient to fund pupil-teacher ratios of 15:1 rather than the standard 20:1. The at-risk component generated almost $20 million state dollars in FY04. However, it generates funding for positions for only one-third of at-risk students in grades K-3, relies on a salary factor that does not represent the true cost of hiring a teacher, and does not generate funding for additional capital and supply costs for more classrooms. As a result, the BEP at-risk class size reduction component does not provide sufficient funds for significant class size reductions for at-risk students beyond EIA mandates.

Despite its limitations, the BEP has provided a major increase in education funding for the state. LEAs have also increased local funding of education. Much of this funding has been used to reduce class sizes. Exhibit C-16 illustrates that pupil-teacher ratios in Tennessee have declined significantly in every major category since the 1992-93 school year.

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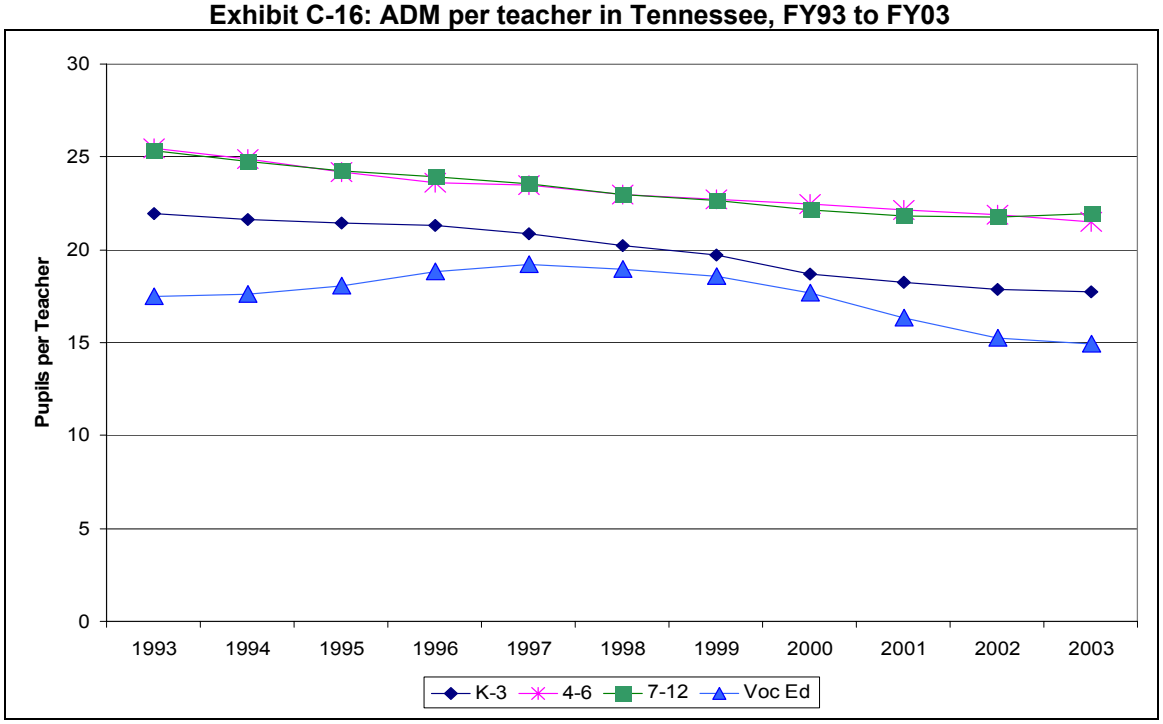
[112] Correspondence from Chris Steppe, Director of Internal Audit, Tennessee Department of Education, August 5, 2003.
[113] Charles E. Smith, "Re: Class Size," Memorandum to Superintendents/Directors of Tennessee Public Schools, April 28, 1992.
[114] *Tennessee Code Annotated* §49-1-104(a).
[115] Correspondence from Chris Steppe, Director of Internal Audit, Tennessee Department of Education, August 5, 2003.
[116] Correspondence from Donnie Jordan, Director of Accountability Projects, Tennessee Department of Education, Division of School Approval, April 12, 2004.
[117] *Tennessee Code Annotated* §49-3-361.

Exhibit C-16: ADM per teacher in Tennessee, FY93 to FY03



Source: Office of Education Accountability analysis of Tennessee Department of Education data.

Had pupil-teacher ratios in 2003 been the same as those in 1993, Tennessee LEAs would have employed 7,312 fewer teachers, almost 16 percent of classroom teachers in the state that year.[118] The cost of salaries and benefits for these teachers exceeds $343 million.[119] Because many LEAs have reduced class sizes well below EIA standards, the annual cost of required class size reduction would be somewhat lower. However, reducing class sizes also requires increased expenditures for school construction (to build more classrooms) and supplies (to provide materials for more classrooms). Clearly, class size reduction is an expensive reform measure.

End State/Current State

Class size reduction continues to be one of the most popular EIA initiatives among Tennessee teachers, who supported class size reduction as a top educational priority at the time of the EIA's passage.[120] It is difficult, however, to estimate the impact of class size reductions on student achievement. As noted earlier, Project STAR found smaller classes improved math and reading scores for all student subgroups examined. More recent data have shown that the positive impacts of smaller classes in early grades persist through high school. Students in small classes in Project STAR were less likely to be high school dropouts (19 percent versus 23 percent) and more likely to pass high school math subject matter tests (64 percent versus 61 percent).[121] RAND researchers found that targeted

[118] Office of Education Accountability analysis of Department of Education data.
[119] Office of Education Accountability analysis of Department of Education (BEP spreadsheets, December salary spreadsheets) and Tennessee Education Association data.
[120] Interview with Judy Beasley, President, Tennessee Education Association, August 21, 2003; Telephone interview with Bill Stair, Former Policy Director for Governor Ned McWherter, October 31, 2003.
[121] Helen Pate-Bain, et.al., "Effects of Class-Size Reduction in the Early Grades (K-3) on High School Performance," Health and Education Research Operative Services, April 1999.

reductions in pupil-teacher ratios, particularly for at-risk students, were one of the most efficient methods of increasing student achievement.[122] Others have found that students who attend high schools with smaller class sizes, among other factors, experience a small direct increase in earnings as adults and a larger indirect increase because they are more likely to attend college and more likely to attend higher quality colleges.[123]

However, class size reductions produced by the EIA may not have yielded similar results. First, class sizes in Tennessee have not declined statewide to levels studied in Project STAR. Furthermore, large-scale implementation of class-size reduction has broad impacts on teacher labor markets and education budgets. In the short-run, the supply of teachers is fixed while class-size reduction dramatically increases the demand. To convince enough qualified applicants to enter the teaching profession and fill necessary positions, LEAs must increase teacher salaries. Yet because class-size reduction carries substantial costs outside teacher compensation, such as building new classrooms and buying more supplies, LEAs have few resources left to improve teacher salaries. Researchers from Stanford University found that smaller class sizes generally resulted in lower teacher salaries.[124] As a result, teacher quality may suffer.

When California implemented its Class Size Reduction program, the number of uncertified teachers grew from one percent to 12 percent in only two years, including an increase from two percent to over 20 percent for low-income schools.[125] Some researchers have suggested that reducing class sizes can have a *negative* impact on student performance because of the reduction in teacher quality brought about by increased demand for teachers.[126] However, these effects depend upon implementation. Tennessee, unlike California, phased in its class-size reductions, allowing teacher supply to adjust over time.

Given these broader implications of class-size reduction, the impact of EIA class size standards on student achievement, if it exists, is likely much smaller than that found in the STAR study. Furthermore, because class size reduction is an expensive means of affecting student achievement, spending on class size reduction may have "crowded out" other more cost-effective reforms. Some researchers have concluded that other reforms, such as pre-kindergarten programs or improved teacher resources, can produce greater achievement gains at lower costs.[127] To the extent that expenditures for class size reduction crowded out spending in these other areas, the EIA class size mandates may have had an adverse impact on student achievement.

Written by: Richard Gurley, Kevin Krushenski, Alisa Palmisano

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[122] David Grissmer, et. al, *Improving Student Achievement: What State NAEP Test Scores Tell Us*, RAND Education, 2000, p. 101.
[123] Wayne Strayer, "The Returns to School Quality: College Choice and Earnings," *Journal of Labor Economics*, July 2002, pp. 475-503.
[124] Erik Hanushek and Javier Luque, "Smaller Classes, Lower Salaries? The Effects of Class Size on Teacher Labor Markets," *Using What We Know*, Sabrina Laine and James Ward, eds., North Central Regional Educational Laboratory, 2000.
[125] John Witte, "Reducing Class Size in Public Schools: Cost-Benefit Issues and Implications," *Using What We Know*, Sabrina Laine and James Ward, eds., North Central Regional Educational Laboratory, 2000.
[126] Martin West and Ludger Woessman, "Crowd Control," *Education Next*, Summer 2003, pp. 56-62.
[127] Kirsten Miller, "Resource Allocation: Targeting Funding for Maximum Impact," Mid-Continent Research for Education and Learning policy brief, March 2002, p. 7.

Compulsory Attendance Age

Most parents want their children to do well in life, which includes getting a good education. Regular school attendance and achievement are linked. Children who do not do well at school often have patterns of nonattendance and fail to achieve what they otherwise could have. Additionally, children who are out of school may be at risk of harm as crime victims. Research shows that some young people who miss school without good reason are more likely to become involved in delinquent activities, drop out of school, and face other difficulties.[128]

Being on time and setting good attendance patterns from an early age also benefits children in later life. Children who drop out of school generally do not have the earning power of high school and postsecondary graduates. Exhibit C-17 illustrates mean earnings by degree level.

Exhibit C-17: Average Annual Earnings of U.S. Workers 25 to 64 Years Old by Educational Attainment, 1997-99 (earnings in 1999 dollars)

Not High School Graduate	$18,900
High School Graduate	$25,900
Some College	$31,200
Associate's Degree	$33,000
Bachelor's Degree	$45,400
Master's Degree	$54,500
Professional Degree	$99,300
Doctoral Degree	$81,400

Source: Jennifer Cheeseman Day and Eric Newburger, "The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings," U.S. Census Bureau, July 2002.

Pre-Legislation

Tennessee's first constitution did not mention public education. However, the second constitution, adopted in 1835, held that "knowledge, learning and virtue" were "essential to the preservation of republican institutions." The third constitution, approved in 1870, gave the General Assembly responsibility for providing a state public school system and for restoring the common school fund.

The General Assembly authorized secondary high schools in 1891. In 1899, it authorized at least one high school in every county. The General Education Act of 1901 provided revenue for the support of public education from elementary school through college.[129] In 1905, the General Assembly passed legislation mandating school attendance in Union and Claiborne Counties. In 1913, Tennessee became the first southern state to enact a statewide compulsory school attendance law, mandating that children between the ages of eight and 14 attend school. The legislature expanded the compulsory attendance age range in 1919, requiring children between seven and 16 years old to attend school.[130]

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[128] Jay DeKalb, "Student Truancy," *ERIC Digest,* April 1999.

[129] *Tennessee Blue Book, www.state.tn.us/sos/bluebook/online/section2/educat.pdf,* Accessed December 9, 2003.

[130] Public Acts, 1905, Chapter No. 483; Public Acts, 1913, Chapter No. 9; Public Acts, 1919, Chapter No. 143; Email from Bruce Opie, Legislative Liaison, Department of Education, to Margaret Rose, December 9, 2003.

Legislation

The EIA contained several provisions dealing with attendance, the most significant of which raised the compulsory education age from 16 to 17 years of age.[131] The EIA excluded from compulsory attendance children under the age of 18 who:

- Have received a diploma or other certificate of graduation from Tennessee or any other state;
- Are enrolled in and making satisfactory progress in a GED course;
- Are enrolled in a home school and have reached the age of 17.

Exhibit C-18 shows the current mandatory education ages for each Southern Regional Education Board state.

Exhibit C-18: Compulsory Education Age Requirements by SREB State

State	Citation	Age Requirement
Alabama	Ala. Code § 16-28-3	7-16
Arkansas	Ark. Stat. Ann. § 6-18-201	5-17
Delaware	14 Del. Code Ann. § 2702	5-16
Florida	Fla. Stat. § 232.01	6-16
Georgia	Ga. Code Ann. § 20-2-690.1	7-16
Kentucky	Ky. Rev. Stat. Ann. § 159.010	6-16
Louisiana	La. Rev. Stat. Ann. § 17:221	7-18
Maryland	Md. Code Ann., Educ. § 7-301	5-16
Mississippi	Miss. Code Ann. § 37-13-91	6-17
North Carolina	N.C. Gen. Stat. § 115C-378	7-16
South Carolina	S.C. Code Ann. § 59-65-10	5-17
Tennessee	TN Code Ann. § 49-6-3001	6-17
Texas	Tex. Educ. Code Ann. § 25.085	6-18
Virginia	Va. Code Ann. § 22.1-254	5-18
West Virginia	W. Va. Code §18-8-1	6-16

Source: Compiled by Office of Research Staff using statutes for each state.

Implementation and Cost

The EIA's expansion of the compulsory education age took effect during the 1992-93 school year. Subsequent legislation excludes from compulsory attendance children aged six or younger whose parents or guardians have filed a notice of intent to conduct a home school with the director of the local education agency (LEA) or with the director of a church-related school. According to a memorandum sent to local education agencies by the State Department of Education, students who were 17, but did not drop out of school during the 1991-92 school year were required to enroll the next year and continue to attend until they turned 18.[132] While this may have been a dramatic change theoretically,

[131] See *Tennessee Code Annotated* §49-6-3001(c)(1).

[132] Memorandum from Robert K. Sharp, Legal Counsel, Department of Education, to Superintendents/Directors of Public Schools, "Compulsory School Attendance Age," September 7, 1992.

it is difficult to estimate the number of students who actually continued to attend school because of the change. The SDE does not maintain a centralized student-based information system that enables it to track student attendance, including transfers to other schools. (See the section in this report entitled "21st Century Computer Technology.")

Tennessee uses a variety of methods to enforce the compulsory education law. Attendance officers and supervisors play an important role at the school and district level. The EIA gave superintendents as well as the school board the power to hire attendance officers. These officers often serve as mediators between the families of truant children, the school district, and the juvenile justice system.

Students who fail to attend school under the compulsory education law may be referred to juvenile court for habitual truancy and may be adjudicated as unruly because of truancy. Juvenile court judges may place children under a court order to attend school or face more serious consequences if they continue to miss school. Unruly children may face fines of up to $50, community service, probation, or removal from the home. Before a judge can place an unruly child in state custody, however, he must first refer the child to the Family Crisis Intervention program.[133]

Under another enforcement mechanism, the Temporary Assistance to Needy Families personal responsibility plan requires children in families receiving public assistance to attend school or kindergarten, if available.[134] Failure to comply with the school attendance requirement results in a 20 percent reduction in the amount of the assistance payment. However, the Department of Human Services does not keep records of reductions resulting from this law.[135]

In 1990, the General Assembly passed Public Acts, Chapter No. 819, which requires students under age 18 to present proof of attendance and academic progress to obtain a driver's license or permit. According to state law, students with 10 consecutive or 15 cumulative unexcused absences are not eligible to hold a Tennessee driver's license.[136] To enforce this law, each school must notify the Department of Safety (DOS) when a student drops out of school. The DOS can then revoke the student's license until he or she can produce evidence of satisfactory academic progress. New applicants under 18 years of age must prove that they are currently enrolled in or have already graduated from high school.[137] Exhibit C-19 shows the number of students whose drivers' licenses have been suspended since the 1993-94 school year.

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[133] *Tennessee Code Annotated* §37-1-132.
[134] *Tennessee Code Annotated* §71-3-154(h)(2)(B)(i) and (D)(ii).
[135] Penny R. Smith, former Family Assistance Director, Department of Human Services, e-mail to Alisa Palmisano, Associate Legislative Research Analyst, Office of Education Accountability, "Truancy and Benefits," May 8, 2003.
[136] *Tennessee Code Annotated* §49-6-3017.
[137] Department of Safety, *Tennessee Driver Handbook*, accessed April 22, 2004, p. 17, http://www.tennessee.gov/safety/graphics/Manual.pdf.

Exhibit C-19: Number of Driver's License Suspensions for Attendance over Time[138]

Year	Suspensions
2002-03	6,175
2001-02	6,488
2000-01	7,213
1999-00	8,399
1998-99	8,548
1997-98	10,165
1996-97	8,021
1995-96	5,211
1994-95	5,450
1993-94	4,410

Source: Tennessee Department of Safety.

Both attendance officers and the DOS require schools to keep and share accurate attendance records. However, although the EIA raised the compulsory attendance age, it made no provision for tracking or enforcement. Thus, enforcing the compulsory education law was and continues to be a problem for school districts in Tennessee.

The initial cost estimate of expanding the compulsory school age to age 18 was $9,459,394.[139] The absence of a student-based information system, however, prohibits determination of the actual cost.

End State/Current State

Other Statutes

In addition to the laws previously mentioned in this report, other statutes encourage school attendance. They are:

- *T.C.A.* §3-15-207: Requires the commissioner of education to report to the Select Committee on Children and Youth and Select Oversight Committee on Education at least once a year concerning the Tennessee Model Dropout Prevention Program established in *T.C.A.* §49-1-520.
- *T.C.A.* §49-1-206: Requires the departments of education and human services to implement a statewide program including technical assistance, consulting, workshops, training, or other appropriate ways to support LEAs that establish school-based preschool/parenting learning centers to provide childcare/parenting training for students who are teen parents and to reduce dropout rates among the teen parents.

[138] This information includes license suspensions for failure to attend school as well as for failure to make satisfactory academic achievement. The Department of Safety's information system does not distinguish between these two reasons for license suspension.

[139] "Cost Estimates – Education Reform Bill," January 21, 1992, included in information distributed to legislators, no author.

- *T.C.A.* §49-1-211(a)(7)(A): Requires the commissioner of education to publish an annual report by each November 1 that includes student dropout rates.
- *T.C.A.* §49-1-216: Urges school systems with 100 or more African American students to develop a plan to reduce the dropout variance to less than five percent if they have an average variance of five percent or more between their system-wide dropout rates and their system-wide African-American dropout rates over a three-year period. The LEAs are to file a copy of the plan with the commissioner of education and file a progress report by September 1 of each year.
- *T.C.A.* §49-1-520: Establishes Tennessee Model Dropout Prevention program, requiring the commissioner of education to designate each year up to 10 initiatives in the state as model dropout prevention programs and to award each a grant of $6,000, subject to available funding, to be used exclusively for improving or expanding dropout prevention services.
- *T.C.A.* §49-1-601(d): Requires all school districts to establish performance goals, including the maintenance of appropriate levels of school attendance and dropout rates, using the 1991-92 school year as the base year for measuring attendance and dropout rates. Schools not maintaining appropriate levels may be placed on probation.
- *T.C.A.* §49-10-1101: Requires each LEA, beginning during the 1986-87 school year, to establish a homebound program for pregnant students and to offer each pregnant student three hours of instruction each week throughout a six-week period of maternity leave to reduce the dropout rate among pregnant students.

GED Option Program

The General Equivalency Diploma (GED) tests students for skills and knowledge usually attained during high school. The GED Option program allows students over age 17 to take the GED test instead of completing traditional high school. Students enrolled in the program must complete 6.5 hours of instruction a day. Seventy-six approved programs operate in Tennessee. In 2002, 3,216 students took the GED exam; 2,451 passed.[140]

Adult High Schools

State law authorizes adult high schools, funded through the Basic Education Program (BEP) for students age 17 and older who have dropped out of traditional high school.[141] Students must pass the Tennessee Proficiency Test to graduate. The State Department of Education has no information on the number of adult high schools operated by LEAs.[142]

Written by: Alisa Palmisano, Margaret Rose

[140] Telephone interview with Kimberly Buck, Education Consultant, Division of Teaching and Learning, Department of Education, June 26, 2003.
[141] *Tennessee Code Annotated* §§49-1-302, 49-2-203(b0(c), and 49-6-501.
[142] Telephone interview with Claudette Williams, former Acting Assistant Commissioner, Division of Teaching and Learning, Department of Education. December 20, 2002.

Family Resource Centers

Pre-Legislation

Many of Tennessee's children come to school unprepared to learn. Those living with certain social problems are less likely to succeed academically and socially than others. Without some assistance, schools are rarely equipped to address many students' difficult home lives. Many children, particularly those from low-income families, arrive at school without their basic needs met. Educators determine a child's level of developmental or educational risk by the number of risk factors present in that child's life. Risk factors affecting a child's education include poverty, living in a single parent home, abuse, neglect, family conflict, loss of a parent through death or divorce, low parental education, lack of family support, and the presence of parental mental illness or drug abuse.

Family resource centers (FRC) first appeared in the early 1990s in response to a growing awareness that these and other factors outside school walls may hinder children's abilities to succeed in school. Educators also envisioned family resource centers as a bridge between families, schools, and a social service delivery system that was fragmented, confusing, and hard to access for those most often in need of help.

Legislation

The EIA allowed local education agencies to establish and operate FRCs with the goal of coordinating state and community services and helping meet the needs of families with children.[143] The act required that centers be located in or near schools and further mandated that local school boards appoint advisory councils for each center comprised of community service providers and parents, with parents making up the majority of members.

The Select Committee on Children and Youth (SCCY) was active in developing the FRC legislation, which was tied to the Children's Plan, an interagency initiative to reduce the number of children coming into state custody. According to the former Executive Director of the SCCY, legislators envisioned a family resource center as a place in or near a school where both families and teachers would be comfortable seeking information and referrals to assist children. The centers would employ one full-time director to serve one school. The state would provide a first-year budget of $50,000 with which to hire a full-time director and to furnish and equip an office. State funding would decrease in subsequent years with local education agencies assuming responsibility for continued funding. However, this funding reduction was not carried out after local education agencies (LEA) told officials they would have to close their centers if the state no longer provided funding.[144]

Implementation

The legislature has amended the FRC statute several times since 1992. In 1994, the General Assembly specified that centers are to provide interagency services, resources, and information on issues such as parent training, crisis intervention, respite care, and counseling needs for families of children with behavioral/emotional disorders. The legislation further specified that FRCs should function as the center of information

[143] *Tennessee Code Annotated* §49-2-115.

[144] Interview with Dr. Karen Edwards, former executive director, Select Committee on Children and Youth, December 12, 2001.

sharing and resource facilitation and should help families answer questions regarding funding for the services their child and/or family needs.[145]

In 1995, the General Assembly again revised the statute by authorizing the commissioner of education to award the grants (up to $50,000 annually) for three school years and then to evaluate the program to determine progress in attaining its objectives. LEAs receiving satisfactory evaluations would be eligible to continue receiving grants for an additional three school years. The amendment increased the number of centers receiving grants from the previous school year by 50 percent and allowed LEAs to either directly operate their own centers or to contract with a local nonprofit organization to operate them.[146] Legislation in 1996 and 1999 made minor language changes.

The first 31 FRCs opened in the 1993-94 school year. The Early Childhood Development Act of 1994 doubled the initial number of centers from 31 to 62. In 1995, the General Assembly funded 93 centers, adding 31 new centers to the existing 62. The 1995 and 1996 Appropriations Acts included language to expand the number of centers using state appropriations to match federal Family Support and Family Preservation Act funds. At the end of the 2000-01 school year, the state funded 104 family resource centers. In 2001, Marshall County's new school superintendent closed that system's center, and Unicoi County withdrew from the program because it could not afford the match requirement. As of November 2001, 102 state-funded family resource centers operated in 77 school systems in 63 counties.

In 2003, the program lost all $2.3 million in federal funding (two-thirds of the budget), leaving only state funds totaling $1.2 million for grants. In FY04, the State Department of Education contracts with 91 school systems.[147] Despite legislation limiting center grants to a total of six years, the State Department of Education (SDE) does not limit its funding to six years.

Several other centers operate with grants from United Way without state funds and are not subject to SDE oversight. Some United Way centers are located in schools, and others are in community centers or public housing developments.

In April 2002, the Office of Education Accountability (OEA) released a report entitled *A Look at Tennessee's Families Resource Centers.* OEA staff identified 19 states with programs designed to increase social service access for school children and families. However, only five states (California, Connecticut, Kentucky, Rhode Island, and Washington) operate programs, specifically school-based and state-funded, similar to Tennessee's.

Staff also found a wide disparity in the operation of the centers within the state. As stated previously, the SCCY originally intended for FRCs to serve as an information and referral or brokering resource. Additionally, the department's guidelines suggest that eligibility counselors, health services personnel, counseling services, or job training (all direct service-providers) could be located with the FRC. In practice, however, all FRCs offer direct services in addition to information and referral. Directors reported on a

[145] Public Chapter 985 (1994.)
[146] Public Chapter 538 (1995.
[147] Email to the author from Jan Bushing, Director of School-Based Support Programs, Tennessee Department of Education, September 9, 2003.

survey conducted for the OEA report that FRCs provide 58 percent direct services and broker 13.4 percent of services. The remaining 28.6 percent of assistance consists of information and referral.

Cost

Since FY94, the SDE has awarded approximately $33,372,926 for the operation of FRCs. The FY04 budget for centers is $1.2 million, all state dollars. Ninety-one centers now receive annual grants of $13,186. Exhibit C-20 illustrates funding for FRCs in other states with programs similar to Tennessee's as of 2001.

Exhibit C-20: Funding for FRCs in Other States

State	Annual State Funding per FRC Site	Required Match	Outside Grants
California	up to $133,300	50% (cash only)	yes
Connecticut	$100,000	no	yes
Kentucky	$33,825-92,250($205 per child eligible for free or reduced lunch)	yes (varies)	yes
Rhode Island	$65,000	50%(mostly cash)	yes
Washington	$75,000-350,000	25%(12.5% cash)	yes

Source: Telephone Interviews by OEA Staff, Summer 2001; SREB 2001 report.

End State/Current State

Though the SDE has not formally evaluated the FRC program, OEA staff found that most of Tennessee's family resource centers meet many community needs. Researchers believe that FRCs could benefit from a better-defined role, greater local direction, adequate resources, and more state monitoring.

Families often experience difficulties that affect their children's school attendance and performance. Some highly-regarded FRCs in Tennessee offer programs that fill service gaps and facilitate access to services; however, statewide programs lack uniformity. Flexibility is key to meeting community needs, resulting in a wide array of center types and services. The General Assembly created family resource centers to help address those needs but now may need to define more specifically FRCs' roles in supporting school success.

In fall 2003, the SCCY formed a working group of FRC directors, agency representatives, and other stakeholders to review the FRC guidelines. The group submitted revisions that were used to compose a final set of proposed guidelines submitted to the committee for review in February 2004.

Evaluations

In the 2002 OEA report on FRCs, researchers found that the department did not evaluate the program but does require annual reports describing the previous year's activities. The department's internal auditors also include FRCs in periodic audits of LEAs.

The OEA report included several findings on the FRC program, including:

- Tennessee has not defined minimum services that should be provided by each family resource center, but some other states have.

- In some cases, FRCs address needs that should be, but are not, addressed by other agencies.
- Most family resource centers employ too few staff to assist the number of families in their service areas.
- Although Tennessee's FRC advisory councils appear to have fulfilled their initial start-up, very few have continued to provide guidance and participation in subsequent years.
- Other states invest in individual centers at a higher level than Tennessee. FRC program administrators in other states advise that adequate budgets and staffing are key to successful outcomes. Moreover, they strongly recommend that centers pursue outside grants to supplement state and local funds.
- Other states measure the impact of their family resource programs to a greater extent than Tennessee. Kentucky, California, and Connecticut have included a statewide evaluation component in the structure of their family resource center programs.[148]
- Department guidelines provide a mission and principles for family resource centers and suggest possible goals but omit strategies for attaining those goals.
- A lack of updated community needs assessments often exacerbates FRCs' inabilities to define methods for meeting community needs**.**

Few of the individual FRCs evaluate their work. During on-site visits, OEA staff observed that many directors were uninformed of the importance of documenting the impact their programs have on the clients served. Most evaluations were simply questionnaires that clients completed. In some cases, directors indicated that they often neglected or forgot to ask clients to fill out questionnaires. Most FRCs document process outcomes (e.g., the number of persons served or referred) or anecdotal accounts rather than impact outcomes. Alternately, a few programs use data to tie certain targeted efforts to outcomes such as improved school attendance, reduced behavioral incidents, increased parental involvement, and enhanced academic performance. Factors related to the failure to assess program performance include a lack of technology, resources, staff time, awareness, and "know-how."

Written by: Bonnie Adamson, Margaret Rose

[148] Interviews with State FRC Administrators, Summer 2001.

Fee Waivers

Pre-Legislation

Many public schools ask students to pay fees each year for various items and use fee money to supplement state and local funding. State law permits local education agencies, with prior authorization from their local board, to collect fees from students for certain activities.[149] Some schools apply this law liberally, collecting fees from students for lockers, music classes, reading materials, art materials, driver's education, copy paper, laminating film, transcript requests and graduation ceremonies, and many other things.[150]

Prior to the creation of school fee waivers, there was a concern that some students could not participate in school activities if they could not afford fees. Former Senator Ray Albright noted that some schools would not allow children the opportunity to participate in school activities if they could not pay an associated fee. He and other legislators believed that a public education system should not charge students unable to pay fees.[151]

Legislation, Implementation, and Cost

The General Assembly included Section 55 in the EIA to require the waiver of all school fees for students eligible to receive free or reduced price school lunches. The section defined fees as those charged for activities occurring during regular school hours, for course-related activities and supplies, for summer tuition, and for graduation ceremonies. The amount in fees that qualifying students do not pay is transferred to the local school board, which is responsible for reimbursing schools for the waived amounts.[152]

The law allowed every student qualifying for free and reduced price lunches to be eligible for fee waivers, but every eligible student does not take advantage of the provisions. A State Department of Education (SDE) survey from the 1999-2000 school year indicated that 155,726 students in 58 systems charging fees applied for waivers, which accounted for 65 percent of the free and reduced price lunch population in those schools.[153] No information is available to explain why students did not apply for fee waivers.

The total amount spent on fee waivers, however, shows a significant application of the law to benefit students. Few data were kept on actual spending amounts until the SDE established account reporting codes in the 2000-01 school year. At that time, some systems reported that it would be too tedious to track the information on an ongoing basis, and other systems did not charge fees at all.[154] Despite this, the reported amount spent on fee waivers increased from just over $1 million in 2000-01 to over $2.2 million in 2001-02.

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[149] *Tennessee Code Annotated* §49-2-110.

[150] Responses based on 10 survey responses to Comptroller of the Treasury Office of Research and Education Accountability survey of the Review of the Education Improvement Act of 1992.

[151] Telephone interview with Ray Albright, Former Senator, December 19, 2003.

[152] E-mail response from Melissa Hinton regarding questions posed relating to School Fees and Fee Waivers, August 13, 2003.

[153] Department of Education, *Results from Fee Waiver Survey*, 2000.

[154] Responses based on 10 survey responses to Comptroller of the Treasury Office of Research and Education Accountability survey of the Review of the Education Improvement Act of 1992.

End State/Current State

The SDE survey from 1999-2000 found that 58 of 71 responding systems charged fees. The most common fees were for activities and supplies required for courses taken for credit and for activities taking place during regular school hours, including field trips.[155]

Though state law allows schools to charge fees as the local board approves, it also states that "no fees or tuitions shall be required of any student as a condition to attending the public school, or using its equipment while receiving educational training."[156] It should be noted that schools are allowed to ask for fee payment, not require payment, for school registration and various schoolwide and/or grade-specific fees. A limited Comptroller's Office of Education Accountability survey found that school registration fees in various districts range from $5 to $75 per student, depending on the school.[157] According to the aforementioned SDE survey, 16 of the 58 systems charging fees assess schoolwide and/or grade-specific fees.[158] These and other fees generate large amounts of money to assist schools in their revenue needs.

Some school systems rely on school fees to generate a sizeable portion of their budget. Systems such as Hamilton County and Knox County generate well over $1.5 million from fees. Other systems generated smaller dollar amounts, but these funds still comprise a generous portion of their overall budgets. Some school systems collect the equivalent of three to five percent of their total state and local BEP allocations through fees.

Despite the provision for fee waivers, some believe that the statute was not used as well as intended.[159] Senate Bill 1037, proposed in the 103rd General Assembly, would have limited schools' abilities to charge student fees for various purposes. Similar bills proposed in past sessions have also attempted to limit fee-charging in public schools.

Written by: Kevin Krushenski

[155] Department of Education, *Results from Fee Waiver Survey*, 2000.
[156] TCA §49-2-110(c).
[157] Responses based upon 10 survey responses to Comptroller of the Treasury Office of Research and Education Accountability survey of the Review of the Education Improvement Act of 1992.
[158] Department of Education, *Results from Fee Waiver Survey*, 2000.
[159] Telephone interview with Ray Albright, Former Senator, December 19, 2003.

Mandatory Kindergarten

Pre-Legislation

Public kindergarten first appeared in the United States in the 1870s. To save money and cope with shortages of qualified teachers, half-day programs using staggered schedules and shared resources became the norm in the first half of the twentieth century. Traditionally, kindergarten was seen as a child's introduction to organized group education. During the kindergarten year, "children are expected to begin to integrate their cognitive, social, and physical competencies to meet the demands of a structured educational experience."[160] However, increasing participation in pre-kindergarten programs has transformed kindergarten from a bridge between home and formal education into a bridge between early childhood and elementary education. In addition, many kindergarten programs have shifted focus away from general development in all areas to academic skills previously taught in 1st grade.

Tennessee school districts began offering kindergarten in the early 1970s. The Minimum Kindergarten Program Law extended education services to all kindergarten-aged children in the state by 1974.[161] The law provided state funding for local education agencies (LEA) to provide kindergarten but did not require it. Kindergarten was not a prerequisite for 1st grade enrollment. In 1972-73, the General Assembly appropriated $4,370,800 for programs serving 23,526 kindergarteners (2.7 percent of total K-12 enrollment).[162] Kindergarten enrollment as a percent of total statewide K-12 average daily membership (ADM) reached 6.4 percent in 1975 and increased annually to 8.1 percent in 1993. Although definitive data are not available, State Department of Education officials indicate that all school districts provided kindergarten programs by the early 1990s.

Legislation

Section 31 of the EIA made kindergarten attendance compulsory for all Tennessee children. "No child shall be eligible to enter first grade after July 1, 1993, without having attended an approved kindergarten program."[163] School districts are required to offer kindergarten programs with the same number of school days as all other grades for children who turn five years old by September 30. However, statute mandates only four hours a day of kindergarten instruction and does not allow districts to run two half-day classes in one day.[164]

By 1992, the benefits of early childhood education were documented in research and evident in classrooms across the country. Tennessee lawmakers wanted to guarantee continued access to kindergarten for all children in the state. The Basic Education Program (BEP) funds kindergarten students at the same rate as students in grades 1 through 3 as long as they attend at least four hours of school a day. A student in a half-

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[160] Sara Vecchiotti, *Working Paper Series; Kindergarten: The Overlooked School Year,* The Foundation for Child Development, October 2001, p.7.
[161] Public Acts, 1973, Chapter No. 193.
[162] Department of Finance and Administration, *State Financial Assistance to Local Government: Education, Highways, and General Government Assistance,* Tennessee State Planning Office, June 1973, p. 45.
[163] *T.C.A.* §49-6-201(d).
[164] *T.C.A.* §49-6-202.

day or a full-day kindergarten program is counted as one in ADM calculations used for disbursement of state education dollars.[165]

During testimony presenting the EIA legislation to the House Finance, Ways, and Means Committee, SDE officials estimated 650 students statewide would be affected by the mandatory kindergarten provisions of the bill. Members of the General Assembly expressed concerns about a possible gap between federally funded pre-kindergarten program age limits and kindergarten entrance age as well as the effect of partial-day programs on working parents.[166]

Implementation and Cost

Administrators responding to an informal Comptroller's Office of Education Accountability survey indicated that they struggled initially to provide classroom space and qualified teachers for their kindergarten programs. About half of responding districts had start-up costs when they began offering kindergarten. All respondents' communities welcomed the new service. According to a separate survey of school superintendents, all 136 Tennessee school districts operated kindergarten programs for five-year-old children at the start of the 2003-04 school year. Approximately 10 percent of LEAs provide instructional days that are shorter than those for older students. Districts with shortened kindergarten days indicate they do not provide mid-day transportation but have optional extended services until regular dismissal time.[167]

For the 2003-04 school year, the BEP generated $202,927,000 (5.4 percent of total BEP appropriations) for over 70,000 kindergarten students across the state (about nine percent of all public school students). Teachers and administrators confirm that kindergarten has improved student readiness for 1st grade, socially and academically. Retention of students in the 1st grade dropped five percent each year for four years following the EIA mandate of kindergarten attendance.[168]

End State/Current State

Nationally, 41 states require school districts to offer kindergarten. However, Tennessee is one of only 14 states that require students to attend kindergarten before entering 1st grade.[169] Only eight states and the District of Columbia mandate full-day kindergarten. Five-year-old children are eligible for kindergarten in every state. However, the date on which a student must have turned five prior to entering kindergarten varies widely among states, ranging from January 1 to December 31.

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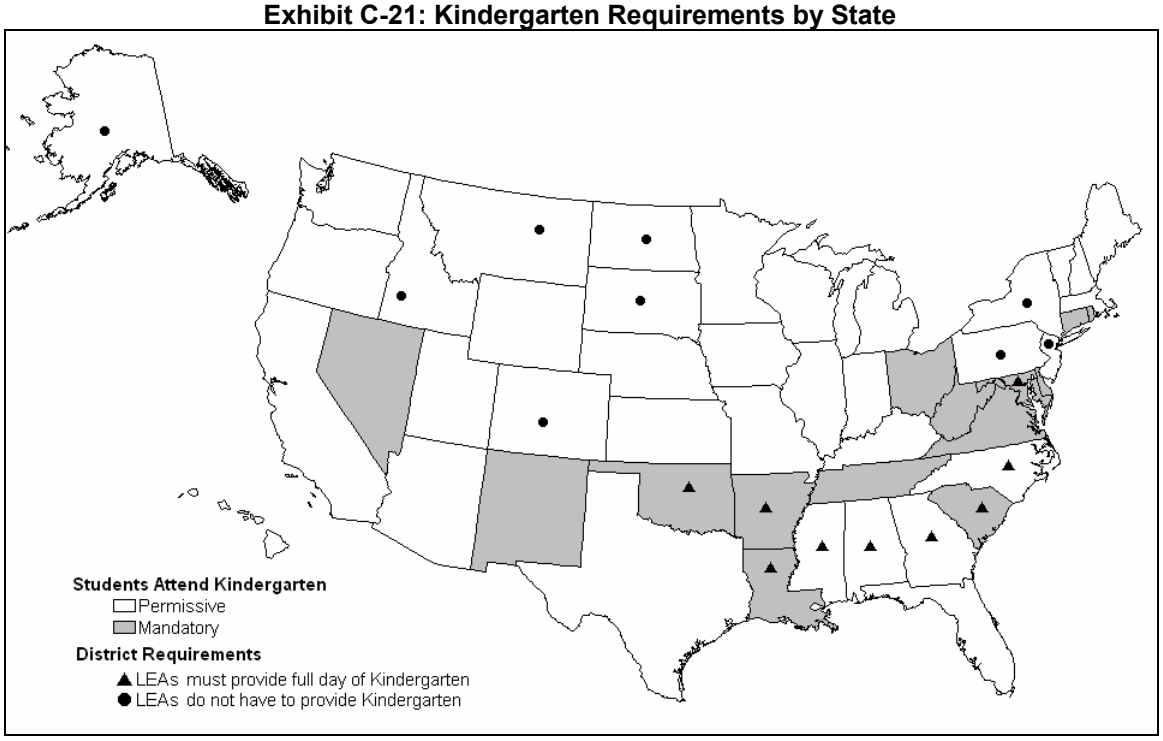
[165] Phone interview with Jim Jones, Director of Local Finance, Department of Education, September 27, 2003.
[166] Archive audio tapes of Joint Finance Committee meetings in February and March of 1993.
[167] Survey by Tennessee Organization of School Superintendents, October 2003.
[168] Annual Statistical Reports, 1972-2002, Tennessee State Department of Education.
[169] Jessica McMaken, *States Statutes Regarding Kindergarten*, Education Commission of the States, Accessed Online at http://www.ecs.org/clearinghouse/29/21/2921.htm. August 2003.

Exhibit C-21: Kindergarten Requirements by State



Source: Education Commission of the States.

In the decade since the EIA made kindergarten attendance mandatory in Tennessee, schools have shifted some of the 1st grade curriculum to the kindergarten year. First grade is still the year in which students are expected to acquire the most new skills. However, success of kindergarten programs across the country has strengthened arguments for extended government support of pre-kindergarten services and has resulted in an increasing prevalence of pre-school attendance. Consequently, the focus of kindergarten curriculum has moved from social and language skill development to academic literacy and number skills.[170] Experts disagree about what curricular content and instructional methods are appropriate for kindergarteners.[171]

For many working families, the extension of compulsory school attendance to five-year-olds lessened the burden of expensive childcare. However, some kindergarten students only have access to partial school days. According to the Education Commission of the States, "full-day programs are popular with parents because it reduces the number of transitions a child must make during the day and because it meets the needs of working parents."[172]

Evaluations

Research shows that students benefit academically from attending kindergarten for full-length days as well. In the *Condition of Education 2003,* the National Center for Education Statistics found that while most students mastered reading before leaving the

[170] Vecchiotti, p. 7-8.
[171] Ibid., p. 19.
[172] Linda Jacobson, *Early Years,* Education Week on the Web, Volume 21, Number 43, August 6, 2002, p. 14.

1st grade, "children who attended full-day kindergarten had the ability to demonstrate greater reading knowledge and skill than their peers in half-day programs did."[173]

In addition, a study of 17,600 Philadelphia school children found that full-day kindergarten programs provided financial as well as educational benefits. Longitudinal data showed that former full-day students were 26 percent more likely to reach the 3rd grade without having repeated a grade than those who attended half-day programs. Researchers calculated that the lower retention rates shave 19 percent off the costs of providing full-day programs.[174]

As of October 2003, more than 10 percent of LEAs operated kindergarten programs with shorter instructional days than those for older students.[175] Tennessee funds students in half-day and full-day programs equally. It is unclear what the local financial implications would be if districts now offering partial day programs began providing full-day kindergarten; however, it is becoming increasingly apparent that students and society benefit when the early years in a child's education are recognized and treated as the most important in creating a foundation for academic success.

Written by: Bonnie Adamson

[173] Kathleen Kennedy Manzo and Erik W. Robelen, *Study: Full-Day Kindergarten Boosts Reading Achievement,* Education Week on the Web, Volume 22, Number 40, June 11, 2003.
[174] Debra Viadero, Study: *Full-Day Kindergarten Booasts Academic Perfomance,* Education Week on the Web, http://www.edweek.org/ew/newstory.cfm?slug=31kinder.h21, Accessed September, 30, 2003.
[175] Survey by Tennessee Organization of School Superintendents, October 2003.

School Based Decision Making

Pre-Legislation

Historically, local educators and state policymakers have struggled to determine appropriate decision-making powers. Certain policies and rules regarding the activities of schools are formulated at the state level for local districts and schools within those districts. Some feel that this removes the people most affected by decisions from the decision-making process. Other stakeholders perceive that policy changes are suppressed under levels of bureaucracy and hinder individual schools' abilities to meet their needs.[176] This, in part, led to the desire for a more responsive method of school management, eventually taking the form of site-based management or school based decision making (SBDM).

According to a survey by the National Center for Education Statistics, an average of 56 percent of the public schools in the United States used some form of site-based management in 1993-1994.[177] However, during the same time only 32 percent of schools in Tennessee used a form of SBDM.

The theory behind school based management is that those affected by and responsible for education decisions and programs should influence decision making. This is supposed to help schools become more reactive to specific needs and in turn improve learning.[178] Although research has found no ideal model, some conditions enable SBDM to operate better. Successful schools tend to have an active, living vision focused on teaching and learning; allow decision-making authority in the areas of budget, curriculum and personnel; disperse power broadly throughout the school organization; and share leadership among teachers and administrators.[179]

Legislation

According to the Education Commission of the States, school-based management "has evolved from a stand-alone reform to one that typically is embedded within a comprehensive approach to improving student achievement and school performance."[180] The General Assembly included Sections 31 and 87 dealing with site-based decision making in the EIA. Section 31 gave local boards of education authority to establish a SBDM program allowing schools to govern areas such as curriculum, budget, and classroom management. The section also provided for classroom teachers' involvement in the decision-making process. Additionally, Section 87 gave the commissioner of education the authority to award grants and allow eight school systems or any part thereof to operate as alternative education programs focusing on site-based management. This section perpetuated a law passed in 1990 that was scheduled to expire July 1, 1993.

According to the State Department of Education (SDE), the school based decision making section of the EIA intended to give those affected by education policy decisions a

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[176] United States General Accounting Office, "Education Reform: School-Based Management Results in Changes in Instruction and Budgeting," Report to Congressional Requesters, August 1994, p.1.
[177] National Center for Education Statistics, "How Widespread is Site-Based Decisionmaking in Public Schools?" Issue Brief, December 1996, p.1.
[178] Ibid.
[179] Education Commission of the States, "School-Based Management," *The Progress of Education Reform 1999-2001*, Vol. 2 No. 5, April-May 2001, p.3.
[180] Ibid., p.1.

voice in making these decisions.[181] The language was designed to give local boards the option of engaging in this form of school management. Along with the option of adopting SBDM, school systems were given leeway to define the roles and authority of the site councils. "We wanted to put the power back into the hands of the schools," according to Representative Les Winningham, House sponsor of the amendment that became Section 31.[182]

Implementation

In practice, school boards' interpretation and implementation of Section 31 varied widely. An informal Comptroller's Office of Education Accountability (OEA) survey of several school systems in Tennessee revealed an assortment of site council powers, ranging from the council serving in merely an advisory capacity with no authority to a locally-elected council with broad authority over budget, personnel, and curriculum to decision-making powers vested almost completely in the principal of each school.[183] One surveyed system's council has no authority over any decisions outside of hiring the principal to operate the school.

According to a September 1991 report by former Governor Ned McWherter and Charles E. Smith, former commissioner of education, the goal for school-based decision making was that "by no later than the first day of the 21st century, school-based decision making shall be the rule rather than the exception in all school districts of the state."[184] The state's largest school system, Memphis City Schools, requires every school to use school based decision making. Depending on each council's bylaws, the sitting council elects its successors either each year or two years. The council is required to meet at least four times annually and have input on almost every aspect of school operations, but the principal must ratify everything.[185]

End State/Current State

Many feel that the goal of school based decision making has not been achieved. Some systems granted certain schools the authority to engage in SBDM, but others did not participate. Four of the 10 OEA survey respondents indicated that their school systems do not allow their schools to use a SBDM model.[186] Explanations given by respondents for nonparticipation included: SBDM it is not required by the state, little or no interest by past directors and administrators, and it is an expensive model to implement and follow.[187] Others, such as Rep. Winningham, believe the process was too cumbersome.[188]

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[181] Tennessee Department of Education, "Goals and Objectives of the 21st Century Challenge Plan – Draft" November 1990, p. 43.
[182] Interview with Rep. Les Winningham October 23, 2003.
[183] Results from Comptroller of the Treasury Office of Education Accountability Review of the Education Improvement Act of 1992 random school system survey based upon 10 system responses, September 2003.
[184] Ned McWherter, Governor and Charles E. Smith, Commissioner, "Steps Toward Excellence: Tennessee's Progress Report in Mething the 21st Century Challenge, Statewide Goals and Objectives for Educational Excellence," September 1991, p. 40.
[185] Telephone interview with Robert Archer, Associate Superintendent of Memphis City Schools, November 5, 2003.
[186] Results from Comptroller of the Treasury Office of Education Accountability Review of the Education Improvement Act of 1992 random school system survey based upon 10 system returns, September 2003.
[187] Ibid.
[188] Interview with Rep. Les Winningham, October 23, 2003.

Additionally, no one promoted the idea around the state, and no one facilitated the application and creation processes among school districts.

Research has not typically shown any link between school based decision making and increased student performance. SBDM is usually embedded in a comprehensive reform package, making it difficult to distinguish between effects of the various parts of the package. Additionally, improving student performance is not typically a stated goal of SBDM.[189]

Section 87 allowed the commissioner of education to designate eight schools or systems as alternative education schools/systems focusing on SBDM. The SDE was authorized to reward grants to designated schools or systems, but there is no institutional knowledge regarding implementation of this section.

Written by: Kevin Krushenski

[189] NW Regional Education Laboratory, "School-Based Management," Kathleen Cotton, 1992, p.12

School Nurses

School health needs in Tennessee have changed considerably over the past decade. From 1992 to 2001, the percentage of students in Tennessee public schools classified as "health impaired" or "physically impaired" more than doubled.[190] Nationwide, the percentage of children ages five to 17 with a limitation resulting from a chronic condition (including asthma, hearing impairments, diabetes, and others) increased from 6.1 percent to 7.3 percent from 1990 to 1998, and the percentage of children below poverty with such limitations increased from 7.9 percent to 11.1 percent.[191]

Tennessee school health officials indicate that the rise in asthma, diabetes, and attention deficit hyperactivity disorder has created the need for more school nurses.[192] In 1996, the General Assembly passed legislation requiring that most medications received by students at school be administered by licensed medical personnel.[193] As prescription drug use has increased among students, more nurses are needed to administer these drugs.[194] Changing inclusion requirements of the Individuals with Disabilities in Education Act (IDEA) may also affect needs for school health services.

Pre-Legislation

In 1988, the General Assembly established a public school nurse program within the Tennessee Department of Health.[195] The act provided for school nurses in the program to be assigned to county and district health departments or local education agencies (LEA). The chief medical officer of the state, as the executive director of the program, was to supervise and direct the nurses. Another division within the Department of Health, the Board of Nursing, licenses nurses to practice in Tennessee. The statute stipulated that until the program hired enough nurses to provide adequate services to all LEAs, the executive director was to give assignment priority to those counties experiencing the most poverty, unemployment, and underemployment, and which are the most medically underserved. The statute defined adequate services as a ratio of at least one permanent, full-time school nurse per 3,000 students, but not less than one permanent, full-time nurse for each system. Additionally, the act instructed the commissioner of health and the executive director to promulgate rules and regulations to implement the program.

Funded with state and federal dollars, the program grew to 32 positions and a $1.359 million budget by FY91. When the EIA passed, however, the administration removed from the budget all funds supporting the Tennessee public school nurse program and

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[190] These percentages represent health impaired or physically impaired per adjusted ADM, as calculated by Office of Education Accountability staff from: Department of Education, *Annual Statistical Report*, 1991-92 and 2000-01 School Year and an internal analysis of school system data.

[191] Interagency Forum on Child and Family Statistics, *America's Children: Key Indicators of Well-Being 2001*, Table H2, p. 88, http://www.childstats.gov/ac2001/ac01.asp (accessed January 17, 2002).

[192] Telephone interview with Ken Nye, Executive Director of School Health Programs, Department of Education, December 14, 2001; telephone interview with Lynn Jackson, Director of School Health, Department of Health, December 13, 2001.

[193] TCA §49-5-415.

[194] Telephone interview with Ken Nye, Executive Director of School Health Programs, Department of Education, December 14, 2001; telephone interview with Lynn Jackson, Director of School Health, Department of Health, December 13, 2001.

[195] *Tennessee Code Annotated* §68-1-1201, et. seq.

abolished the school nurse positions in the Department of Health.[196] Although the program is referred to in other statutes, the Department of Health no longer deems this statute to be effective.[197]

Legislation and Implementation

The EIA stipulated that the BEP include dollars sufficient to fund one full-time public school nurse position for each 3,000 students or one position for each district, whichever is greater. At that time, the statute allowed the school system to hire directly a school nurse or to contract with the Tennessee public school health program.

In 1996, the General Assembly amended the statute to specify that when the Basic Education Program (BEP) became fully funded, the LEA must use those dollars to employ or contract for a public school nurse created by the public school nurse program within the Department of Health or advise the State Department of Education (SDE) that it has decided to do neither and notify the SDE of an alternative arrangement to meet the health needs of its students. The BEP reached full funding in FY98.

In 1996, the General Assembly passed legislation governing the administration of medications and the performance of health care procedures to students during the school day or at related events. The sponsors designed the bill, supported by the Tennessee Education Association,[198] to halt the practice of teachers, teachers' aides, school secretaries, and other non-health care personnel giving medications to children and performing health care procedures. The statute requires that health care procedures, including administration of medications, be performed by licensed health care professionals in accordance with applicable guidelines of their respective regulatory boards and in conformity with policies and rules of local boards of education or governing boards of non-public schools. This statute, however, allows non-licensed personnel to assist a student in self-administering medications under certain conditions.

The nursing component is unique among BEP components in that state law requires districts to use funds generated for school nurses on school health programs or file a report with the commissioner of education as to how the health needs of their students are being met.[199] BEP school nurse standards are lower than those recommended by national school health groups. The BEP funds one nurse per 3,000 students, with a minimum of one per district. The National Association of School Nurses advocates a ratio of one school nurse for every 750 students in the general population, for every 225 students in the "mainstreamed" population,[200] and for every 125 students in the severely chronically

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[196] Conversation with Ricky Frazier, Administrative Services Director, Tennessee Department of Health, Nov. 1998.

[197] E-mail to the author from Judy Womack, Director of Health Promotion/Disease Control, Tennessee Department of Health, "Re: Quick question re school nurses," February 17, 2004.

[198] Ibid. Confirmed in conversation with Jerry Winters, Manager of Government Relations, Tennessee Education Association, Jan. 1999.

[199] TCA §49-3-359(c)(1).

[200] Mainstreamed students are those with disabilities or other special needs who are placed in regular classrooms.

ill or developmentally disabled population.[201] The American School Health Association also endorses these ratios.[202]

National nursing organizations assert that school nurses should be registered nurses; however, Tennessee statutes do not specify this as a qualification. The Tennessee Nurses Association recommends that school nurses not only be registered nurses but also have bachelor's degrees.

In Tennessee, all nurses must meet licensure requirements set by the State Board of Nursing to practice as registered nurses or as licensed practical nurses. Registered nurses (RN) practice under protocols approved by a physician or dentist. Some school superintendents believe that they are allowed to hire only licensed practical nurses (LPN) because the statute does not require them to hire RNs. The State Board of Nursing Rules prohibit LPNs from practicing except under the supervision of a physician, registered nurse, or dentist. An LPN may perform only duties that have been delegated by such a professional.

Cost and End State/Current State

The BEP funded nurse salaries at an average of $28,291 in 2001-02, plus benefits and the cost differential factor. That year, the BEP generated $8,785,000 in state funding for 330.5 school nurse positions. Unlike other BEP components, a district's school nurse funds are earmarked and must be spent on school nurses unless the system submits to the state department an alternate plan for providing health services to students. In comparison to the BEP-generated positions, LEAs employed 633.6 school nurses and other health personnel in 2000-01, a ratio of approximately 1,450 students per position.[203] However, these figures under-represent the actual number of health personnel used by Tennessee school systems because many, including the largest ones, contract with county health departments or other providers for some or all health services. The contracted positions do not generally appear in school staffing reports. Total reported school system expenditures on health personnel in 2000-01 were $9,150,166, and total reported expenditures on all health services were $17,136,183, nearly twice the BEP-generated amount.

Evaluations

In April 1999, the Comptroller's Office of Education Accountability (OEA) released the report *Considering Nursing Practices in Tennessee Schools.* The report recommended that the SDE consider whether central office staff resources are sufficient to administer the school nurse program and suggested that one of the staff duties should be to evaluate the program. The SDE has added staff to its school health unit but has not evaluated the school nurse program.

In July 2003, the OEA report *Funding Public Schools: Is the BEP Adequate?* recommended that the General Assembly consider decreasing the ratio of school nurses per-pupil by at least 50 percent. In addition, it recommended that legislators consider

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[201] National Association of School Nurses, "Position Statement: Caseload Assignments," June 1995, http://www.nasn.org/positions/caseload.htm, (accessed January 4, 2002).
[202] American School Health Association, "Resolutions: A Professional Certified Registered Nurse in All Schools," 1997, http://www.ashaweb.org/resolutions2.html#schoolnursing, (accessed January 4, 2002).
[203] Department of Education, *Annual Statistical Report*, 2000-01 School Year.

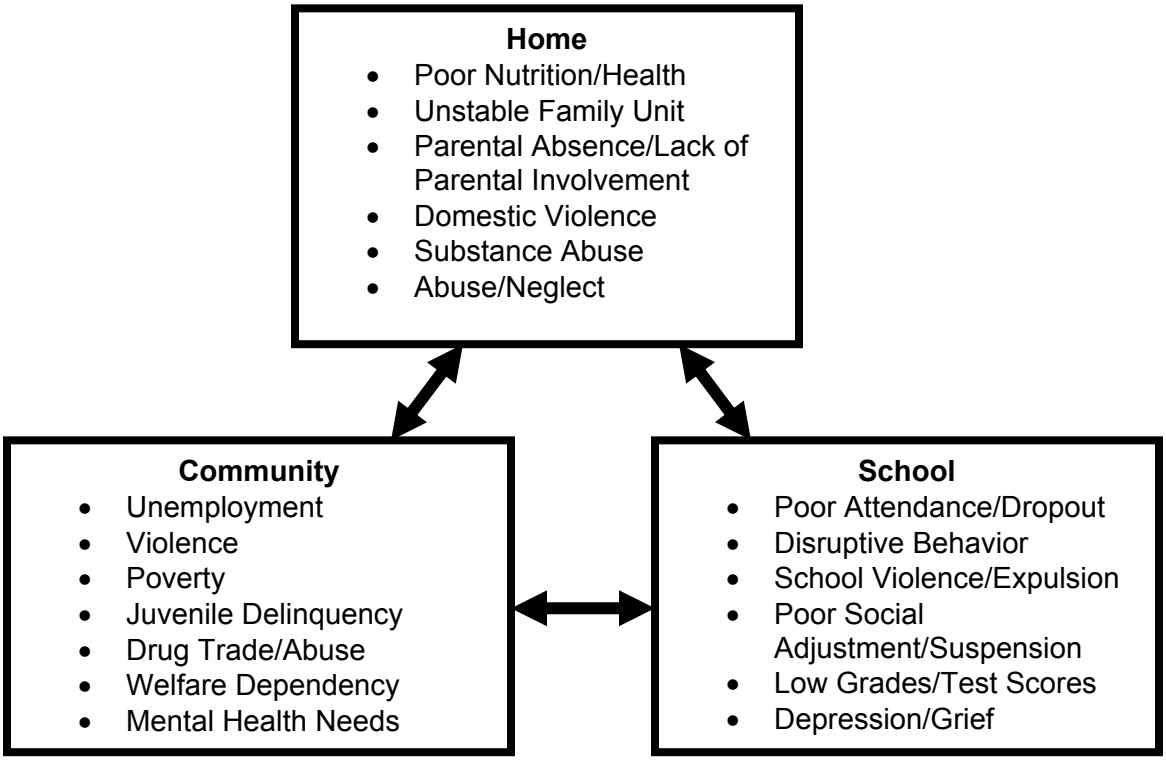
changing the school nurse component to a nonclassroom component, which would shift more of the funding from the state to LEAs. For example, the BEP generated $11,713,000 for school nurses in 2001-02, $8,785,000 (75 percent) of which was state funding. Changing school nurses to a nonclassroom component would shift $2,928,500 from state to local funding, since the state would provide about 50 percent of the funding needed rather than 75 percent. (See the BEP component section for additional information about how the BEP funds classroom and nonclassroom components.)

Written by: Margaret Rose

School Social Workers

Originating in the schools of New York City, Boston, and Hartford in 1906-07, school social work recognizes that what occurs outside school impacts what occurs inside school.[204] Based on this recognition, school social workers attempt to improve the interaction among the home, community, and school, realizing that all of these systems are interrelated—home life affects school success, community factors affect home life, and lack of school success impacts future community factors (diminished job prospects, juvenile delinquency, crime, etc). Exhibit C-22 illustrates this relationship.

Exhibit C-22: Relationship among Home, Community, and School



Source: OEA analysis of school social work research.

To improve student academic performance and social/behavioral functioning, school social workers in Tennessee provide a variety of services, including:

- Working with special education students to complete and fulfill Individual Education Plans and other special education statutory requirements;
- Monitoring student attendance and reducing dropout rates;
- Addressing school discipline problems (suspensions, expulsions, and zero tolerance cases);
- Securing basic items (food, clothing, housing for the homeless, and energy assistance) for students and their families;
- Conducting individual and group counseling sessions;
- Providing family counseling, education, and consultation, including home visits;

[204] David R. Dupper, "School Social Work: Skills and Interventions for Effective Practice," John Wiley & Sons, Inc, Hoboken, New Jersey, 2003; Paula Allen-Mears, "Social Work Services in Schools; A National Study of Entry-Level Tasks," *Social Work*, September 1994, Vol. 39, No. 5.

- Working with teachers, administrators, and other student support service personnel as a part of multidisciplinary units;
- Making topical presentations (i.e., identifying and preventing child abuse, drug abuse, etc.) to students, faculty, the community, and parents;
- Preventing, detecting, and reporting child abuse and neglect; and
- Coordinating and supervising federal grant programs.[205]

Pre-Legislation

Academic literature and newspaper articles published immediately before, during, and after the EIA's passage point to a growing awareness that certain educational outcomes cannot be achieved without addressing social problems.[206] During debate over the components and formula determination of the Basic Education Program (BEP), members of the 1991 Senate Education Committee specifically identified the dropout rate and attendance, poverty, broken homes, and substance abuse as problems necessitating more school social workers in Tennessee schools. Senator Tommy Burks noted that schools were taking on the problems of the home and society. Another member, Senator Pete Springer, thought it would be hard to address these social problems without a mandate specifically designating a position to provide these services consistently across the state. During the 1991 legislative session, Senator Springer proposed an amendment requiring each school system to employ at least one school social worker. This amendment failed as the committee sought to avoid limitations on local school systems' flexibility.[207]

Legislation, Implementation, and Cost

The inclusion of school social work was part of the EIA's larger emphasis linking the home, community, and school lives of students.[208] The BEP includes school social workers as a classroom component, with a funding ratio of one school social worker per 2,000 average daily membership.[209] However, the EIA does not specify any goals, objectives, or measurable outcomes for school social workers.[210] The number of school social workers has grown since the passage of the EIA, with the official count increasing 140 percent between 1991-92 and 2002-03. (See Exhibit C-23.)

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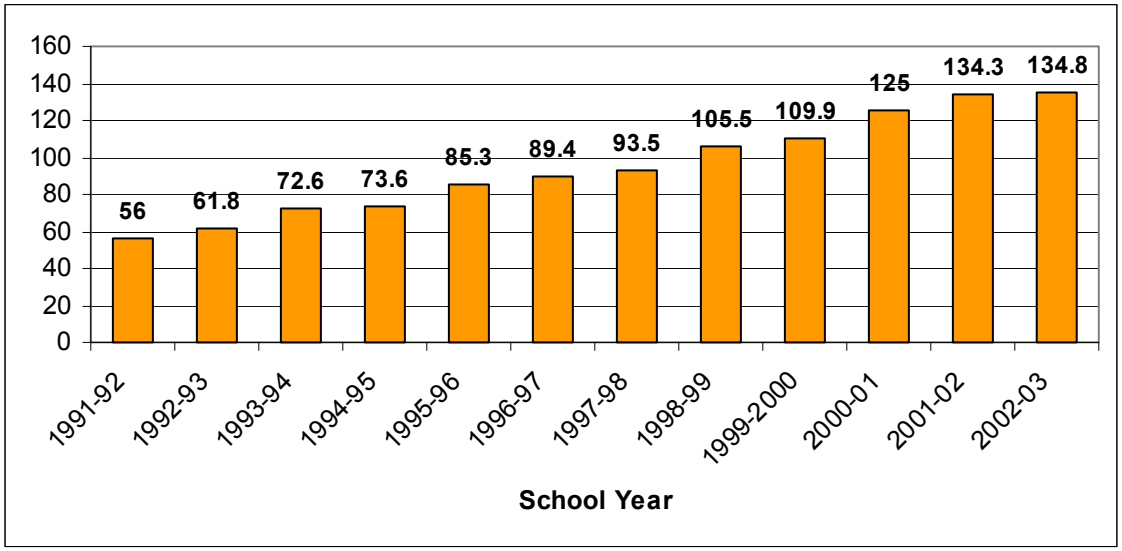
[205] Interviews conducted by OEA staff with select LEAs across the state, September – November 2003.
[206] See Paula Allen-Mears, "Social Work Services in Schools; A National Study of Entry-Level Tasks," *Social Work*, September 1994, Vol. 39, No. 5; Susan Chira, "Social Work Goes to School – A Special Report; Schools New Role: Steering People to Services," *The New York Times,* Section A, Page 1, May 15, 1991.
[207] Minutes from the Senate Education Committee Meeting of April 24, 1991.
[208] Telephone Interview with Jan Bushing, Director of School-Based Support Programs, Tennessee Department of Education, October 2, 2003.
[209] Tennessee State Board of Education, "Tennessee Basic Education Program, BEP, 2003-2004," May 2, 2003.
[210] Note: Unlike other components of the EIA, such as school nurses (§49-3-359), family resource centers (§49-2-115), and the at-risk class size program (§49-3-361), school social workers do not have a specific section in Title 49 of the TCA.

Exhibit C-23: Official Number of School Social Workers in Tennessee



Source: OEA *Review and Analysis of School System Data, Statewide Summary*, January 1999; Department of Education, *Annual Financial Reports,* 1995-2002.

Although BEP funding has probably increased the number of school social workers, how much so is unclear. Interviews with school social workers and education officials indicate that this increase can also be attributed to:

- the strong economy of the late 1990s and its positive effect on school revenues;
- new federal funding during the 1990s, such as Safe and Drug-Free Schools grants;
- Title I-funded social work positions; and
- family resource center funds.[211]

Furthermore, the total number of school social workers in Tennessee schools is somewhat higher than official figures in Exhibit C-23 because local education agencies (LEA) fund social work positions from other sources, such as federal grants and Title I funds. Best estimates place the total number of school social workers in Tennessee at about 160, a statewide ratio of approximately 5,628 students per school social worker.[212]

Professional school social work organizations recommend higher staffing levels than Tennessee's. The School Social Work Association of America supports one social worker per 800 students, but also identifies certain demographic variables, such as the number of students with disabilities, that may require lower ratios.[213] Elementary and Secondary School Counseling Program grants funded through the *No Child Left Behind* Act also encourage counseling grant recipients to work toward the same 1:800 ratio.[214]

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[211] Interview with Terry Hill, Tennessee School Social Workers Association of America President, September 11, 2003; Telephone interview with John Scott, Tennessee Department of Education, October 1, 2003.

[212] Interview with Terry Hill, Tennessee School Social Workers Association of America President, September 11, 2003; Department of Education, *Tennessee School System 2002 Report Card*, http://www.k-12.state.tn.us/rptcrd02/, Accessed August 5, 2003.

[213] School Social Work Association of America, "School Social Worker Staffing Needs," 2001-2002, http://www.sswaa.org/about/publications/resolutions/staffing.html, Accessed August 5, 2003.

[214] Public Law 107-110, Reauthorization of the Elementary and Secondary Education Act, "No Child Left Behind," *Section 5421, Elementary and Secondary School Counseling Programs, Subsection c2K.*

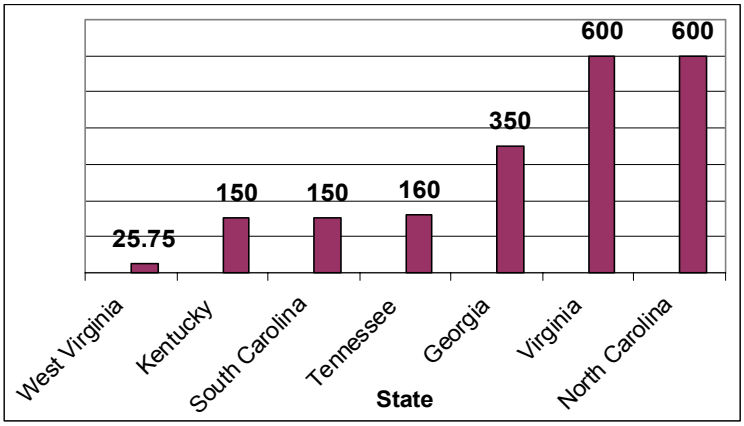
Comptroller's Office of Education Accountability (OEA) interviews with local school systems reveal that low staffing levels limit services to those students with the most critical needs, making it difficult to serve all students.[215]

For the 2002-03 school year, the BEP funded school social worker salaries at an average of $28,304, plus benefits and the cost differential factor. State law does not require districts to use funds generated for school social workers on school social work programs nor does it set a minimum number of school social workers per district. As a result, although the BEP generated funding for 457.5 school social workers in 2002-03, LEAs only employed 134.77 that year.[216]

Two border states with school social work positions in their funding formulas, Georgia and North Carolina, fund a higher social worker-to-student ratio than Tennessee—Georgia's is 1:2,750, and North Carolina's is 1:2,500. However, these states set a minimum floor for the number of school social workers, with Georgia requiring one or a visiting teacher per local board of education and North Carolina requiring one per county.[217]

The actual number of school social workers in Tennessee is comparable to some southern states and is exceeded by others, as shown in Exhibit C-24.

ExhibitC-24: Number of School Social Workers in Select SREB States



Source: OEA interviews with school social work personnel in select states. State personnel estimated the number of school social workers in all states with the exception of West Virginia. OEA staff estimate there are between 150 and 170 school social workers in Tennessee, a statewide total of approximately 160.

[215] Telephone Interview with Dana Johnson, Secondary Supervisor, Lawrence County Schools, October 6, 2003.

[216] Department of Education, *BEP Model,* 2002-03 School Year; Department of Education, *Annual Financial Report*, 2002-03 School Year. Note: If LEAs employed the number of school social worker positions generated by the BEP, the statewide ratio in 2002-03 would have been approximately 1 school social worker per 1,968 students.

[217] Telephone Interviews with Jackie Melendez, Georgia Education Program Specialist, School Counseling and Social Work, November 4, 2003; Gary Shaffer, Associate Professor, College of Social Work, University of North Carolina at Chapel Hill, November 14, 2003.

End State/Current State

The state of school social work in Tennessee differs dramatically among LEAs. The majority of Tennessee school social workers are concentrated in the four largest school systems. According to State Department of Education data, Memphis City, Metropolitan Nashville, Knox County, and Hamilton County Schools employed 81 percent of all school social workers for the 2002-03 school year.[218] School social workers in Knox and Hamilton County share a concentration on student attendance. While attendance is also a concern in Metropolitan Nashville, social workers also focus on individual and group counseling for students. Memphis City Schools uses a mental health model with a concentrated focus on the mental health and behavior of their students. Outside of these systems, school social work is often more focused on meeting basic needs (food, clothing, etc.) and/or special education needs of students and attendance monitoring.[219] The School Social Work Association of America notes that the Southeast has a regional emphasis on attendance, particularly in rural areas.[220]

Many LEAs in the state employ no school social workers. According to OEA interviews with district personnel across the state, the need for social workers is high even in LEAs that do not employ them. For example, Scott County, which does not employ any school social workers, reports that social workers in the schools would help meet students' home and community needs (mental health, monitoring of home life and substance abuse and suicide education and prevention). Scott County uses nurses and counselors to fill this gap informally, along with teachers and other support service positions.[221]

According to LEA staff, financial constraints limit the employment of school social workers, particularly in rural counties with low-wage employment, high poverty, low education levels, and low local funding for schools.[222] For these rural counties, BEP funding for school social workers often is shifted to meeting the most basic needs of the school system, leaving student support and other auxiliary services poorly funded.[223]

A bill in the 103rd General Assembly would allow certain LEAs with a high percentage of students receiving free and reduced price lunches and a high percentage of schools on notice or probation to apply for special hardship funding to employ school social workers. This bill would require LEAs receiving this funding not to exceed a ratio of one school social worker per 1,000 ADM.[224]

Evaluations

LEA evaluations of school social work services differ depending on funding sources. In general, LEAs conduct more thorough and comprehensive evaluations of social work services if they fill the position with federal grant funding. An evaluation of Knox

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[218] Department of Education, *Annual Financial Report*, 2002-03 School Year.
[219] Interviews conducted by OEA staff with select LEAs across the state, September – November 2003.
[220] Telephone Interview with Randy Fisher, Executive Director, School Social Work Association of America, November 4, 2003.
[221] Telephone interview with John Blakely, Attendance Supervisor, Scott County Schools, October 1, 2003.
[222] Telephone Interviews with school personnel from Lawrence, Bedford, Jackson, and Monroe County Schools.
[223] Interviews conducted by OEA staff with select LEAs across the state, September –November 2003.
[224] HB0895 – SB0826. Note: This ratio requirement would include regular BEP funding along with the special hardship funding.

County's Parental Responsibility Truancy Program, a cross-disciplinary collaboration between school social workers and the district attorney's office, showed an increase in student attendance rates and a decrease in dropout rates from 1998 to 2002.[225] Monroe County continues to evaluate the system's federal rural health grant at Tellico Plains Elementary School, documenting increases in the number of home visits and behavioral health sessions provided to students.[226] Other LEAs evaluate social work services through less formal means, such as client or teacher satisfaction surveys.

Written by: Russell Moore

[225] Knox County Schools Social Service Department, Parental Responsibility Truancy Program Data Sheet, Received from Terry Hill, Tennessee School Social Workers Association of America President, September 11, 2003.

[226] Tellico Plains Full-Service School Clinic, Rural Health Outreach Grant, Year 2 Program Evaluation and Report, 2001-02, prepared by the University of Tennessee College of Social Work, Received from Sonia Hardin, School Health Coordinator, Monroe County Schools, November 6, 2003.

State Accountability System

Pre-Legislation

Education accountability can be defined as "the process by which school districts and states attempt to ensure that schools and school systems meet their goals."[227] Accountability became increasingly performance-based in the 1980s and 1990s as states began to set standards for student learning and administer statewide assessments to gauge performance. By 2001, 33 states had adopted measures to hold schools and districts accountable for meeting performance standards.[228]

The premise of the standards and accountability movement is that "[s]tudents take tests that measure their academic performance in various subject areas. The results trigger certain consequences for students and schools—rewards, in the case of high performance, and sanctions for poor performance."[229] Higher stakes are designed to evoke harder work from schools and districts and to create an emphasis on using achievement data to measure results.

Since 2001, education accountability has been associated with the federal *No Child Left Behind* (NCLB) law; however, the move toward holding schools accountable for student performance began much earlier at the behest of state legislatures. One author estimates that 73 proto-accountability laws were enacted by states between 1963 and 1974.[230] Some education historians point to the 1960 publication of the Coleman report, a study that examined educational resources and achievement scores of students of different racial groups, as the genesis of new thinking about holding schools accountable for educational outcomes:

> The study was significant for many reasons, one of which was its shift in research focus from inputs to results, which resulted from the authors' decision to examine how school resources affected achievement. Before the Coleman report, education reform had focused solely on the issue of resources, on the assumption that more generous provisions for teachers' salaries, facilities, textbooks, and supplies would fix whatever ailed the nation's schools. After the Coleman report, reformers advanced a broader array of proposals, many of which sought changes in performance rather than (or in addition to) increases in resources.[231]

South Carolina and New Jersey adopted true "academic bankruptcy"[232] legislation in the 1980s, and the National Governors Association began to support the initiative shortly thereafter. Performance-based accountability was founded on the idea that "states would

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[227] Robert Rothman, *Measuring Up: Standards, Assessment, and School Reform*, (San Francisco: Jossey-Bass, 1995), p. 189.
[228] Margaret E. Goertz and Mark C. Duffy, "Assessment and Accountability Across the 50 States," Center for Policy research in Education, Graduate School of Education, University of Pennsylvania, RB-33-May 2001.
[229] Richard F. Elmore, "Unwarranted Intrusion," *Education Next*, Spring 2002, http://www.educationnext.org/20021/30.html. Accessed: July 31, 2003.
[230] Rothman, p. 39.
[231] Diane Ravitch, "Testing and Accountability, Historically Considered," *School Accountability: An Assessment by the Koret Task Force on K-12 Education*, eds. Williamson M. Evers and Herbert J. Walberg (Monterrey: Hoover Institution Press, 2002), 1:14.
[232] Academic bankruptcy refers to an academically failing school or school system; state academic bankruptcy legislation defines state interventions in constantly failing schools or school systems.

grant schools and districts more flexibility in making decisions about what and how to teach in return for more accountability for academic performance."[233] These measures drew support from the 1994 reauthorization of the federal Elementary and Secondary Education Act requiring states to develop standards and assessments for Title I schools.

Before the EIA, Tennessee conducted standardized testing in 2nd through 8th and 10th grades, but there was no formal mechanism for the state to hold students, teachers, schools, and districts accountable for test results or for other educational outcomes such as graduation and attendance rates. The legislature enacted the "Bragg Marks" in 1984 to provide a baseline for measuring educational progress; however, the law did not require annual reporting nor did it provide sanctions for noncompliance.[234] As the General Assembly considered a significant funding increase for schools coupled with unprecedented flexibility in spending, legislators sought a method to hold schools accountable for educating students.

The State Department of Education (SDE) and the State Board of Education (SBE) released separate publications in November 1990 that included plans for increasing accountability.[235] The plans promoted the development of results-based or outcomes-based education policies over those based on processes or procedures. The department's plan built on the then-new statewide testing program and proposed using data from annual standardized tests to provide technical assistance for schools not meeting performance standards. The state board's 1990 Master Plan focused on performance expectations, annual reporting of performance, and state-level accountability functions. Both plans included provisions for value added analysis.

Building on internal planning, Governor McWherter hired an external consultant to make further suggestions about state accountability measures.[236] The consultant's report, issued to policymakers prior to passage of the EIA, stated:

> It is the moral responsibility of all legislators to establish state conditions that will result in appropriate and equitable education for all children. If it does not occur, the legislature is at fault – no other scapegoat is needed or appropriate.[237]

The report proposed an accountability system that would "focus state and local education policies on results rather than process," with specific regulatory roles for the SBE related to setting performance standards for schools and selecting specific accountability criteria. Suggestions for the SDE included additional duties in data collection, monitoring, and technical assistance to schools not meeting standards. The report supported the

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[233] Elmore, "Unwarranted Intrusion."

[234] The Bragg Marks, measures of K-12 educational performance, were written into the Comprehensive Education Reform Act (Public Acts, 1984, Chapter No. 7) and the Public Education Governance Reform Act (Public Acts, 1984, Chapter No. 6).

[235] Commissioner Charles E. Smith, Tennessee Department of Education, "Goals and Objectives of the 21st Century Challenge Plan," November 1990; State Board of Education, "Master Plan for Tennessee Schools: Preparing for the Twenty-First Century," November 1990.

[236] Telephone interview with Dr. Charles Smith, Former Commissioner, Tennessee State Department of Education, December 4, 2003.

[237] M. Donald Thomas, "Educational Bankruptcy: Can the Concept Improve Our Schools?," Harold Webb Associates, Ltd., white paper, p. 5., Appendix B to M. Donald Thomas, "Report to Governor Ned McWherter, State of Tennessee: Tennessee Education for the 21st Century," no date.

establishment of an Office of Assessment and Public Accountability to be housed in the department and charged with identifying deficient schools, establishing fiscal compliance, and validating performance standards.[238]

Legislation

With the intent of improving the public education system and holding local bodies accountable for student outcomes, legislators included in the Education Improvement Act multiple sections related to education accountability:

- Adoption of the **Tennessee Value Added Assessment System** and methods of reviewing teacher, school, and school district effects on educational progress.
- Requirement for the State Board of Education to establish **Performance Goals** against which the state would hold schools and school districts accountable.
- Provisions for **Probation and State Removal of Local School Officials**, including additional responsibilities of the commissioner of education and the SBE.
- Creation of the **Office of Education Accountability** within the Office of the Comptroller of the Treasury to monitor school system performance.
- Creation of **High School Subject-Matter Exams.**
- Requirement for Tennessee high school students to take **Exit Exams** to show readiness for work or college and to pass **Tennessee Comprehensive Assessment Program Tests** to receive a diploma.
- Strengthening of **Annual State Reporting** of public school performance.
- Requirement for the State Board of Education to make rules based on **Standards of Fiscal Accountability and Soundness** for local school systems.

Implementation

The 1998 School Report Card described Tennessee's accountability system as the replacement of "strict controls on the day-to-day policies and activities of local schools with clear goals and annual performance standards that must be met by the year 2000."[239] Initial accountability measures began before the EIA passed when the SBE increased flexibility for schools and school districts by eliminating 3,700 rules, regulations, and minimum standards in 1991. After the EIA became law in April 1992, the state began implementing accountability provisions in the law. The following timeline shows main events in the history and development of the state accountability model. Certain actions, such as the annual release of public school report cards and the multi-year release of OEA desk reviews, are not on the timeline.

Exhibit C-25: Accountability Timeline

July 1992: SBE sets Performance Goals
July 1994: OEA becomes functional
November 1994: SBE sets Probationary Process
April 1995: OEA releases TVAAS report
1997: Legislature grants schools an "on notice" year and requires joint

[238] M. Donald Thomas, "Report to Governor Ned McWherter, State of Tennessee: Tennessee Education for the 21st Century."

[239] Tennessee Department of Education, "21st Century Schools Program 1998 Report Card: Working Together to Take Our Students Into the 21st Century," p. x.

study of schools on notice
September 1997: Hancock County placed on probation
1998: Legislature gives state more authority over schools on notice
October 1998: SBE approves end-of-course subjects
August 1999: SBE approves Performance Model
April 2000: SBE revises Performance Model
July 2000: SDE names 48 “heads up” schools
Fall 2001: Gateways replace TCAP Competency Test
September 2001: SBE places 98 schools on notice
2002: Legislature amends accountability statute and removes requirement for high school exit examination
February 2002: SBE modifies Performance Model
March 2002: OEA releases testing report
August 2002: SDE and SBE identify 127 schools for school improvement
December 2002: OEA releases schools on notice report
2003: Legislation provides for schools in accountability model to be called “high priority schools”
May 2003: SBE revises Performance Model
September 2003: SBE designates 62 high priority schools; SDE identifies over 700 target schools

Source: State Board of Education, State Department of Education, and Office of Education Accountability.

Tennessee’s accountability model includes players at the state, school district, and school levels. At the state level, the SBE sets performance goals and makes policies and regulations for schools and systems. The SDE and its commissioner contract with private companies for the development of standardized tests and are responsible for distributing tests for administration. The SDE also collects statewide test results, publishes school and system report cards, recommends schools for high-priority status, and provides technical assistance to schools identified for improvement. The Comptroller’s Office of Education Accountability (OEA), established by the EIA, conducts research on and provides oversight for the state’s K-12 education system and provides information to the General Assembly. *Tennessee Code Annotated* Section 49-1-602 requires the SDE and the OEA jointly to study schools on notice of probation.

Locally, schools and school systems are accountable for their students’ performance on the Tennessee Comprehensive Assessment Program (TCAP) and other standardized tests, for their attendance rates, and for their graduation rates. Schools identified for improvement are subject to increasing sanctions each year they remain on the high-priority schools list.

As the state has implemented its accountability system, the SDE, SBE, and the General Assembly have adopted additional changes. The performance model has been adapted to include additional measures of performance. For instance, the state has added Gateway

tests, end-of-course testing, and writing tests. Implementation has also included additional SBE policies and SDE practices requiring local education agencies (LEA) and schools to measure their own performance. The state began requiring and reviewing school improvement plans in 1997-98.

Other major changes include legislation in 1997 that allowed schools to have an "on notice" year before being placed "on probation." That amendment also required the OEA to study schools on notice with the SDE. Legislation in 1998 gave the state more authority over school systems on notice. The General Assembly further amended the accountability provisions in 2002 to make the law compatible with federal requirements for accountability. In 2002, the legislature removed the requirement for students to take a high-school exit examination, and 2003 legislation provided for schools identified by the accountability model to be called "high-priority schools." Exhibit C-26 shows relevant state statutes relating to accountability.

Exhibit C-26: Important State Accountability Statutes

Statutes	Effect on Accountability
T.C.A. §4-3-308	Creates OEA to monitor and evaluate education performance and progress
T.C.A. §49-1-210	Requires the establishment of standards of fiscal accountability and soundness for LEAs
T.C.A. §49-1-211	Requires the commissioner of education to produce an annual report including information on audits of LEAs, value-added assessment, TCAP, dropout, waivers, incentives and sanctions, exit exams, suspensions and expulsions
T.C.A. §49-1-601	Defines state performance goals to include value-added gain, TCAP performance, attendance, and dropout rates
T.C.A. §49-1-602	Allows the state to place schools on notice or on probation for failure to meet state board rules, regulation, and performance standards or for failure to meet standards of fiscal accountability; requires joint study of schools on notice by SDE and OEA
T.C.A. §§49-1-603 through 49-1-606	Enacts the Tennessee Value Added Assessment System, including annual estimates of teacher, school, and school district effects on student progress
T.C.A. §49-1-607	Requires compliance with TCAP security guidelines
T.C.A. §49-1-608	Initiates high school subject matter examinations and value-added assessment tied to such exams
T.C.A. §49-1-609	Protects school systems performing above base requirements set by SBE
T.C.A. §49-1-610	Requires fresh, nonredundant equivalent tests
T.C.A. §49-1-611	Allows commissioner of education and SBE to remove and re-appoint local school board members and the local director of schools
T.C.A. §49-1-612	Allows for an alternative state assessment for students with disabilities

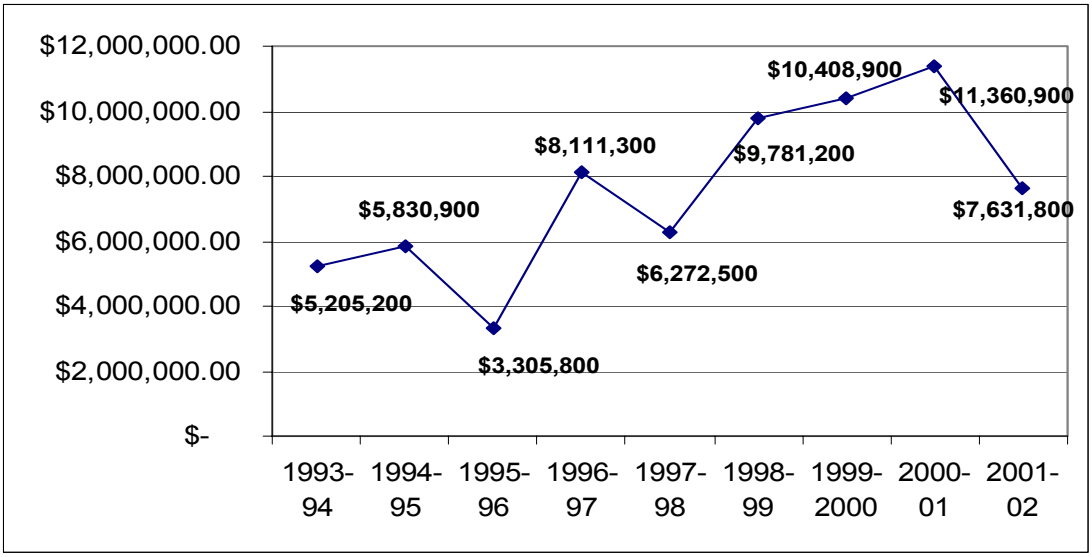
Source: *Tennessee Code Annotated.*

Cost

Tennessee has invested millions of dollars in its accountability system since 1992. For instance, state funding for the SDE's budget item "Accountability" (331.11) gradually

climbed from $5.2 million in 1994 to over $7.6 million in 2002. As demonstrated on the following chart, accountability funding has not been stable but has trended upward.

Exhibit C-27: SDE Accountability Funding, 1993-94 – 2001-02



Source: State of Tennessee, Budget Documents, Actual Funding Columns 1993-94 – 2001-02.

Test development and analysis, important parts of the accountability system, are expensive. The annual cost of TCAP achievement tests has grown in the following manner:

- 2000-01 - $4.5 million
- 2001-02 - $4.7 million
- 2002-03 - $4.9 million
- 2003-04 – $6.7 million (still under negotiation)[240]

The SDE has contracted for services related to value added assessment since 1992. Each contract has been a sole source contract because state law requires the use of methodologies provided by Dr. Bill Sanders' model for value added assessment. The following table contains the amounts of contracts for value added assessment.[241]

Exhibit C-28: Value Added Contract Information

Contractor	Contract Period	Contract Amount
University of Tennessee	Oct 1, 1991 – Jun 30, 1992	$100,000
University of Tennessee	Jul 1, 1992 – Jun 30, 1993	$314,484
University of Tennessee	Jul 1, 1993 – Jun 30, 1994	$229,000
University of Tennessee	Jul 1, 1994 – Jun 30, 1995	$373,400[242]
University of Tennessee	Jul 1, 1995 – Jun 30, 1996	$300,400

[240] Telephone conversation with John Sharp, Executive Director, Operations and Planning, State Department of Education, November 3, 2003.
[241] Except where noted, Contract Periods and Contract Amounts are from the Comptroller of the Treasury, Management Services Contracts Database.
[242] Figure is based on information received from the Department of Education in preparation of the Comptroller of the Treasury report "The Measure of Education: A Review of the Tennessee Value Added Assessment System," April 1995.

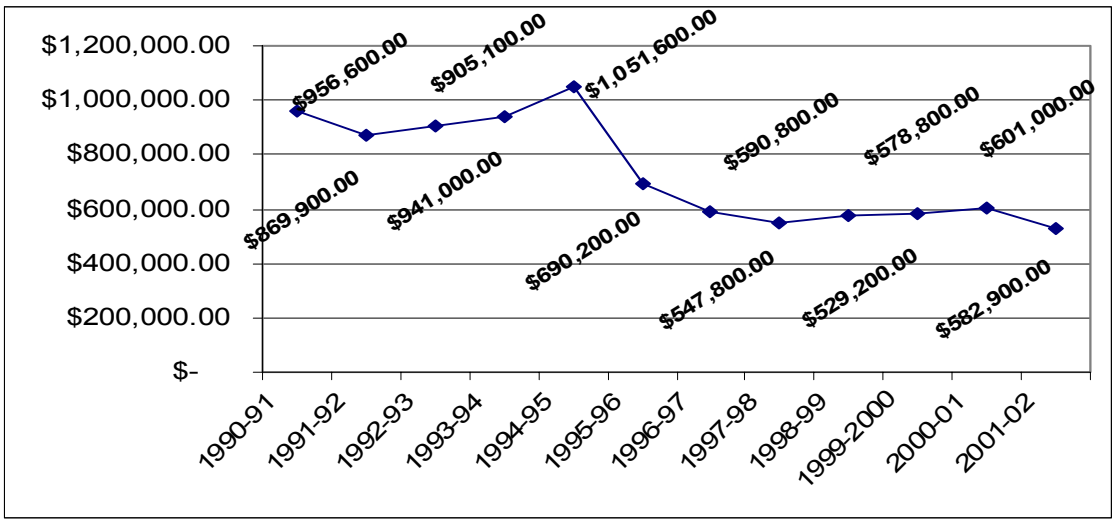
University of Tennessee	Jul 1, 1996 – Dec 31, 1996	$182,000
University of Tennessee	Apr 1, 1997 – Nov 30, 1997	$300,400
University of Tennessee	Jan 1, 1998 – Dec 31, 1998	$300,400
University of Tennessee	Jan 1, 1999 – Dec 31, 1999	$300,400
SAS Institute, Inc.	Jan 1, 2000 – Dec 31, 2003	$2,764,600
TOTAL		**$5,165,084**

Source: Search Report, Management Services, Office of the Comptroller, October 23-24, 2003 (except where noted).

The most recent contract for value added assessment was amended to increase funds paid to the contractor for developing and maintaining websites with TVAAS reports and other reports related to *No Child Left Behind* compliance. The contract covered four calendar years and grew from an initial $1,741,600 to the amended amount of $2,764,600.

The SBE, another entity in the accountability system, is also responsible for K-12 education rulemaking and policymaking and for teacher licensure revocation. The SBE has seen its state funding decrease since enactment of the EIA. The SBE took a 34.4 percent cut to its budget in 1995-96, and a 14.4 percent cut the next year. The SBE's budget dropped from $956,600 in 1990-91 to $529,200 in 2001-02, though funding per full-time staff person actually increased over the same time period from $59,788 to $88,200. Board staffing and funding have remained relatively stable since 1997-98. (See Exhibit C-29.)

Exhibit C-29: State Board of Education Funding, 1990-91 – 2001-02



Source: State of Tennessee, Budget Documents, Actual Funding Columns 1990-91 – 2001-02.

The OEA, which is funded jointly with the Comptroller's Office of Research, first received funds from the General Assembly in fiscal year 1995 and became operational in July 1994. Since that time, the OEA's budget has grown to support additional staff. State funding for the joint offices has grown from approximately $280,000 in 1995 to over $500,000 in 2002.[243]

[243] Budget estimates derived by splitting Comptroller's Offices of Research and Education Accountability actual funding figures from FY97 and FY04 state budget documents.

End State/Current State

As of school year 2003-04, Tennessee has a merged state-federal accountability system. *No Child Left Behind* disallows the use of norm-referenced tests to identify schools or systems for improvements. As such, TVAAS results—which are based on norm-referenced test data—were removed from state accountability criteria in 2003; however, the state is using value added results for diagnostic purposes. Criteria to identify schools for improvement in 2003 included student performance on standardized tests, attendance rates, and graduation rates. Student test data are broken down by race, socioeconomic status, English proficiency, and disability. As of 2002-03, Tennessee students took state standardized examinations in the following areas:

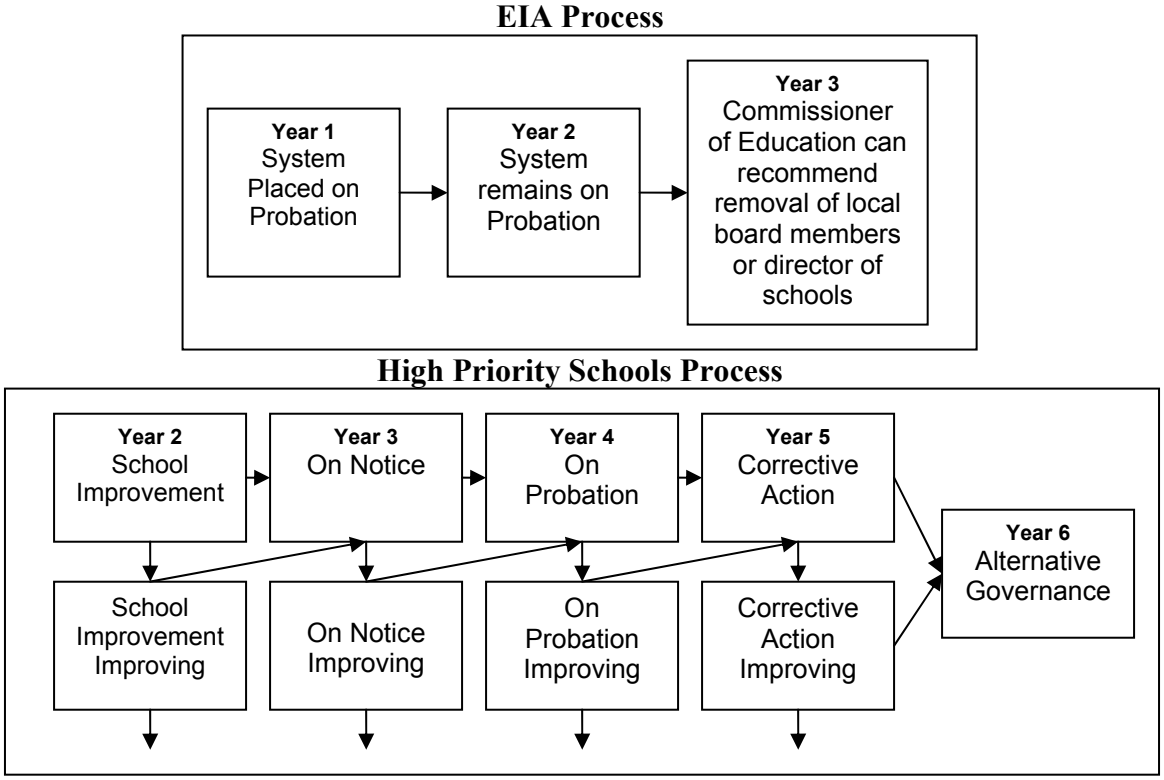
- TCAP Achievement Tests in Grades 3-8
- TCAP Writing Tests in grades 5, 8, and 11
- High School TCAP Competency Test (if graduating in 2003 or 2004)
- Gateway exams in Algebra I, Biology, and English II (if graduating 2005 or later)
- End-of-Course tests in English I and Math Foundations II

According to one author, accountability "policies have had the desired effect of making teachers and schools pay attention to the tests and strive to boost scores, but these efforts have not always ended up the way public officials intended."[244] For instance, Tennessee was recently ranked 48th in the nation for its low graduation rate.[245] Legislators probably envisioned grander results from its infusion of accountability provisions into education statutes. (See the Conclusions and Outcomes section of this report for information about the EIA's effects on educational performance.)

The accountability model itself has evolved into a very different system than conceived by the legislation's enactors. The EIA originally provided for schools and school systems to be placed on probation for failure to meet performance standards or follow state board rules and regulations. The law allowed a system to be on probation for two years before the Commissioner of Education could recommend the removal of the local superintendent or the local school board. However, this section has been amended to provide for a merged state-federal accountability system. Exhibit C-30 shows the original accountability model compared to the new merged system. Schools must now be identified for improvement for four years before reaching probationary status.

[244] Rothman, p. 43.
[245] Claudette Riley, "Study ranks state near bottom in graduating public students," *The Tennessean*, http://www.tennessean.com, September 17, 2003.

Exhibit C-30: EIA Probationary Process vs. High-Priority Schools Flowchart



Source: Tennessee Public Acts, 1992, Chapter No. 535, Status of Identified Schools for School Year 2002-03, Tennessee Department of Education.

Additionally, some believe that high-stakes testing has had a deleterious effect on classrooms by narrowing curriculum and shortening time spent investigating issues of interest to students. For instance, one author argues that "teaching to the test…can narrow the curriculum to the material on the test," especially in schools serving low-income students and minorities.[246] Other issues, such as cheating, also plague accountability systems based on high-stakes testing.

The OEA continues to analyze the administration and performance of the K-12 education system. Though the office does not monitor individual school and school system performance on an annual basis, it conducts studies to evaluate educational performance and progress. Interviews reveal that the OEA accomplishes its role as envisioned by legislators, which includes providing timely and accurate information about educational issues to lawmakers.[247]

Evaluations

The OEA has produced numerous reports and other documents related to Tennessee's accountability system. The following reports contain findings related to accountability and provide recommendations for the General Assembly, the SDE, and the SBE:

[246] Rothman, p. 60-61.
[247] Interviews with state legislators conducted in Fall 2003 and independently-collected commentary from interviewees choosing to participate.

- *The Measure of Education: A Review of the Tennessee Value Added Assessment System* report, released in April 1995, analyzed the implementation of the TVAAS and identified issues for officials to address. The report recommended an external evaluation of the TVAAS by statistical, educational measures, and testing experts.

- The Comptroller's Office subsequently commissioned three experts to review the TVAAS. *A Review and Analysis of the Tennessee Value-Added Assessment System*, released in 1996, yielded several recommendations. R. Darrell Bock and Richard Wolfe recommended specific improvements to the quality of data and test scores and for the SDE to set standards for teacher gains. Thomas Fisher recommended improvements to public reporting and the regular auditing of TVAAS calculations.

- In 1997, 1999, and 2000, the OEA released school system and statewide "desk reviews" entitled *Review and Analysis of School System Data*. The 1997 and 1999 reports examined data in several categories: student population, class size, classroom support, expenditures, and revenues. The 2000 reports also included a section on teachers.

- *Multiple Choices: Testing Students in Tennessee* was released in March 2002. The report examined standards-based reform and K-12 standardized testing in Tennessee and included multiple findings about the testing program and its role in the state's accountability system. Legislative recommendations included the consideration of funding for Gateway remediation and the abolition of exit examination requirements.

- As required by *Tennessee Code Annotated* §49-1-602, the OEA conducted studies of all school systems with schools on notice in 2001. The office produced 11 system reports and one statewide report entitled *Tennessee Schools on Notice 2001-02*. System reports made specific recommendations to improve performance in each system.

Written by: Melissa Smith

Superintendents

Pre-Legislation

The EIA brought consistency to the selection process and duties of local superintendents. The act devoted more language to the local superintendency than any other issue. Before the EIA, school systems used three methods to select superintendents:

- public selection through popular elections;
- county commission appointment; and
- local school board appointment.

The EIA designated local school boards as the sole authority in appointing a superintendent and vested power in the superintendent over all district personnel matters.[248]

Legislation

Seventeen of the EIA's 88 sections (19 percent) were devoted to transforming the role of the superintendent. Sections with language that related to the elimination of elected county superintendents constituted a small portion of the total superintendent-related parts. Nine sections were devoted to vesting more personnel power in local superintendents.

The EIA sought to consolidate accountability into a single person through implementation of a corporate model for school leadership. Supporters of superintendent appointment felt that school systems should have one person ultimately responsible for personnel decision-making. This person was to operate as a CEO, held accountable by a board for the staff he or she employed and for student performance.

Implementation

The change in selection method primarily affected county school districts. According to a Comptroller's Office of Education Accountability (OEA) survey of superintendents conducted in January 2003, all municipal and special school districts had appointed superintendents in 1992. Five county systems also appointed their superintendents before the EIA passed:

- Anderson County Schools
- Madison County Schools
- Metropolitan Nashville Public Schools
- McMinn County Schools
- Montgomery County Schools

All other county systems elected superintendents popularly or through the county commission. The law specified that all systems were to have superintendents appointed by local boards by the year 2000; therefore, 1996 was the last year superintendents could be elected.

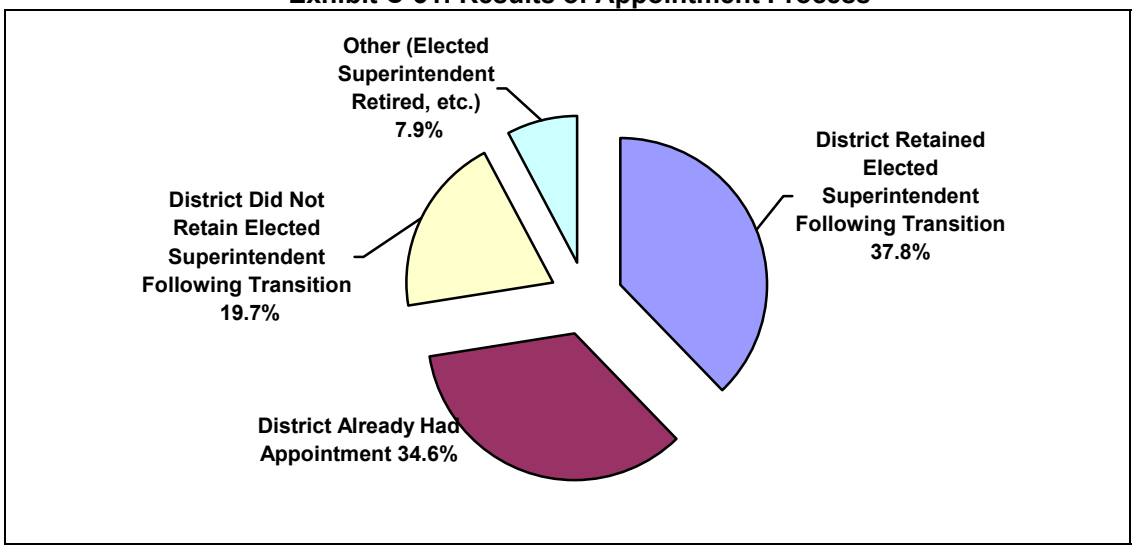
Selecting and overseeing the system superintendent has become one of the most important duties of Tennessee school boards. Since passage of the EIA, local boards have employed a variety of methods to recruit candidates. According to survey responses,

[248] See *T.C.A.* §49-2-203(a) and *T.C.A.* §49-3-301(b)(1).

more than a quarter of Tennessee school boards (26.8 percent) have contracted with an outside agency or organization to recruit their superintendents.

The following chart shows the results of the appointment process. Over a third of reporting districts retained their elected superintendents after converting to appointment.

Exhibit C-31: Results of Appointment Process



Source: Office of Education Accountability Survey, January 2003.

The EIA removed the requirement for superintendents to reside in the districts they serve, which greatly increased the pool of qualified school leaders. However, a large majority of districts still hire from within. According to the OEA survey, 71 percent of superintendents lived in the county they serve when hired by the local school board, and 27 percent lived outside of the district.[249] National data reveal different trends: 66.2 percent of current superintendents were hired from outside the system they serve, and 33.8 percent were promoted from within the system.[250]

Moving to an appointed system with personnel authority vested in the superintendent was intended to offer insulation from board members' influence on behalf of job-seeking constituents. Forty-one superintendents indicated on the survey that they feel no undue pressure from board members. Some respondents indicated that much of the political involvement has been removed from personnel matters. However, others indicated that though they have statutory authority concerning personnel, reality is sometimes different. Twenty-four respondents felt compelled to make personnel decisions consistent with board member preferences.

Cost

It is difficult to estimate an exact cost associated with the EIA's provisions for superintendents. Costs associated with public elections have been rendered obsolete, but local school boards expend other funds to find and keep qualified superintendents to run their schools.

[249] Two percent of the respondents did not answer this question.

[250] National School Boards Association, "School Boards at the Dawn of the 21st Century: Conditions and Challenges of District Governance," 2002, p. 22.

Superintendent Searches

As noted above, some local boards use recruitment services to find qualified candidates. The Tennessee School Boards Association (TSBA) is the leading provider of superintendent recruitment services, offering the following services to school districts seeking assistance:

- Identifying board priorities for a new superintendent;
- Conducting a needs assessment with system employees and the community;
- Vacancy notification;
- Application processing;
- Screening applications; and
- Reference checking.[251]

TSBA offers three package plans for superintendent searches, priced at $4,500, $7,500, and $18,500. TSBA advises boards on contract development and can assist in developing superintendent-performance evaluations. TSBA indicates that a complete superintendent search takes four to six months. Searches are not required by law, but some systems may be under affirmative action plans, court orders, or negotiated contracts that require formal searches.[252]

Superintendent Salary

Superintendents' salaries are funded by state and local dollars and vary tremendously among systems, though it is not clear if the EIA has affected salary levels. Of the systems surveyed, 20.5 percent said the salary increased by more than three percent the year after the change in the law; 37.8 percent indicated that the superintendent's salary did not change. The remaining 41.7 percent did not respond to the question.

In 2001-02, the Basic Education Program (BEP) generated $82,200 per county for superintendent salaries. Some counties receive additional funding through the cost differential factor, which adjusts salary components in some systems using a county-level wage index.[253] With this additional funding, the BEP actually generated an average county superintendent salary of $82,905.[254] Research indicates that the size and wealth of systems are the primary factors in determining superintendent salary.[255]

BEP-generated funding and local spending on superintendent salaries vary considerably. BEP funding ranged from $4,103 in the Etowah City School System to $98,610 in

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[251] Tennessee School Boards Association, Superintendent Search, http://www.tsba.net/services/super_srch.html (accessed April 4, 2003).
[252] Tennessee School Boards Association, Superintendent Search: Frequently Asked Questions, http://www.tsba.net/services/super_srch_questions.html (accessed April 4, 2003).
[253] Tennessee Code Annotated § 49-3-351(a). The law only requires that the BEP include a "cost of operations adjustment" but does not define the parameters of that adjustment. The CDF multiplies the average wage in each of a set of nongovernmental industries by the proportion of the statewide labor force employed in that industry. Counties with above-average wages according to this index receive a "bump," and counties with average or below-average wages do not.
[254] Tennessee Department of Education, 2001-02 Annual Financial Report and 2001-02 BEP model.
[255] American Association of School Administrators, "The Study of the American School Superintendency, 2000: A Look at the Superintendent of Education in the New Millennium," 2000, p. 15.

Davidson County.[256] Actual spending for superintendent salaries ranged from $30,400 in Bells City to $216,445 in Memphis City.[257]

End State/Current State

The EIA ushered in many changes for school leadership in Tennessee. It is difficult to argue causality, but some issues related to Tennessee's school superintendents are different than they were prior to the passage of the legislation.

Demographics

Nationally, white males have historically held the position of superintendent.[258] Interviewees in Tennessee supported this claim, indicating that minorities and females are more likely to be appointed to the superintendency than elected. Though they may be the most qualified candidates, women and minorities face potential challenges in popular elections.

Historical data on the demographic characteristics of Tennessee's superintendents are not available, but convergent anecdotal evidence indicates that the number of minority superintendents more than doubled from 1999 (when there were two minority superintendents) to 2003 (when there were five minority superintendents).[259]

The number of female superintendents has also increased since 1989, with the most significant increase occurring between 1993 (when there were 12 female superintendents) to 1995 (when there were 18 female superintendents). The current State Department of Education directory lists 21 female superintendents.

Politics

Early proponents of appointed superintendents argued that the removal of electoral politics from the superintendency would take politics out of education. Since passage of the EIA, the politics of school leadership have merely shifted in districts with a history of electing superintendents. In these districts, the EIA prompted a change from superintendents maintaining support among voters to politics in which each superintendent must maintain support from the elected school board.

To limit hasty political action by school board members, the General Assembly created a period in which the school board may not terminate (without cause) or enter into a contract with any superintendent.[260] The period begins 45 days prior to the general election of the school board and ends 30 days following the election. Further, school boards must adopt written policies concerning the method of accepting and reviewing applications and interviewing candidates for the superintendent's position.[261] This is to ensure that recruitment remains consistent and is not changed to suit particular applicants.

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[256] Tennessee Department of Education, 2001-02 BEP model.
[257] Tennessee Department of Education, 2001-02 Annual Financial Report.
[258] A. Revere, "Black Women Superintendents in the United States," *Journal of Negro Education,* 1987, pp. 510-520.
[259] Tennessee Organization of School Superintendents, Analysis of Superintendent Demographic Characteristics, May 9, 2003.
[260] Tennessee Code Annotated § 49-2-203(14)(A).
[261] Ibid, (B).

Minimum Job Requirements

The EIA changed the minimum job requirements for superintendents. Prior to the EIA, superintendents had to meet the following qualifications: hold a teacher's professional license with endorsement as principal and/or supervisor of instruction; hold a master's degree with a major in educational administration; and have five years' teaching and/or administrative experience. Local boards may now hire superintendents with only baccalaureate degrees.[262]

Though the minimum job requirements were lowered for superintendents, the EIA greatly increased the pool of qualified applicants. Prior to the EIA, only residents of the county the LEA serves could run for the office of superintendent. The EIA removed this requirement, allowing boards to conduct nationwide searches. As such, the academic qualifications of appointed superintendents are typically higher than elected superintendents.[263]

Attitudes

Like the vast majority of U.S. school districts, all local boards in Tennessee now appoint their superintendents. Given that all are appointed, it is not surprising that superintendent attitudes preponderantly favor appointment over election. Of superintendents who responded to OEA's survey, 74 percent favored appointment, 15 percent supported election, and 11 percent did not answer the question. In districts where the superintendent has always been appointed, over 90 percent of superintendents favor appointment. In districts with a history of electing the superintendent, the percentage favoring appointment drops by 30 percent but remains strongly in favor of appointment.

Contrary to superintendents' attitudes, some argue for a return to local choice regarding the election of superintendents. Between 1993 and 2002, legislators introduced 28 bills to change the way Tennessee superintendents are selected. However, the General Assembly has reconfirmed its initial decision supporting appointment by never passing a bill to revert to the old system.

Evaluations

In November 2003, the OEA released a briefing paper to the General Assembly entitled *Elected vs. Appointed Superintendents: Questions and Answers*. The paper includes answers to 15 questions posed by members of the State Senate and House of Representatives and concludes that "neither selection method [election or appointment] can be statistically shown to advantage students or their performance."[264]

Written by: Melissa Smith, Jason Walton, Emily Wilson

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[262] Tennessee Code Annotated § 49-2-301(d).

[263] Tennessee School Boards Association, "What do these have in common? Appointed Superintendents," 1998, p. 4; and Lowell Patterson, Doctoral Dissertation, "A Study of Perceived Differences in School Administration under Elected or Employed Superintendents," University of Tennessee at Knoxville, 1980.

[264] Office of Education Accountability, *Elected vs. Appointed Superintendents: Questions and Answers*, Comptroller of the Treasury, November 2003, p. 19.

Teachers' Instructional Supplies Funds

Many teachers spend their own money on resources, such as paper, pencils, crayons, workbooks, textbooks, calculators, science lab materials, maps, globes, and paper. A recent survey revealed that the average U.S. teacher spends $520 of personal funds annually on classroom materials, and the amount is greater for new teachers ($701) and teachers at low-affluence schools ($593).[265] Congress recently acknowledged teachers' personal expenditures by allowing them to deduct $250 in qualified classroom expenses from their gross income when filing federal income taxes.[266] Some states—Arizona, Idaho, Iowa, and Maryland—have also considered state income tax credits for classroom supplies purchased by public schoolteachers.

Instructional materials and supplies are integral to teachers' abilities to do their jobs. David Grissmer writes in *Improving Student Achievement* that "providing all K-8 teachers additional resources" is one of the most efficient methods of raising test scores.[267] A recent report released by the American Federation of Teachers notes that reform efforts are "more effective when districts provide teachers...with the training and instructional resources they need to help students reach higher levels of achievement."[268] According to a report by Educational Testing Service, hands on activities—which require instructional materials—contribute to higher levels of student achievement in math and science.[269]

However, access to resources alone does not improve educational outcomes. Though most education research has focused on the link between resource-provision and student achievement, "[t]he effects of resources depend on both access and use: students and teachers cannot use resources they don't have, but the resources they do have are not self-acting."[270] In other words, if instructional practices do not support effective use of additional resources, they will have no effect.

Pre-Legislation

Interviews with policymakers and administrators revealed that the availability and conditions of teaching materials in Tennessee (including textbooks and equipment) prior to 1992 were inconsistent across the state. Reports to the legislature at that time documented that some students were taught with extremely outdated materials. Some teachers also reported to the General Assembly that they were spending their own money to support their classrooms.

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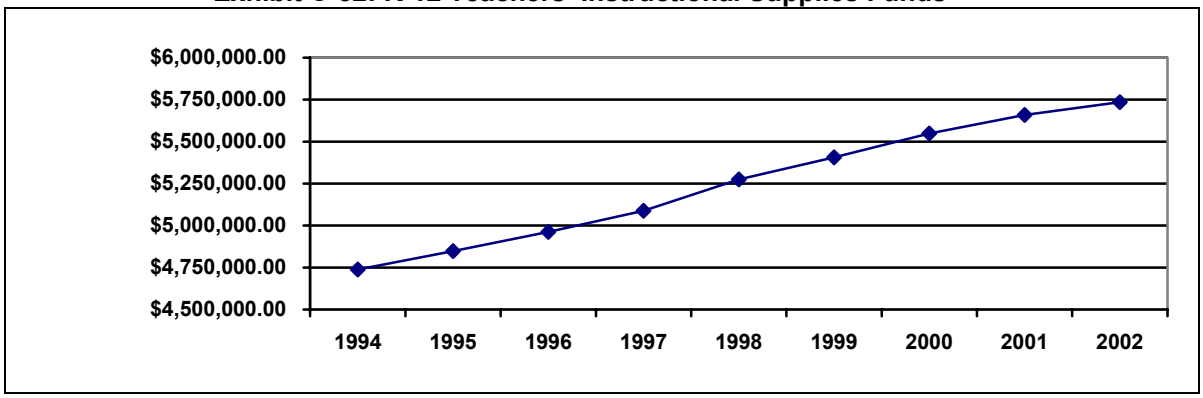
[265] "Teacher Buying Behaviors: Findings of QED's Teacher Buying Behaviors & Attitudes 2001-2002," Presented by Therese Mageau, QUD Education Marketers' Forum, July 17, 2002, Slide 7.
[266] Internal Revenue Service, Tax Topics, Topic 458 – Educator Expense Deduction, Available: http://www.irs.gov/taxtopics/page/0,,id=105560,00.html, Accessed: November 18, 2003.
[267] David Grissmer, et. al., *Improving Student Achievement; What State NAEP Test Scores Tell Us*, RAND, 2002, p. 101.
[268] Educational Issues Policy Brief, "Doing What Works: Improving Big City School Districts," American Federation of Teachers Educational Issues Department, No. 12, October 2000, p. 2. Available: http://www.aft.org/edissues/downloads/dwwfinal.pdf, Accessed: November 13, 2003.
[269] Harold Wenglinsky, *How Teaching Matters: Bringing the Classroom Back in to Discussions of Teacher Quality*, Princeton, NJ: Educational Testing Service, October 2000, Available: http://www.ets.org/research/pic/teamat.pdf, Accessed: November 13, 2003
[270] David K. Cohen, Stephen W. Raudenbush, and Deborah Loewenberg Ball, "Resources, Instruction, and Research," *Educational Evaluation and Policy Analysis*, Summer 2003, Vol. 25, No. 2, p. 122.

Prior to enactment of the Basic Education Program (BEP) in 1992, the Tennessee Foundation Program funded schools based on school systems' average daily attendance figures. The formula provided no funds specifically for instructional materials and supplies. Before that formula, the Tennessee Minimum Foundation Program provided $2 per child for instructional materials and health services. Education spending varied by system, with poor systems unable to provide the same levels of resources as wealthy ones.

Legislation, Implementation, and Cost

Section 3 of the EIA required the BEP to provide enough funds for systems to give K-12 teachers $100 individually and $100 pooled with other teachers to be spent at their discretion for instructional supplies.[271] The law stipulates that pooled funds should be used for items or equipment that will benefit all teachers and enhance the instructional program—not for basic building needs. A K-3 teacher with 20 students would have at least $5 per student to spend, a 4-6 teacher with 25 students would have $4 per pupil, and a 7-12 teacher would have $3.33 per student. In 1992-93, systems were allowed to provide $100 per teacher ($50/$50 split between individual and pooled funds) because the BEP was not fully funded.[272] The following graph shows the amount of instructional materials funds distributed to teachers since 1994.

Exhibit C-32: K-12 Teachers' Instructional Supplies Funds



Source: Tennessee Annual Financial Reports 1994 through 2003.

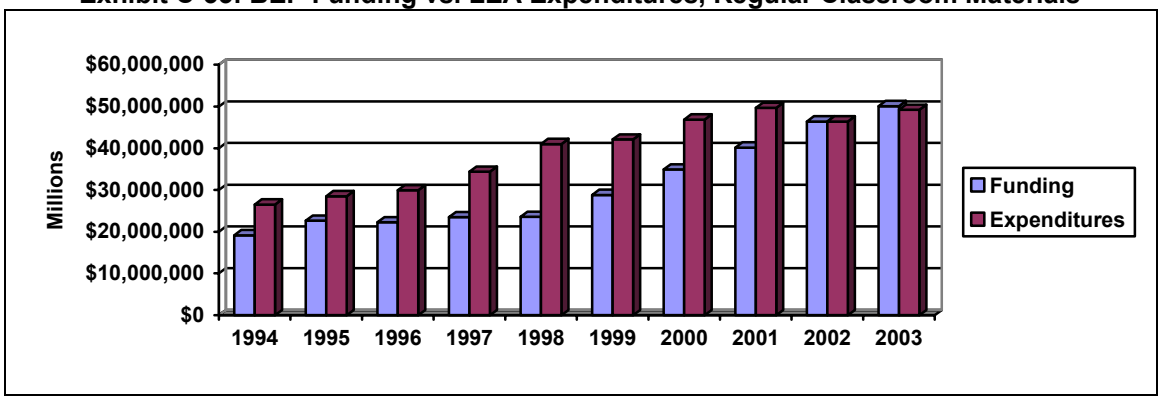
The BEP calculates funds sufficient to provide teachers' instructional supplies funds but does not specifically generate $200 per teacher for this allocation. Rather, the formula calculates funds for instructional materials and supplies based on a three-year rolling average of what schools actually spend on these items. Including expenditures for alternative schools, vocational education, and special education supplies, every system spent more than $200 per teacher on instructional materials and supplies in school year 2002-03.

The new formula was important because it equalized funding, putting poorer systems in a better position to purchase materials. The law states, "it is the intent of the general assembly to provide funding on a fair and equitable basis by recognizing the difference in

[271] See *Tennessee Code Annotated* §49-3-359(a).
[272] "Green Memo, Re: Teacher Materials and Supply Funds Accounting Procedures" transmitted to Superintendents and Directors of Local Education Agencies, Dated June 10, 1992, From Mike Gower, Assistant Commissioner, Tennessee State Department of Education.

the ability of local jurisdictions to raise local revenues."[273] BEP funding for regular instructional materials and supplies has generally risen since 1994, but local expenditures outpaced BEP funding for regular classroom supplies until 2002.

Exhibit C-33: BEP Funding vs. LEA Expenditures, Regular Classroom Materials



Source: BEP models 1994-2003; BEP Unit Cost Spreadsheets 1996-2004; Annual Financial Report 2003.

Materials are a classroom component of the BEP, so the state provides 75 percent of the funding overall. School systems receive these funds as part of their BEP allotment, and the only requirement is that the funds are spent on classrooms—not in any specific area. Therefore, district per pupil funding in this area varies greatly. The district with the lowest expenditures per pupil for regular instructional materials (excluding materials expenditures for special, alternative, and vocational education) in 2002-03 was Humphreys County at $7.44 per pupil. Newport City Schools spent the greatest amount per pupil ($211.80) that year.[274]

Accounting

After districts receive their BEP allocation, they may send teacher resources funds to individual schools or account for them centrally.[275] According to a limited survey of Tennessee districts, four responding school systems maintain teacher resources funds at the school level, five at the central office, and one does not "break out" these funds from other purchases. The *Tennessee Internal School Uniform Accounting Policy Manual* requires schools to create individual accounts for teachers and "school pools" at the school level. Expenditures must comply with schools' purchasing or reimbursement practices. The State Department of Education has no data on how these funds are spent.[276] Schools and systems document teachers' expenditures, which must be instruction-related, with purchase orders, receipts, expenditure logs, and ledgers. The

[273] *Tennessee Code Annotated* §49-3-356

[274] Expenditures are those reported by systems on the Annual Financial Report from the General Purpose School Fund (excludes federal fund sources). Carroll County Schools is not included since the system provides special education, alternative education, adult education, pre-school, transportation, and other services for the five special school districts in Carroll County; its per pupil estimates are not comparable to other systems.

[275] "Green Memo, Re: Teacher Materials and Supply Funds Accounting Procedures" transmitted to Superintendents and Directors of Local Education Agencies, Dated June 10, 1992, From Mike Gower, Assistant Commissioner, Tennessee State Department of Education.

[276] E-mail to the author from Melissa Hinton, Director of Local Finance, Tennessee State Department of Education, "Re: teacher resources," July 16, 2003. Attachment: Instructional Supply $$.doc.

Internal Audit Director at the state department has heard no complaints recently about the use of these funds.[277]

Private donations

Private groups also supply money for classroom materials and supplies, replacing money teachers might spend without such donations. Schools are not required to account for these funds if they are donated directly to a teacher or directly purchase materials and supplies. If funds are given to a principal for the benefit of the school, they are placed in the school general fund and audited by the Comptroller of the Treasury. State statute further exempts organizations composed of parents and teachers or parents and students, such as PTOs and PTAs from compliance with or use of any recordkeeping or accounting requirements.[278] As such, the accounting practices of these organizations are not generally subject to public scrutiny as are school funds.

Public education foundations also provide limited funds for instructional materials and supplies. Partners in Public Education in Memphis and the Nashville Public Education Foundation provide mini-grants to teachers. These foundations number around 30 in Tennessee and are private, so the funds they raise are not accounted for in a school's budget. The Government Accounting Standards Board (GASB) issued a statement in May 2002 requiring certain organizations with qualifying fundraising foundations—such as those associated with public school districts— to include the foundations' financial activities in financial statements issued after June 15, 2003.[279] However, most fundraising bodies associated with public schools are exempt because the funds they raise are not considered "significant" to the associated school systems.[280]

Anecdotal evidence supports the hypothesis that private funding for public schools is unequal. This disparity exists among and within school districts. The Metropolitan Nashville Chamber of Commerce 2002 Progress Report on Nashville Public Schools lists the following as a significant issue for the 2003 Citizens Panel to study:

> The issue of equity among schools is of particular importance. Our panel should monitor progress toward making certain that schools with less active parent funding have equitable access to technology, resources, and materials, etc. Our panel should assess the district's success at developing and implementing strategies designed to insure that the highest quality staff and the needed interventions are provided to schools that are considered to be struggling.[281]

End State/Current State

Teachers' needs for instructional materials and supplies have not diminished since 1993. There are no Tennessee-specific data on what teachers spend for their classrooms, but almost all teachers would probably say they need more supplies. Teachers in schools

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[277] E-mail to the author from Chris Steppe, Internal Audit Director, Tennessee State Department of Education, "Re: Request for assistance," September 30, 2003.
[278] *Tennessee Code Annotated* Section 49-2-110(f).
[279] News Release 5/28/02, Government Accounting Standards Board, "GASB Expends on Financial Reporting Guidance for Fundraising and Similar Organizations," www.gasb.org/news/nr052802.html. (Accessed 1/21/03)
[280] E-mail to the author from Dennis Dycus, Director of Municipal Audit, State of Tennessee Comptroller's Office, "Re: GASB question," February 11, 2004.
[281] Metropolitan Nashville Chamber of Commerce, *2002 Progress Report on Metropolitan Nashville Public Schools*, "Issues to Study and Recommendations to Consider," p. 24.

serving disadvantaged students may have a more difficult time securing an adequate supply of materials. Many students in these schools are unable to supply their own materials, meaning teachers must allow their students to do without resources or help find a way to get them. Teachers also need other types of materials and supplies that were not as relevant in 1992. Technology-related items, such as computer software, increasingly are becoming part of the classroom.

Results from the National Center for Education Statistics report *Teacher Quality: A Report on the Preparation and Qualifications of Public School Teachers* indicate that many teachers do not feel that they have the proper resources to give the students the best possible education. Over half of the teachers surveyed (55 percent) report spending too much of their own money on supplies. Many teachers are increasingly writing grants or asking organizations for supplies.

Each year, organizations and businesses open warehouses and supply stores for teachers to gather materials. Adopt-A-Classroom, modeled after the popular highway program, allows donors to give $500 directly to a classroom and receive an itemized receipt of how the donation was spent. Almost 80 Tennessee schools have classrooms registered with Adopt-A-Classroom.[282] Despite ongoing needs, it is clear that Tennessee and local school systems fund instructional materials and supplies at a much higher level than they did before the passage of the EIA.

Written by: Melissa Smith

[282] Adopt-A-Classroom website, "Tennessee—Select A City," http://www.adoptaclassroom.com/US/TN, Accessed: November 24, 2003.

Two-Track Curriculum

Pre-Legislation

Prior to the development of two high school tracks in Tennessee schools—one for college bound students and one for students entering the workforce—many high school students had little focus on their future careers. Although high schools provided vocational education courses in addition to a general curriculum, students often took several unrelated courses and graduated with no particular skill or specialty, many unprepared for either college or career. Additionally, some Tennessee high schools did not offer the range of courses required to attend college.

The problems created by this lack of focus were not limited to Tennessee—*A Nation at Risk*, released by the National Commission on Excellence in Education in 1983, noted that "[m]ore and more young people emerge from high school ready neither for college nor for work." The now famous report jumpstarted a continuing national conversation regarding the purpose of education in the lives of U.S. citizens. Its authors noted a change in the world economy and the need for the country's educational system to address it:

> Knowledge, learning, information, and skilled intelligence are the new raw materials of international commerce and are today spreading throughout the world as vigorously as miracle drugs, synthetic fertilizers, and blue jeans did earlier…Learning is the indispensable investment required for success in the "information age" we are entering.

The Commission found extensive problems with high school curricula throughout the nation, noting that "we have a cafeteria style curriculum in which the appetizers and desserts can easily be mistaken for the main courses." The authors noted that many students had moved from vocational and college preparatory programs to general track courses, and that relatively few students had completed upper level courses.

A Nation at Risk urged the strengthening of high school graduation requirements to a minimum of four years of English, three years of mathematics, three years of science, three years of social studies, and one-half year of computer science. In addition, it recommended two years of foreign language for college bound students. When the Commission's report was released in 1983, Tennessee's requirements for graduation fell short of that suggestion; they included four credits in English, two in mathematics, two in science, and two and one-half in social studies (history and economics).

Legislation, Implementation, and Cost

The two-track curriculum represented Tennessee's effort to instill more focused direction and higher expectations in students' high school years, whether the outcome would lead to college or the workplace. Section 35 of the EIA required the commissioner of education to develop and the State Board of Education (SBE) to approve

> a high school curriculum that will prepare students to be successful in the twenty-first century, including a two (2) track curriculum, one (1) for college bound students and one (1) for students entering the work force.

In 1993, the SBE adopted the Tennessee High School Policy in response to both the legislation and recommendations made by a 14-member High School Advisory Task Force. The policy detailed "A New Vision for Tennessee High Schools," including how schools were to eliminate the general track and implement the two-path curriculum. (In

the High School Policy, the board uses the phrase "two path" rather than "two track" to clarify that the approach differs from tracking, a term commonly used to refer to the practice of grouping students by ability.)

The policy:

- Detailed a core curriculum required of all students, in particular increasing the amount of mathematics and science required to achieve a high school diploma.
- Developed a university preparatory path and a technical preparatory path for high school students.
- Provided that students, parents, and advisors or guidance counselors develop a "focused, purposeful plan of study" prior to the 9th grade, to be reviewed annually.

In addition, the policy provided that each high school develop a school improvement plan by the end of 1994-95, encouraged the use of practical and applied learning strategies for students, and addressed students' testing requirements and professional development for teachers.

The SBE altered the policy several times between 1994 and 1998, when the first group of students graduated under its provisions. In 1998, the board added a new section on work-based learning, and in 2002, revised the policy to reflect changes in high school assessments. The 2003 policy includes a statement that students may complete both curriculum paths (often called the dual path). See Appendix F for selected portions of the most recently adopted High School Policy.

Schools and systems are required to complete an annual Report of School System/School Compliance, which includes an acknowledgement that the system/school meets the SBE requirements for a core curriculum, university preparation curriculum, and technical preparation. Schools and systems must also report whether they meet board requirements for graduation and award appropriate diplomas or certificates (as required by SBE Rule 0520-1-3-.06).

Whether all Tennessee high schools have fully implemented the High School Policy as conceived by the state board is difficult to confirm. An SBE policy does not carry the same weight as a rule or regulation, and much of the High School Policy is not contained in the board's official rules. For example, the department does not have a means of verifying that every high school student has a focused plan of study, a component of the High School Policy that is not part of a rule.

The state department of education collects no information regarding the total number of students in the university, technical, and dual paths statewide. Although the department's Division of Vocational Technical Education collects some related information about 12th grade students to fulfill requirements under the federal Perkins Act, the data do not encompass all high school students.

Data limitations further restricted cost analysis of this component of the EIA. Schools and systems may have had to increase funding for guidance counselor training or to add courses, but the Comptroller's Office of Education Accountability was unable to determine the extent to which the two-track curriculum requirements increased state and local K-12 education costs.

End State/Current State

The two-track curriculum requirement remains in Tennessee law as originally passed in 1992. Some educators and policymakers, however, have begun to advocate for a change. Former Senator Andy Womack, instrumental in passing the EIA, credits the two-track curriculum with eliminating the general track in the early 1990s. He also believes that all high school students should be prepared for some type of continuing education, which may be better accomplished within a single path framework that would raise academic expectations for all students. Hubert McCullough, chair of the SBE, believes that the Board is moving toward a single path that would require all students to complete a more challenging core curriculum and would prepare them for continued learning.

In March 2003, the Hamilton County School Board adopted a single path approach that was endorsed by the Chattanooga Area Chamber of Commerce. Because the plan requires *all* Hamilton County high school students to complete coursework in math, science, foreign language, and fine arts, all graduates will have access to post-secondary training programs, including college or technical training.[283] Under the state's two-track system, students who complete the vocational path are not required to take the foreign language, fine arts, and advanced math required for admission to Tennessee's four-year institutions.

The prospect of moving to a single path approach appears to be well-grounded in current thinking regarding the integration of vocational and academic studies. A February 2000 report from the National Center for Education Statistics (NCES) describes vocational education in the U.S. as being "in transition."

> Historically, the purpose of vocational education has been to prepare students for entry-level jobs in occupations requiring less than a baccalaureate degree. Over the last 15 years, however, this purpose has shifted toward broader preparation that develops the academic, vocational, and technical skills of students in vocational education programs. This preparation involves integrating academic and vocational education, emphasizing all aspects of an industry, and implementing academic performance measures, among other reform efforts. Vocational education policy now also encourages high school students to continue their studies at the postsecondary level, and 2-year postsecondary students to pursue 4-year credentials through various articulation or "tech-prep" arrangements. The traditional focus of vocational education is giving way to a broader purpose—one that includes greater emphasis on academic preparation and provides a wider range of career choices.[284]

The State Department of Education has taken no official position regarding the two-track curriculum.[285]

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[283] Hamilton County School Board, "Important Facts About the Single Path Diploma Plan."

[284] U.S. Department of Education, National Center for Education Statistics, *Vocational Education in the United States: Toward the Year 2000*, NCES 2000-029, by Karen Levesque, Doug Lauen, Peter Teitelbaum, Martha Alt, and Sally Librera, Washington, D.C., 2000, p. iii.

[285] Interview with Commissioner Lana Sievers; Deputy Commissioner Keith Brewer; Assistant Commissioners Ralph Barnett, John Scott, and Tim Webb; and Patrick Smith, Nov. 10, 2003.

Evaluations

No formal evaluations or audits have been undertaken specifically regarding Tennessee's two-track curriculum. However, two reports, both by education specialists from outside Tennessee, make significant observations regarding the two-path structure. A 2000 report by the Southern Regional Education Board (SREB) reviewed the two-path system as implemented in Tennessee and noted some positive consequences:

- The state provided training to guidance counselors to help them in assisting 8th graders to develop focused programs of study.
- The two-path eliminated the general track and required students to complete more rigorous programs of study.
- Academic achievement has generally increased. SREB uses the example of the 11th grade writing assessment, which had a steady increase in scores between 1995 and 2000.

SREB researchers also noted some negative consequences related to the two-path system:

- The quality of coursework differs for the university and technical paths, although the original intent of the High School Policy was to teach students to the same high standards using different approaches. SREB uses the example of the Mathematics for Technology class, originally designed to teach mathematics using real-life situations. Researchers contend that this course instead became a course for students with lower mathematics skills.
- The technical pathway varies greatly among systems.

SREB also noted that although all students are required to complete three units of math, technical path students were not required to take any higher-level mathematics courses beyond Algebra I. However, in January 2003 the SBE adopted a new mathematics policy that will require technical path students entering high school in 2005-06 to complete one of the following: Geometry, Technical Geometry, Algebra II, or Integrated Math II.

An earlier consultants' report from 1996, when Tennessee applied for a federal School-to-Work Act grant,[286] found the two-path to be an impediment to the state's workforce development efforts:

> Tennessee's EIA eliminated the general track in high schools, and this legislation mandated that Tennessee youth pursue either technical or academic paths to graduation. However, the "two-path: university or technical pathway" has confused and concerned many at both the state and local levels, and many believe it will hinder efforts to develop a school-to-work system in Tennessee. Although some constituents see the two-path system as a transitional phase which will eventually give way to a single path, the majority of those interviewed believe the policy places a major wedge between the integration of academic and vocational education, which is a major emphasis for school-to-work. In addition, the two-path system unfortunately has suggested to some that not all students can learn at high standards. Opponents of the policy cite dumbed-down curriculum for technical students and an increased rate of students opting for the university track

[286] The federal initiative, signed into law by President Clinton on May 4, 1994, provided grants to states and local partnerships to create school-to-work systems by building on existing programs and reforms, and has become an impetus for many states to develop school-to-work programs.

as two major obstacles to implementing true education reform and school-to-work in the state.[287]

Written by: Kim Potts

[287] Anne Heald, Center for Learning and Competitiveness, and Jean Wolfe, Independent Consultant, Tennessee School-to-Career, National School to Work Office/Jobs for the Future Diagnostic Assessment Project: State School-to-Work System Building, June 28, 1996, p.3.

Section D. Recommendations

The Education Improvement Act caused significant changes in Tennessee's education landscape. The following recommendations apply to specific components of the act and appear in alphabetical order by topic. Starred (★) recommendations have appeared previously in OEA reports.

The following OEA reports provide additional information and recommendations for various components of this report. All reports are available online at http://comptroller.state.tn.us/orea/reports/index.htm.

- *Teaching to Empty Desks: The Effects of Truancy in Tennessee Schools*, January 2004
- *Elected vs. Appointed Superintendents: Questions and Answers, A Legislative Briefing Paper*, November 2003
- *Funding Public Schools: Is the BEP Adequate?*, July 2003
- *Multiple Choices: Testing Students in Tennessee*, March 2002
- *A Look at Tennessee's Family Resource Centers*, April 2002
- *Considering Nursing Practices in Tennessee Schools*, April 1999
- *Ready or Not…A Look at Kindergarten Readiness*, June 1998
- *Work in the School Place: Tennessee's School-to-Work Program*, December 1997
- *Tennessee's Alternative Schools: Serving Disruptive Students*, September 1995

Alternative Schools

The State Board of Education and the State Department of Education may wish to use the alternative school standards to assess the effectiveness of programs across the state.

Local education agencies should develop working relationships with community agencies, the juvenile court system, and other organizations that can help provide needed interventions for alternative school students.

★Local education agencies should offer support services and follow-up to students transitioning back to their home schools.

Local education agencies should monitor the need and availability of alternative schools and ensure that they are providing appropriate curricula and other services.

Basic Education Program

★The General Assembly may wish to establish desired outcomes for the state's K-12 education system and the state's responsibilities for public education in light of those outcomes. Legislatively-established outcomes goals could serve as a basis for establishing performance standards for Tennessee students, schools, and local education agencies and for defining the state's responsibilities for public education.

★The General Assembly may wish to modify several aspects of the BEP formula, including the following related to components of this report:

Class size – Consider decreasing BEP-generated class sizes in response to student dispersion within a local education agency and instructional demands of specialized classes (e.g., laboratories), and consider increasing vocational class sizes in cases where instruction is similar to regular classes (e.g., mathematics).

Superintendents – Consider adjusting the BEP-generated superintendent salary according to number of students.

School nurses – Consider decreasing the ratio of school nurses per pupil. Consider changing the school nurse component to a nonclassroom component.

Alternative schools – Consider increasing the BEP alternative schools component to reflect more accurately the cost of providing alternative programs.

★**The State Board of Education should define a set of "adequate" performance standards based on outcomes established by the General Assembly**. In addition, the SBE should propose programs and costs required to reach those performance standards.

★**The State Board of Education should propose any necessary modifications to the BEP formula to address desired outcomes and standards established by the General Assembly and the Board.**

★**The State Board of Education should analyze and verify the BEP estimates and distributions on an ongoing basis.** Enhanced analysis and verification by the board would provide greater assurance that the methodologies used in calculating BEP funding are appropriate.

Compulsory Attendance

★**The General Assembly may wish to amend *Tennessee Code Annotated* Section 49-6-501(a) to reduce the age at which a student can participate in adult high school programs.** Adult high schools offer students an opportunity to earn their degrees during nontraditional hours and at their own pace. These alternative education arrangements can help students who might otherwise drop out of schools. Tennessee's law requires that students be over 16 years of age, but other states allow students to enter adult high schools when they turn 16 years old. This change would require adult high schools to monitor attendance to track compulsory education compliance but may also create more cooperation between adult high schools and traditional schools.

If the General Assembly chooses to alter the age at which a student can enter adult high school, the State Board of Education should revise Rule 0520-1-2-.05(d) accordingly.

Family Resource Centers

★**The General Assembly may wish to amend *Tennessee Code Annotated* Section 49-2-115 to define specifically the role and mission of family resource centers. Lawmakers should determine whether they intend for the programs to provide information and referral, broker services, or provide direct services that communities lack.** The statute that creates family resource centers to "coordinate state and community services to help meet the needs of families with children" results in multiple interpretations of program structure. With specific direction and adequate resources to support the chosen model, family resource centers could better respond to families' needs.

★**The State Department of Education should increase its support and oversight to family resource centers.** The state department has dedicated insufficient staff time and resources to administer the program and supervise the numerous grantees across the state adequately. Department officials are often unaware of funding and organizational issues present in the centers. The department should verify local matches, monitor advisory

council composition and reporting responsibilities, and ensure that evaluations reflect the impact of program interventions rather than process outcomes. The department does not budget funds for administrative support of the centers, so staff is unable to monitor activities in the field or provide training and technical assistance to family resource center directors and advisory councils.

★**Local advisory councils should take a more active role in directing the centers in their communities.** Advisory boards should have adequate service provider and client representation as indicated in departmental guidelines. Additionally, they should meet frequently enough to respond to operating issues and perform regular needs assessments to keep the centers' limited resources focused on critical areas of need.

School Nurses

★**The General Assembly may wish to amend Titles 49 and 68 relative to school nurses. Existing laws do not clearly establish expectations for local education agencies or the State Departments of Education and Health.** Changes could improve consistency across the state by creating standards through statute or by delegating rulemaking authority to one of the departments. Changes could also clarify the General Assembly's intent regarding the roles of both departments in the school nurse program, including the program's "sponsorship." Such clarification should define the sponsoring agency's duties and enforcement powers in the following areas:

- Ensuring that local education agencies meet legal requirements related to school nurses,
- Establishing criteria for the level of service needed,
- Developing and implementing rules or policies to guide local education agencies in the delivery of school health and nursing services, and
- Developing a mechanism to collect relevant data to determine the level of compliance with laws and rules or policies.

★**The General Assembly may wish to clarify its intent regarding the withholding of BEP funds to school systems not using such funds for school nurses.** The State Department of Education has no clear guidance regarding when BEP funds should be withheld from systems.

The General Assembly and local education agencies with coordinated school health grants may wish to consider providing additional funding for the pilot sites. In 2000, the General Assembly passed the Coordinated School Health Improvement Act, which required the Commissioner of Education to develop guidelines and implement a coordinated school health program (CSHP) using the model developed by the Centers for Disease Control and Prevention.[288] Components of CSHP include health services and education, school nutrition services and counseling, and family and community involvement, among others. School health programs have been shown to improve student academic achievement and decrease disruptive and at-risk behavior.[289]

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[288] See *Tennessee Code Annotated* Section 49-1-1001, et. seq.

[289] Bruce Goodrow, et. al., *Tennessee Coordinated School Health Report 2003*, Conducted by East Tennessee State University researchers for the Tennessee State Department of Education, 2003, pp. 4-5.

Each year, the General Assembly has provided $1 million for CSHP, which funds state staff, 10 grants to help local education agencies implement programs, and a longitudinal program evaluation. Professional staffing levels at each pilot site are below optimal,[290] which may affect the sites' abilities to achieve success. Recent concerns about child obesity and other health-related problems may warrant expanded funding for this program so that pilot sites have better conditions in which to demonstrate how coordinated school health efforts affect measurable student outcomes.

★**The State Department of Education should consider whether central office staff resources are sufficient to administer the school nurse program.** Staff duties should at least include program design, consultation, data collection, evaluation, policy development and enforcement, and training.

★**The State Departments of Education and Health may wish to enter into an interagency agreement whereby the Department of Health provides medical expertise to the Department of Education.**

School Social Workers

The BEP Review Committee should analyze the school social worker component and may wish to recommend adjusting the ratio to provide funds for additional positions. Though the BEP provides funds for one social worker per 2,000 average daily membership, state law does not require school districts to hire a minimum number of school social workers. Estimates place the total number of school social workers employed in Tennessee near 160, a statewide ratio of approximately 5,628 students per position.[291]

Neither current staffing levels nor the state funding factor meet recommendations by federal law and national school social work groups. The School Social Work Association of America supports a ratio of at least one position per 800 students.[292] Certain grants funded through *No Child Left Behind* also encourage grant recipients to work toward the same ratio.[293] Tennessee school system personnel indicate low staffing levels limit services to students with the most critical needs and complicate efforts to serve all students.

The State Department of Education should consider hiring a school social work consultant. An official consultant could inform school practices and improve the accountability of school social work in the state. The consultant's responsibilities could include:

- collaborating and coordinating services with other state agencies and service programs,
- informing education legislation and regulatory efforts,

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[290] Ibid., p. 13.

[291] Interview with Terry Hill, Tennessee School Social Workers Association of America President, September 11, 2003; Department of Education, *Tennessee School System 2002 Report Card*, http://www.k-12.state.tn.us/rptcrd02/, Accessed August 5, 2003.

[292] School Social Work Association of America, "School Social Worker Staffing Needs," 2001-2002, http://www.sswaa.org/about/publications/resolutions/staffing.html, Accessed August 5, 2003.

[293] Public Law 107-110, Reauthorization of the Elementary and Secondary Education Act, "No Child Left Behind," *Section 5421, Elementary and Secondary School Counseling Programs, Subsection c2K.*

- gathering information on best practices at regional, state, and national social work conventions,
- providing leadership and technical assistance to school districts,
- and serving as a clearinghouse for general information, funding opportunities, and best practices from other states and research.[294]

A consultant could also instruct and assist school social workers in the documentation and evaluation of their services.[295]

State Department of Education staff note that this type of position existed several years ago, but Tennessee currently does not employ a social work consultant.[296] Comptroller's Office of Education Accountability interviews with district personnel indicate the state has provided some consultation assistance through the department's school counseling division; however, this does not meet national school social work standards.[297] The National Association of Social Workers recommends employment of a consultant.[298] Some other southeastern states, such as South Carolina, Georgia, and North Carolina, employ official school social work consultants or require their school counseling consultants to handle these responsibilities.

State Accountability System

The General Assembly may wish to request a study or commission an external evaluation of the state accountability system. States such as California have contracted for evaluations of their accountability systems. In 1999, WestEd released a review of California's accountability system, which concluded that the movement "has proven to be a complicated task."[299] As Tennessee moves into its second decade of an expansive standardized testing program, policymakers should gather evidence about the quality of the accountability system in an effort to improve the state's model. Such improvements could benefit student achievement. A recent study found that "states that implemented stronger accountability systems in the 1990s saw larger gains in student performance on the National Assessment of Education Progress mathematics exam between 1996 and 2000."[300] The authors rated Tennessee's system 1.5 on a 5-point scale—with 5 signifying the strongest system.

Several education research organizations publish model standards for accountability systems—against which Tennessee's model could be compared. For instance, The

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[294] Email from Gary Shaffer, Associate Professor, College of Social Work, University of North Carolina at Chapel Hill, November 17, 2003; Interview with Gary Dawson, Memphis City Schools, September 24, 2003.
[295] Nic Dibble, Consultant, School Social Work Services, Outcome Evaluation of School Social Work Services, Wisconsin Department of Public Instruction, September 1999.
[296] Telephone Interview with Jan Bushing, Director of School-Based Support Programs, Tennessee Department of Education, October 2, 2003.
[297] Interviews conducted by OEA staff with select school districts across the state, September – November 2003.
[298] Email from Gary Shaffer, Associate Professor, College of Social Work, University of North Carolina at Chapel Hill, November 17, 2003.
[299] Gloria J.A. Guth, et. al., *Evaluation of California's Standards Based Accountability System: Final Report November 1999*, WestEd, "Executive Summary," p. xxiv.
[300] Martin Carnoy and Susanna Loeb, "Does External Accountability Affect Student Outcomes? A Cross-State Analysis," *Educational Evaluation and Policy Analysis*, Winter 2002, Vol. 24, No. 4, p. 322.

Consortium for Policy Research in Education and the Center for Research on Evaluation, Student Standards, and Testing developed standards for accountability systems specifically "to help policymakers develop more valid, fair, and effective systems."[301] The standards include measures for the following features of accountability systems:

- Standards on System Components
- Testing Standards
- Stakes
- Public Reporting Formats
- Evaluation

The General Assembly should continue to consider the use of the Tennessee Value Added Assessment System in the state accountability system. In March 2004, the House Education Committee held a hearing to consider the status of the TVAAS system in response to a bill that would delete it from state law.[302] The legislature intended for TVAAS to be an important component of educational accountability. Since 1992, state law has required education performance goals to include "determinations based on the current status of each local school system as determined through the value added assessment."[303] However, since the *No Child Left Behind* law requires the use of standards-based assessments to identify schools for improvement and disallows the use of norm-referenced tests for this purpose, TVAAS results were removed from accountability criteria in 2003. It should be noted that the State Department of Education and Dr. Bill Sanders are discussing the conversion of TVAAS to use criterion-referenced test data.

Locally, educators and administrators use TVAAS results to diagnose areas for improvement. Teaching evaluations can also take teacher-effect data into account, and teachers will be allowed to use their positive teacher-effect data to demonstrate that they meet the No Child Left Behind "highly qualified" standard.

Current state-level uses of TVAAS results, as specified in the Tennessee Consolidated State Application Accountability Workbook, include:

1. to help schools and districts improve their education programs for all students;
2. to reward schools and districts that meet adequate yearly progress and demonstrate high value-added effects;
3. to determine the level and kind of technical assistance provided to schools and districts that are identified in school improvement status; and
4. to determine the number, kind, and the level of interventions selected by the State to improve schools or districts identified in school improvement status as required under No Child Left Behind (NCLB) and the Education Improvement Act.

Though several other states and individual districts are investigating using value added analysis for school improvement,[304] the system has faced mixed reviews from the education research community. External researchers hired at the request of the General

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[301] Susan H. Fuhrman, "Redesigning Accountability Systems for Education," *CPRE Policy Briefs*, September 2003, #RB-38, p. 7.
[302] House Bill 2270, 2004 Legislative Session.
[303] *Tennessee Code Annotated* Section 49-1-601.
[304] Lynn Olson, "Education Scholars Finding New 'Value' in Student Test Data," *Education Week*, Vol. 22, No. 12, p. 1, 14.

Assembly found the system to be valid in 1996, but changes in the use of TVAAS and the costs associated with maintaining the system provide grounds for thorough legislative discussions about state priorities for analyzing student gain.

★The State Department of Education should consider publishing state, district, and school report cards in a format to allow for paper distribution to all required parties. *Tennessee Code Annotated* Section 49-1-211 and the *No Child Left Behind* law require the publication and distribution of state report cards. The federal law also requires district report cards but allows states to produce them for local education agencies.[305] The 2003 state, system, and school report cards combined state and federal requirements, and the SDE published the report cards online. According to federal guidance, district and school report cards must be distributed to all schools, all parents, and the community. Further, federal guidance notes that Internet publication alone is not a viable method for publishing report cards.[306] The state should explore additional ways to deliver report cards and ensure that parents have access to information reported on them.

Teachers' Instructional Supplies Funds

The General Assembly may wish to update *Tennessee Code Annotated* Section 49-3-359(a) to account for the eroded buying power of the teacher materials allotment set in 1992. Inflating the funds based on the Consumer Price Index yields a $70.70 increase over the current $200 allocation. Updating the figure for inflation would increase teachers' buying power by 35 percent.

The State Department of Education should conduct a survey to determine how much Tennessee teachers spend on instructional materials. Such a survey could reveal potential discrepancies within and among systems, including those between teachers of economically disadvantaged and non-disadvantaged students, among those in schools with varying levels of parental support, and between new and experienced teachers

Two-Track Curriculum

★The State Department of Education should consider collecting information regarding the numbers of students in the academic, technical, and dual paths. Having these data available could inform education officials and others about course selection trends among students, which could affect policy decisions. The Comptroller's Office of Education Accountability first made this proposal in a 1997 report on the state's development of its school-to-work system. However, the state department did not implement the recommendation.

The State Department of Education, the State Board of Education, and the General Assembly may wish to consider monitoring Hamilton County's change to a single path curriculum as a pilot for the state.

[305] U.S. Department of Education, *Report Cards, Title I, Part A, Non-Regulatory Guidance*, September 12, 2003.
[306] Ibid.

Section E. Appendices

Appendix A

Other Provisions

To limit the scope of the project, the Comptroller's Office of Education Accountability did not fully analyze 40 sections of the EIA. Most components excluded from review did not enact major changes. Sections not included in the full review are outlined below.

Sections Affecting Local Education Agencies

General

Several sections affected local education agencies:

- Requirement for municipal and special school districts, in addition to county districts, to have executive committees of their schools boards (EIA §9) and to meet all statutory requirements of school boards (EIA §38).
- Mandate for local school board members to participate in training each year, with sanctions for noncompliance being removal from the board (EIA §33).
- Requirement for popular election of school boards by districts (EIA §39).
- Allowance for local boards to participate in state school bond issues (EIA §36).
- Requirement for school districts to participate in the state leave plan (EIA §27).
- Mandate for districts to provide increased funds needed for employees for group insurance coverage (EIA §44), teachers' retirement (EIA §45), and teachers' Social Security (EIA §46) from their BEP funds.
- Protection for school districts performing above minimum standards for school approval (EIA §62).
- Authorization of multi-county consolidated school districts (EIA §§63-77).
- Requirement for school systems to devote five days of each school year for in-service education, one day for parent-teacher conferences, and four others as designated by the local board (EIA §40).
- Provisions for student transfers between school districts and requirements regarding state and local funding for pupils who have transferred (EIA §88).

Teachers

Major sections of the EIA affected teachers' environment by reducing class sizes and providing discretionary funds for instructional supplies; however, specific language devoted to the teaching profession was limited to teaching evaluations. Section 60 of the EIA limited the scope of evaluations for teachers teaching out-of-field. Section 83 gave a teacher being dismissed the right to a hearing before the local board, with evidence presented at the hearing included in the official record.

Principals

The EIA enacted principals' contracts, held by the superintendents and required for the evaluation of performance (EIA §17) and required principals to make recommendations to the superintendents about staff assignments within their schools (EIA §18). Section 26 deleted language authorizing five-year contracts with Career Level III principals, and Section 82 required school principals hired after the 1993-94 school year to be credentialed through a program the state board was mandated to create.

Sections Affecting State Education Agencies

General

Section 53 of the EIA required the Tennessee Student Assistance Corporation to make awards of non-repayable financial assistance for higher education costs for students with financial needs.

State Board and State Department of Education Duties

The act included many provisions affecting the work of the state board and state department, most of which—excluding the following—are included in other sections of this report.

- Section 57 required the state board to establish limits on local costs for special education and to provide for state assumption of costs in excess of such a limit.
- Section 59 required the state board to set standards for teaching evaluations based on classroom observations, review of prior evaluations, personal conferences, and other appropriate criteria.
- Section 43 clarified the financial responsibility of the State Department of Education for the education of children in state custody, requiring the commissioner to pay any agency in custody of a child the amount equal to state and local funds per pupil funds on behalf of the child.
- Section 42 required the commissioner and state board to set rules allowing local boards to operate ungraded, unstructured K-3 classes.

Multi-cultural Education

Section 55 required the state board to include multi-cultural diversity when developing frameworks and curriculum for grades K-12. The act also required the commissioner of education to develop a system for monitoring compliance with the statutory requirement for public schools to teach black history (EIA §56) and to construct an annotated bibliography of sources of information about the contributions of African Americans (EIA §58).

Appendix B

Persons Interviewed or Contacted in Preparation of this Report

Legislators and Former Legislators

Senator Ben Atchley
Senator JoAnn Graves
Senator Randy McNally
Representative Eugene Davidson
Representative Beth Halteman-Harwell
Representative Leslie Winningham
Former Senator Andy Womack
Former Senator Ray Albright
Former Representative Bill Purcell

Tennessee Department of Education Officials

Ralph Barnett, Assistant Commissioner of Vocational Education
Ben Brown, Executive Director of Assessment and Evaluation
Jan Bushing, Director of School-Based Support Services
Janet Coscarelli, Director of HeadStart State Collaboration Office
Lisa Cothron, Executive Director of Technology
Connie Hall Givens, Director of Coordinated School Health
Melissa Hinton, Executive Assistant for Division Operations
Jim Jones, Executive Director of Financial Resources and Information
Donnie Jordan, Director of Accountability Projects
Anna Kniazewycz, Statistical Analyst Supervisor
Gracie Y. Lewis, High Schools that Work Education Consultant
Vic Mangrum, Former Official
Julie McCargar, Director of Federal Programs
Ken Nye, Education Consultant for New Teacher Licenses
Bruce Opie, Legislative Liaison
Jeff Roberts, Former Deputy Commissioner
Jean Sharp, Director of Non-Public Schools
John Scott, Assistant Commissioner of Teaching and Learning
Charles Smith, Former Commissioner
Connie Smith, Executive Director of School Innovation, Improvement, & Accountability
Chris Steppee, Director of Internal Audit
Nancy Stetten, Research Consultant
Mary Taylor, Education Consultant
Tim Webb, Assistant Commissioner for Resources and Support Services

Other State and Local Officials

Ricky Frazier, Special Assistant to the Commissioner for Administration, Tennessee Department of Health
Marc E. Hill, Director, Nashville Mayor's Office of Children and Youth
Lynn D. Jackson, Former School Health Consultant and Director of Population-Based Services, Tennessee Department of Health
Hubert McCullough, Chairman, State Board of Education

Brian Noland, Tennessee Higher Education Commission
Brent Poulton, Former Executive Director, Tennessee State Board of Education
Jeri Fields Rampy, Tennessee Higher Education Commission
Lynnissee Roehrick-Patrick, TACIR
Billy Stair, Former Executive Director for Policy and Planning for Governor McWherter
Karen Weeks, Former Research Associate, Tennessee State Board of Education
Judy Womack, Director of Child and Adolescent Health, Tennessee Department of Health
Douglas Wood, Executive Director, Tennessee State Board of Education

Local School and School System Officials

Bob Archer, Associate Superintendent for School Administration and Student Support, Memphis City Schools
Stephen Ball, Principal, Chattanooga School for the Arts and Sciences, Hamilton County Schools
Stan Black, Superintendent, Crockett County Schools
John Blakely, Attendance Supervisor, Scott County Schools
Deborah Cline, Director of Curriculum and Instruction, Sevier County Schools
Joe Conner, District 7 Representative, Hamilton County Board of Education
Gary Dawson, Social Work Supervisor, Memphis City Schools
Ray Dennis, Attendance and Transportation Supervisor, Jackson County Schools
Ron Dykes, Student Services Supervisor, Washington County Schools
Barbara Gay, School Social Worker, Park Avenue Elementary, Metropolitan Nashville Public Schools
Ed Gray, Assistant Superintendent of Budget and Education Programs, Bedford County Schools
Sonia Hardin, School Health Coordinator, Monroe County Schools
Ricky Inman, Attendance and Transportation Supervisor, Wayne County Schools
Dana Johnson, Secondary Schools Supervisor, Lawrence County Schools
Jill Pierce, Technology Coordinator, Loudon County Schools
Larry Ridings, Superintendent, Trenton City Schools
Kellie Sims, School Social Worker, Weakley County Schools
Ray Swoffard, Associate Superintendent of Elementary Education, Hamilton County Schools
Stephanie Thompson, Director of Technology, Maryville City Schools
Daryl Walker, Director of Pupil Services, Tipton County Schools
Johanna Cole Whitley, Director of Technology, Anderson County Schools
Sheila Young, Associate Superintendent of Secondary Education, Hamilton County Schools

Special Group Officials

Judy Beasley, President, Tennessee Education Association
Cavit Cheshier, Former Executive Director, Tennessee Education Association
Randy Fisher, Executive Director, School Social Work Association of America
Karen Franklin, Executive Director, TN Chapter, National Association of Social Workers,
John Gunn, President, Tennessee Alternative School Administrators Association

Terry Hill, Tennessee Chapter of the School Social Work Association of America
Tony Lancaster, Executive Director, Tennessee Organization of School Superintendents
Wayne Qualls, Executive Director, Tennessee School Systems for Equity
Jennifer Scruggs, Graduate Intern, TN Chapter, National Association of Social Workers
Stephen Smith, Director of Government Relations and Communications, Tennessee School Boards Association
Albert Thompkins, Graduate Intern, TN Chapter, National Association of Social Workers
Daniel Tollette, Former Executive Director, Tennessee School Boards Association
Jennifer Williams, Graduate Intern, TN Chapter, National Association of Social Workers
Jerry Winters, Government Relations Manager, Tennessee Education Association
George Yowell, President, Tennessee Tomorrow, Inc.

Others

Gene Bottoms, Senior Vice President, Southern Regional Education Board
Nijel Clayton, School Safety and Prevention Manager, Kentucky Department of Education
David Dupper, Associate Dean, College of Social Work, UT-Knoxville
Don Fleming, Student Services Specialist, Virginia Department of Education
Jackie Melendez, Education Program Specialist, School Counseling and Social Work, Georgia Department of Education
Steve Moats, Exemplary Educator Program Director, AEL, Inc.
Melanie Purkey, Office of Student Services and Healthy Promotions, West Virginia Department of Education
Bill Sanders, Manager of Value-Added Assessment and Research, SAS Institute, Inc.
Gary Shaffer, Associate Professor, College of Social Work, UNC-Chapel Hill
Cindy Sweigert, State Consultant for School Social Work, South Carolina Department of Education

Appendix C

Survey of Local School Systems

Comptroller of the Treasury Office of Education Accountability
Review of the Education Improvement Act of 1992

Please answer the following questions related to various components of the Education Improvement Act of 1992. Feel free to seek assistance from staff with additional knowledge in these areas, and attach additional sheets if necessary. If you have any questions about this survey, **please call Melissa Smith at 615/401-7879**.

School System:	
Title:	
Respondent Name:	
Address:	
City & ZIP:	
Phone & Fax:	
Email:	

Mandatory Kindergarten

1. What year did your school system begin offering kindergarten? _____
   Requiring kindergarten? _____
2. Is your kindergarten program:
   - ☐ half-day?
   - ☐ full-day?
3. What challenges did you face to implement universal kindergarten in your district?

4. What effects did the addition of kindergarten have on curriculum, students, schools, and communities in your district?

   Have there been any unintended or unanticipated effects?
   - ☐ Yes (*Please explain* _____ _____)
   - ☐ No

5. How much does your school system spend annually to provide kindergarten? $_____

   Were there start-up/capital costs when your system began offering universal kindergarten?
   - ☐ Yes (*estimated amount* $_____)
   - ☐ No

6. Have there been any major changes in your kindergarten program since implementation?
   - ☐ Yes (*Please explain* _____ _____)
   - ☐ No

Student Management Information System

1. Did your district have a data management system before 1992?
   - ☐ Yes (*please estimate the annual cost of that system* $_____ _____)
   - ☐ No
2. Did your school system participate in the design of the original Student Management Information System (SMIS) mandated by the EIA?
   - ☐ Yes (*Please explain* _____ _____)
   - ☐ No
3. How has data management in your system changed since 1992?

4. What software program does your school system use for data management? _____ ___
5. Do you plan to switch to the package provided by the department?
   - ☐ Yes
   - ☐ No
6. Since 1992, about how much has your school system expended (including training costs) on the SMIS and EIS projects? $_____
7. How much does your system expect to spend following implementation of the new EIS?
   $_____
8. How is the information included in the new EIS specification list different from current reporting requirements? (i.e., Will you submit more data? Will you submit different data?)

9. In your opinion, what are and have been the primary obstacles to implementing the SMIS? (check all that apply)
   - ☐ Poor communication
   - ☐ Lack of funding
   - ☐ Lack of expertise
   - ☐ Lack of local input
   - ☐ Incompatibility with systems already in place
   - ☐ Poor planning
   - ☐ Other (*Please list:* _____ _____)

Fee Waivers

1. What is your system's policy regarding student fees?
   - ☐ We don't charge fees.
   - ☐ We charge fees for: *(list below or attach sheet)*

2. If schools in your system currently do not charge fees, have they ever?
   - ☐ Yes (*From school year*_____ *to* _____)
   - ☐ No

3. Approximately how much in school fees are charged per student? $_____

4. How much revenue do school fees generate? *(please include data for each year available)*

5. How many students apply for fee waivers each year? *(please include data for each year available)*

6. What is the total cost for fee waivers each year? *(please include data for each year available)*

Teacher Resources

1. Does your system break out teachers' $100 in BEP funds for instructional materials and supplies and the pooled $100 per teacher for large purchases from other instructional materials and supplies expenditures?
   - ☐ Yes
   - ☐ No *(If no, skip to question 7.)*
2. Where does your system keep teachers' individual and pooled instructional materials and supplies funds?
   - ☐ Central office
   - ☐ Individual schools
3. Does your system use a reimbursement process for these funds, with teachers spending their own money and submitting receipts for purchases?
   - ☐ Yes
   - ☐ No (*If no, what process does your system use:*_____ _____*)*
4. What records does the central office and/or schools keep on how teachers spend the $100?
   - ☐ Receipts
   - ☐ Logs of items
   - ☐ Other:_____
5. Do teachers in your system generally use all of their individual and pooled funds each year?
   - ☐ Yes
   - ☐ No
6. If teachers do not use all of their individual and pooled funds, what happens?

7. Does your system provide more than $100/year per teacher for instructional materials?
   - ☐ Yes (*If yes, how much additional money?* $_____)
   - ☐ No
8. Do your teachers have access to any free instructional materials and supplies?
   - ☐ Yes (*Please describe*: _____)
   - ☐ No
9. Do you know how much of their own money teachers in your district spend on instructional materials and supplies each year? $_____

School Based Decision Making

1. Does/did your system use a school based decision making model as outlined in T.C.A. §49-2-210?
   - ☐ Yes *(If yes, please describe the model below)*
   - ☐ No *(If not, please explain why below)*

2. Has your system ever considered using such a model?
   - ☐ Yes
   - ☐ No

By Friday, September 26, 2003, please answer these questions and either:

1. **E-mail the completed questions to melissa.j.smith@state.tn.us; or**
2. **Fax the completed questions to Melissa Smith's attention at 615/532-9237; or**
3. **Mail the completed questions to:**

Melissa Smith
Suite 1700 James K. Polk Building
505 Deaderick Street
Nashville, TN, 37243-0268

Appendix D

2003 District Student-to-Computer Ratios

State	Mid/High Capacity Computers	All Computers
Tennessee	5.2:1	3.9:1
District	**Mid/High Capacity Computers**	**All Computers**
Alamo	4.2:1	3.3:1
Alcoa	4.0:1	3.1:1
Alvin C York Institute	1.9:1	1.5:1
Anderson County	4.6:1	3.8:1
Athens	3.9:1	2.8:1
Bedford County	5.3:1	3.5:1
Bells	5.0:1	3.8:1
Benton County	6.2:1	4.5:1
Bledsoe County	5.1:1	4.4:1
Blount County	5.0:1	3.9:1
Bradford	6.2:1	4.6:1
Bradley County	8.2:1	4.2:1
Bristol	4.1:1	3.0:1
Campbell County	5.4:1	4.8:1
Cannon County	7.2:1	6.0:1
Carroll County	4.6:1	4.0:1
Carter County	7.2:1	4.4:1
Cheatham County	5.0:1	4.0:1
Chester County	5.9:1	4.8:1
Claiborne County	6.3:1	5.0:1
Clay County	6.5:1	3.3:1
Cleveland	3.8:1	2.6:1
Clinton	5.9:1	3.3:1
Cocke County	6.0:1	4.7:1
Coffee County	4.7:1	3.8:1
Covington	4.5:1	2.9:1
Crockett County	6.0:1	5.6:1
Cumberland County	3.1:1	2.6:1
Davidson County	8.6:1	5.3:1
Dayton	3.0:1	3.0:1
Decatur County	3.3:1	3.1:1
DeKalb County	5.6:1	5.5:1
Dickson County	7.4:1	5.6:1
Dyer County	4.5:1	3.9:1
Dyersburg	5.2:1	4.0:1
Elizabethton	5.7:1	3.3:1
Etowah	13.0:1	3.2:1
Fayette County	7.0:1	5.0:1
Fayetteville	5.3:1	3.7:1
Fentress County	8.7:1	3.2:1

Franklin	4.1:1	3.3:1
Franklin County	6.6:1	4.6:1
Gibson Co Sp Dist	5.0:1	4.2:1
Giles County	4.6:1	3.6:1
Grainger County	4.9:1	4.2:1
Greene County	4.0:1	2.9:1
Greeneville	3.0:1	2.5:1
Grundy County	5.0:1	3.5:1
H Rock Bruceton	2.4:1	2.1:1
Hamblen County	11.3:1	4.8:1
Hamilton County	5.6:1	4.2:1
Hancock County	12.7:1	12.7:1
Hardeman County	6.7:1	4.1:1
Hardin County	5.3:1	4.1:1
Harriman	3.0:1	2.7:1
Hawkins County	3.6:1	3.3:1
Haywood County	7.4:1	5.0:1
Henderson County	5.4:1	3.2:1
Henry County	6.5:1	3.1:1
Hickman County	5.4:1	5.2:1
Houston County	4.6:1	3.9:1
Humboldt	3.4:1	3.4:1
Humphreys County	6.7:1	4.3:1
Huntingdon	8.3:1	4.0:1
Jackson County	2.9:1	2.7:1
Jefferson County	4.2:1	3.5:1
Johnson City	5.4:1	3.6:1
Johnson County	5.7:1	4.4:1
Kingsport	3.2:1	2.7:1
Knox County	4.1:1	3.3:1
Lake County	5.4:1	4.2:1
Lauderdale County	8.1:1	4.7:1
Lawrence County	8.4:1	5.5:1
Lebanon	6.6:1	4.5:1
Lenoir City	6.3:1	3.7:1
Lewis County	5.7:1	5.7:1
Lexington	5.6:1	3.2:1
Lincoln County	6.4:1	5.1:1
Loudon County	4.8:1	4.2:1
Macon County	5.3:1	4.6:1
Madison County	8.2:1	5.8:1
Manchester	3.4:1	2.0:1
Marion County	6.2:1	3.9:1
Marshall County	7.3:1	3.4:1
Maryville	6.5:1	3.3:1
Maury County	5.1:1	4.0:1
McKenzie	6.0:1	3.3:1
McMinn County	6.3:1	4.1:1

McNairy County	4.2:1	3.4:1
Meigs County	4.2:1	4.2:1
Memphis	6.4:1	5.2:1
Milan	3.9:1	3.0:1
Monroe County	5.0:1	4.1:1
Montgomery County	3.3:1	2.6:1
Moore County	4.1:1	3.6:1
Morgan County	6.0:1	4.5:1
Murfreesboro	2.8:1	2.8:1
Newport	3.4:1	3.4:1
Oak Ridge	4.6:1	3.6:1
Obion County	3.5:1	3.5:1
Oneida	4.2:1	2.5:1
Overton County	4.0:1	3.0:1
Paris	5.5:1	2.7:1
Perry County	12.8:1	4.5:1
Pickett County	4.8:1	4.7:1
Polk County	3.9:1	3.1:1
Putnam County	5.1:1	3.3:1
Rhea County	4.3:1	3.4:1
Richard City	12.4:1	2.8:1
Roane County	5.2:1	3.4:1
Robertson County	7.3:1	5.2:1
Rogersville	2.9:1	2.9:1
Rutherford County	3.8:1	2.9:1
Scott County	3.8:1	3.2:1
Sequatchie County	6.7:1	5.3:1
Sevier County	8.4:1	7.1:1
Shelby County	4.1:1	3.3:1
Smith County	5.4:1	4.3:1
South Carroll	10.5:1	2.9:1
Stewart County	7.8:1	6.5:1
Sullivan County	4.9:1	3.3:1
Sumner County	6.3:1	4.8:1
Sweetwater	4.9:1	4.9:1
Tenn School For Blind	2.1:1	2.1:1
Tenn School For Deaf	3.6:1	2.6:1
Tipton County	7.7:1	5.0:1
Trenton	5.9:1	4.7:1
Trousdale County	4.3:1	4.1:1
Tullahoma	4.2:1	3.4:1
Unicoi County	6.1:1	4.8:1
Union City	3.3:1	1.9:1
Union County	3.8:1	2.4:1
Van Buren County	3.6:1	3.4:1
W Tenn School For Deaf	1.9:1	1.8:1
Warren County	5.7:1	4.8:1
Washington County	4.1:1	3.1:1

Wayne County	7.8:1	5.1:1
Weakley County	3.7:1	3.6:1
West Carroll Sp Dist	4.2:1	3.6:1
White County	6.9:1	4.7:1
Williamson County	3.8:1	3.4:1
Wilson County	6.2:1	4.9:1

Appendix E

Methodology for Measures of Equity in BEP Component Section

Explanation of Measures

The coefficient of variation and McLoone Index are methods of measuring horizontal equity. Horizontal equity occurs when like students are treated similarly for school finance purposes. In other words, students in two different school districts with comparable economical and demographical characteristics, such as property wealth and student demographics, receive comparable levels of state and local resources. The aforementioned statistical measures indicate the degree of inequality in school finance variables, such as per pupil expenditures or revenues.

The coefficient of variation shows the percentage of variation of a variable around its mean (i.e., the average). It is computed by dividing the variable's standard deviation by its mean. Its value ranges from zero to one. A higher value of the coefficient of variation means greater variation—or level of inequality—exists in a variable.

The McLoone Index measures the bottom half of a ranked distribution to "indicate the degree of equality for those schools or school districts below" the median (50^{th} percentile). It is computed by finding the ratio of the sum of all values below the 50^{th} percentile (or median) to the sum of all observations if they all received the median value. It ranges from zero to one, with one representing perfect equality.

Source: University of Wisconsin, Madison, Consortium for Policy Research in Education

The Gini coefficient, generally used to show income distribution, measures the concentration of income among a population. Specifically, it measures the inequity of "a variable in a distribution of its elements." It compares a curve (Lorenz Curve) representing the actual values of a ranked empirical distribution with the line of perfect equality. In other words, it compares the actual cumulative percentage of the distribution to the cumulative percentage of perfect equity of the same measured variables. The Gini coefficient ranges between zero and one. Thus, if each and every element contributes the same amount to the total sum of the values, the Gini coefficient is zero, denoting perfect equality. In contrast, if only one element contributes the total of the sum of the values, the Gini coefficient is one, denoting perfect inequality.

Source: Gini Coefficient, Authors: Dr. Brian Slack and Dr. Jean-Paul Rodrigue, Hofstra University, Department of Economics and Geography

Appendix F

Selected Elements of Tennessee State Board of Education High School Policy, Revised January 31, 2003

ELEMENTS OF SCHOOL-WIDE REFORM (pages 7-14 of Policy)

1. CORE CURRICULUM

All students will have access to a rigorous core curriculum that includes challenging subject matter, emphasizes depth rather than breadth of coverage, emphasizes critical thinking and problem solving, and promotes responsible citizenship and lifelong learning. The curriculum will be tied to the vision of the high school graduate and to the *Tennessee Curriculum Standards*. Teachers, parents, and students will hold high expectations for all students. Schools will communicate high expectations to students, parents, business and industry, and the community.

Policy Implications:

a. All students will meet the following core curriculum requirements:
English 4 units
Mathematics 3 units
Science 3 units
Social Studies 3 units
Health, Physical Fitness and Wellness 1 units

b. The core curriculum and additional courses required for postsecondary study will be tied to the vision of the high school graduate and to the *Tennessee Curriculum Standards.* Students who enter 9th grade beginning in 1994-95 are required to earn a total of 20 units for graduation.

c. Schools will minimize tracking of students by ability, eliminate lower level classes, and provide all students a challenging course of study.

d. Whenever possible, and with appropriate support, students with special needs will be included in regular classes.

e. All students are required to complete three units of mathematics. Students are required to complete one of the following: Algebra I, Math for Technology II, or Integrated Math I. Students who enter high school beginning in 2005-06 will also be required to complete one of the following: Geometry, Technical Geometry, Algebra II, or Integrated Math II as part of the three required units.

f. All students will complete a course in Biology I, Biology for Technology or the equivalent in an integrated science curriculum and will complete at least one course in physical sciences. School systems may implement an integrated science curriculum in accordance with national standards.

g. The social studies curriculum will be consistent with national goals and with admissions requirements of Tennessee public institutions of higher education; will include the study of United States history, world history/world geography, economics and government; and will incorporate a global perspective.

h. The health, physical fitness and wellness curriculum will integrate concepts from each of these areas and may be taught by a team of teachers from one or more teaching areas, including health, physical education, family and nutrition sciences, health sciences education and technology education. Participation in marching band and interscholastic athletics may not be substituted for

this aspect of the core curriculum. Credit earned in two years of JROTC may be substituted provided the local system has complied with requirements of the State Board of Education.

i. Computer education is not specifically listed in the core curriculum. However, TCA 49-6-1010 requires every candidate for graduation to have received a full year of computer education at some time during the candidate's educational career.

2. TWO PATHS: UNIVERSITY OR TECHNICAL
All students will pursue a focused program of study preparing them for postsecondary study in either university or technical training. While all students may not enter postsecondary training immediately following high school, they must be prepared for lifelong learning. The two paths will be flexible so a student can change from one path to the other. Students in both paths will acquire essential skills and knowledge. Students may complete both paths.

Policy Implications:
a. Students electing the university preparatory curriculum will complete the core curriculum and courses acceptable for entrance into Tennessee's public colleges and universities, including two units of the same foreign language and one unit of fine arts. The three math units will include algebra I, algebra II, and geometry or other advanced math course.

b. Students electing a technical preparation curriculum will complete the core curriculum and a four-unit program of study focusing on a particular technical area. Schools will have some flexibility in designing programs of study.

Students will have the opportunity to move directly into the postsecondary component of a Tech-Prep program. The Tech-Prep program is constructed on a 2+2 basis: two years of high school applied academic and technology courses linked to two years of college courses leading to an associate degree or technical certificate credential. There are currently 14 Tech-Prep consortia representing linkages between high schools, colleges, postsecondary vocational schools, employees and the community.

Students may also complete part of their program through work-based learning. During the junior or senior years a student may spend part of the day working on site at a business or industry with a mentor providing instruction and closely observing the student's performance.

c. Students will be required to complete a total of 20 units, including the requirements for the university or technical curriculum plus electives. Since most high schools offer the opportunity to take at least 6 units each year, for a total of 24 units, students will actually have an opportunity to take a considerable number of electives. Students who attend high schools using block scheduling have the opportunity to take a total of 32 units.

d. Students completing requirements for either the university or the technical curriculum will have the opportunity to graduate with honors, provided they maintain at least a 3.0 academic average. Local school systems may add additional requirements, such as requiring students to demonstrate performance of distinction in one or more areas. Schools will avoid implementing honors diploma criteria in ways that result in tracking.

e. Schools are encouraged to provide transition opportunities at the junior or senior level that include college level course work, work-based learning and community service. This will require collaboration with community service agencies, employers, and others outside the school as well as careful coordination with emerging state and federal initiatives.

3. A FOCUSED PLAN OF STUDY
Prior to the 9th grade, all students will develop a four-year plan of focused and purposeful study. The plan will be reviewed annually and will connect the student's academic and career goals to school.

Policy Implications:
a. When the student is in the eighth grade, the student, parent(s), and faculty advisor or guidance counselor will jointly prepare a four-year focused, purposeful plan of study.

b. By the end of tenth grade, the student, parent(s) and school will readjust the plan to ensure the completion of the program of study and a smooth transition to postsecondary study and work.

c. The plan of study will be reviewed annually by the student and faculty advisor or guidance counselor, and revised based on changes in the student's interests and career goals. Results of various types of assessments will also be used in adjusting the plan of study.

d. High school and middle grades faculty will collaborate in planning curriculum and the transition between middle grades and high school.

4. ACTIVE LEARNING
Schools will design curriculum and implement instruction in ways that invite students to participate in their own learning. In this teaching and learning environment the teacher serves as facilitator. In both academic and technical courses, teachers will emphasize active learning strategies such as cooperative learning, peer tutoring, technology, and the application of knowledge to real life situations. Students will focus on fewer topics within courses but will engage them in greater depth.

Policy Implications:
a. Academic and technical faculty will work together to facilitate the sharing of ideas and the use of active learning strategies.

b. Applied academics courses, which use hands-on strategies, will be implemented in high schools statewide. Appropriate labs and staff development will be provided.

c. Calculators will be provided for use in all mathematics courses.

d. Technology will be used to access information, solve real life problems, and improve instruction.

e. Schools will regularly inform parents regarding expectations of the school and new modes of learning.

5. WORK-BASED LEARNING
Students in both the university and technical paths will have access to a system of structured work-based learning experiences that allows them to apply classroom theories to practical problems and to explore career options at the work site. Work-based learning experiences may include, but are not limited to, service learning, studios, laboratories, school-based enterprises, internships including clinical experiences, cooperative education, youth apprenticeship, and registered apprenticeship. The State Department of Education will provide school systems with a Work-Based Learning Guide.

Policy Implications:
a. Structured work-based learning experiences may be paid or unpaid, may occur in a public, private, or non-profit organizations and may result in the attainment of academic credit.

b. Training plans will ensure that student skill development is supervised and evaluated collaboratively by appropriate school and work-site personnel. The training plan will provide clear expectations for the student both at the school and the workplace.

c. Teachers and work-site mentors (workers who supervise the students during the work-based learning experience) will collaboratively develop school experiences such as projects, journal writing, oral presentations, and demonstrations that explore industry themes and occupational issues to reinforce work-based learning.

d. To document learning on the work site students will demonstrate their skills, develop portfolios, produce products, participate in exhibitions, and make presentations.

e. Students must exhibit work-readiness attitudes and skills before they enter the workplace. Students must understand how to ask questions, how to stay safe on the job, how to resolve conflicts, and how to get help regarding career decisions and planning.

f. Students will be provided with job specific safety training at the work site. All federal and state labor laws will be observed (both state and federal labor laws are covered in the Legal Issues Guide for Work-Based Learning prepared by the State Department of Labor).

g. School and work site staff will attend formal orientation sessions and review the Work- Based Learning Guide. Teachers will participate in internships and job shadowing at the workplace. Employers will participate in similar activities at the school site.

h. A school site coordinator, in conjunction with a team of teachers, will recruit work site supervisors; arrange, schedule and oversee student work and job placements; and coordinate communication between partners at school and work.

i. A mentor at the worksite will supervise each student. Firms employing groups of students will also identify a work site coordinator to supervise the work site mentors. Additionally, each student will have a school-based mentor.

j. Schools will develop a process for evaluation and assessment to ensure work-based experiences are of high quality. Recommended templates are provided in the Work-Based Learning Guide.

6. INTEGRATED CURRICULUM
Schools will strive to integrate the curriculum, especially during the first two years. Teachers will be encouraged to integrate the curriculum both within a subject and across subjects. Teachers will be encouraged to work in teams to plan and deliver instruction.

Policy Implications:
a. Schools are encouraged to integrate curriculum within subject areas. Examples are:
An integrated math curriculum consistent with NCTM standards.
An integrated science curriculum consistent with national standards.

b. Schools are encouraged to integrate curriculum across subject areas. Examples are:

A program for 9th graders taught by a team consisting of teachers of English, math, science, social studies, and a technical subject.
An integrated American history and English block.
A math, science, and technology block.

7. EXTRA SUPPORT TO MEET STUDENT NEEDS
Teaching and learning will become more personalized as teachers work together in teams and students assume more responsibility for their own learning. Extra help and extra time will be provided for students needing it, and all students will be held to the same high standards.

Policy Implications:
a. Schools will seek ways to personalize the high school experience, including the extension of middle school concepts and practices to the high school. Teachers working in teams, for example, will have the opportunity to get to know students better and meet their needs more appropriately.

b. Students entering high school unprepared for high school work will be given extra help and extra time so that they can perform at grade level. Schools are encouraged to experiment with ways to accomplish this including:
High school readiness programs during the summer prior to 9th grade.
Extended time to master challenging courses, with elective credit given for the additional units.
Tutoring by teachers, peers or community volunteers during school, before and after school, and on weekends.
An accelerated program to bring 9th grade students up to grade level.
Computer assisted programs.

c. Schools will provide extra help and time for students who experience difficulty in passing the gateway examinations in math, science and English language arts.

d. The state will encourage and assist schools in developing innovative methods to provide extra help and extra time for students requiring it. A combination of federal, state, and local resources will be used for this purpose.

8. ASSESSMENT OF LEARNING
Assessment will reflect the concept of teaching and learning as collaboration between teachers and students. Assessment will be an integral part of instruction. In addition to paper and pencil examination, assessment will include portfolios of student's work, performances, and demonstrations. Schools are encouraged to develop graduation requirements that include demonstrations of competency.

Policy Implications:
a. State and local assessments will measure higher order learning and accumulated complex accomplishments rather than testing samples of discrete skills.

b. Schools will develop and use multiple means of student assessment. Schools are encouraged to develop portfolios of student work, interdisciplinary projects and other demonstrations to document student progress throughout the four-year high school program. Many of these could be embedded in regular courses.

c. Writing will be a part of local school assessment in all subject areas; teachers will be trained in holistic scoring. All eleventh grade students will participate in the state writing assessment.

d. In accordance with the EIA, students will successfully complete the TCAP Competency Test. Effective with entering freshmen in the 2000-01 school year, all students must pass the gateway examinations, which replace the Competency Test.

e. In accordance with an amendment to the EIA, students will have the opportunity to take an optional exit examination prior to graduation. Students may take one of the following: ACT, SAT, or Work Keys. No minimum score shall be required for this examination.

f. In accordance with the EIA, the state will develop high school assessments in Math Foundations II, Algebra II, Geometry, Physical Science, Chemistry, English I and U.S. History. These assessments will be developed in accordance with national standards and *Tennessee Curriculum Standards*.

9. SCHOOL-WIDE IMPROVEMENT

Each high school will develop a shared mission and vision, school-wide goals, and a school improvement plan that is based on a needs assessment framed around the *High School Policy's* Elements of School-Wide Reform. The entire school staff will work together with parents and community members to develop an improvement plan that reflects the goals of the school, focuses on the Tennessee Curriculum Standards, links to system wide goals in the local school board's five-year strategic plan, and moves the school toward total implementation of the Elements of School-Wide Reform. In working for continuous improvement, the school will collect and use student assessment information, program evaluation information and other appropriate data.

Policy Implications:

a. In developing school-wide goals and a school-wide improvement plan, schools are encouraged to draw upon the ideas of SREB's High Schools That Work, the Coalition of Essential Schools principles, the Paideia concept, and other ideas appropriate for a particular school. Schools are encouraged to network with other schools to share ideas and exemplary programs.

b. Schools and school systems are encouraged to consider the optimal size of high schools. To support student affiliation and academic achievement, high schools should consider organizing themselves into smaller units, such as schools within schools.

c. For the continuous improvement of schools, the schools will collect and use student assessment information, such as diagnostic tests and portfolios of student work, and program evaluation information regarding student advisement, courses taken, postsecondary enrollment, and job placement.

d. To optimize student learning and teacher planning, schools are encouraged to consider alternative ways for organizing the school day. The number of class periods during the day, variations of the length of class periods, blocking interdisciplinary classes, and rotating schedules are among the options available.

10. PROFESSIONAL DEVELOPMENT

The school will become a learning community, with administrators, faculty, and students engaged in continuous learning. The faculty will have adequate support for professional development and time to work together to improve teaching and learning.

Policy Implications:

a. To implement this policy, the faculty must have time to work together and adequate support for professional development.

b. Professional development will be school focused, with needs defined at the school level and related to the school improvement plan. While the principal is responsible to ensure that professional development occurs, it will be planned and implemented collaboratively with the faculty.

c. In providing professional development, schools may draw upon a variety of resources. State and local BEP funds and federal funds are available; state career ladder extended contract resources may be used for professional development when tied to assessment of student needs; and technical assistance can be made available by local businesses and industries.

d. Schools may experiment with scheduling to create time for teams to work together and for larger faculty groups and the entire faculty to work together. If 32-unit block scheduling is used, the school must provide professional development so that teachers learn new ways of teaching 90 minute classes. Faculty meetings may be used for discussion of instructional issues instead of announcements.

e. Schools will provide mentors to all beginning faculty members.

Appendix G

Sections of the Education Improvement Act

Section 2

Authorization of SBE to adopt rules, policies and formulas for distribution of state K-12 education appropriations; changes subject to approval by commissioners of education and finance & administration

Section 3

BEP
$200 to each teacher in the state for instructional materials and supplies
School nurses
Incentive grants

Section 4

Student management information system
State accountability system
Value added assessment/Data issues
Performance goals requirement
Development of subject matter tests

Section 5

Annual reports

Section 6

Appointed superintendents

Section 7

Duty of school boards, upon recommendation by director of schools, to employ and fix salaries of tenured teachers

Section 8

Superintendent-related

Section 9

Local school boards to have executive committees

Section 10-12

Superintendent-related

Section 13-17

Superintendent powers relative to personnel

Section 18

Principal powers relative to personnel

Section 19

School board no longer required to employ personnel
Superintendent powers relative to personnel
May 15 date to assign employees

Section 20-21

Technical amendment to conform code on teacher dismissal and employment procedures

Section 22-25

Technical amendments to conform code on employment duties of director of schools

Section 26
Language authorizing 5-year contracts for Career Level III principals deleted

Section 27
All school systems to participate in state leave plan for teachers

Section 28
All kindergarten programs to conform to statutory standards

Section 29
Every local school system to operate approved kindergarten for all eligible children

Section 30
Attendance at approved kindergarten program a condition to enroll in the first grade

Section 31
School based decision making

Section 32
Law requiring high school proficiency test repealed
TCAP and exit exams required

Section 33
Provisions for removal of board members who do not attend annual training sessions

Section 34
One full year of computer education

Section 35
Two-track curriculum

Section 36
LEAs authorized to participate in the State School Bond Authority

Section 37
Class size

Section 38
Renames Title 49, Chapter 2, Part 2 – Boards of Education

Section 39
Popular election of all school boards

Section 40
One day of the 200-day school calendar to be spent on parent-teacher conferences

Section 41
Alternative schools

Section 42
Ungraded K-3 programs permitted

Section 43
Financial responsibility of children in state custody

Section 44
Group insurance program

Section 45
TCRS

Section 46
Social Security

Section 47
Office of Education Accountability established

Section 48
Authority to hire janitors, etc. transferred to superintendent from school board

Section 49
Superintendent authorized to recommend tenure

Section 50
Superintendent authorized to employ supervisors of instruction

Section 51
Superintendent authorized to enter into transportation contracts

Section 52
Superintendent authorized to employ attendance officers

Section 53
Tennessee Student Assistance Corporation

Section 54
SBE to consider multicultural diversity when developing curriculum

Section 55
LEAs to waive fees for students on free or reduced lunch

Section 56
Commissioner to develop system to monitor existing statute requiring instruction in black history and culture

Section 57
SBE to establish LEA cost caps on special education

Section 58
Development of a bibliography of African American contributions required

Section 59
Minimum criteria for evaluating certified employees

Section 60
Evaluation of teachers teaching outside certification limited

Section 61
Cost of Living Study

Section 62
LEAs not penalized for exceeding minimum school approval standards

Section 63-77
Multi-county school districts allowed

Section 78
Compulsory attendance age raised to 18th birthday

Section 79
Provision allowing local boards to excuse children from the compulsory attendance law amended

Section 80
Age of children whose behavior is deemed by the local boards to be detrimental to good order and discipline raised from 15 to 17

Section 81
Exemptions from compulsory attendance law

Section 82
SBE to develop a system of principal credentialing

Section 83
Hearings for teachers who have been dismissed

Section 84
LEAs prohibited from increasing existing personnel salaries with funds allocated for new or additional positions

Section 85
Family resource centers

Section 86
Superintendents must possess a baccalaureate degree

Section 87
School based decision making grants
"Break-the-mold" schools

Section 88
Pupil authorized to choose which LEA to attend

Appendix H
Response from the State Department of Education

PHIL BREDESEN
GOVERNOR

STATE OF TENNESSEE
DEPARTMENT OF EDUCATION
6TH FLOOR, ANDREW JOHNSON TOWER
710 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243-0375

LANA C. SEIVERS, Ed.D.
COMMISSIONER

April 19, 2004

Ms. Ethel R. Detch, Director
Offices of Research and Education Accountability
Comptroller of the Treasury
Suite 1700, James K. Polk Building
Nashville, TN 37243-0268

Dear Ms. Detch:

Thank you for the opportunity to review your office's report on the implementation of the Education Improvement Act of 1992. You and your staff are to be commended for the outstanding and comprehensive job you have done in the compilation of this information.

It is apparent as one reads the report that significant changes have been made in this state since the passage of the Education Improvement Act (EIA) in 1992. Tennesseans should applaud the legislature for its courage to change our state's educational climate and use the EIA as a catalyst for doing so. Equally, educators should be praised for their response to improving accountability, and ultimately student achievement, since it was enacted.

Although notable progress has been made over the last twelve years, as your report points out, there is still much work to be done to have a world class education system in our state. We look forward to continued progress in the years ahead and will use the information from your report as we continue our efforts.

It was quite interesting to review the sequence of events and educational improvements made through the years. Again, we appreciate the time your office has invested in this endeavor.

Sincerely,

Lana C. Seivers

Lana C. Seivers, Ed.D.
Commissioner

LCS:bk

Appendix I
Response from the State Board of Education

DR. DOUGLAS E. WOOD
EXECUTIVE DIRECTOR

PHIL BREDESEN
GOVERNOR

TENNESSEE
STATE BOARD OF EDUCATION
9TH FLOOR, ANDREW JOHNSON TOWER
710 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243-1050
(615) 741-2966
FAX: (615) 741-0371
www.state.tn.us/sbe

April 23, 2004

Ms. Ethel Detch
Director
Office of Education Accountability
Comptroller of the Treasury
505 Deaderick Street, Suite 1700
Nashville, TN 37243

Dear Ms. Detch:

Thank you for the opportunity to review the report entitled *The Education Improvement Act of 1992: A Progress Report.*

The Board has been working systematically through its annual *Master Plan* and *Funding Needs Report* and its other policies to implement both the letter and the spirit of the *Education Improvement Act.*

The Board concurs with the recommendations in the report and offers the following comments with respect to the recommendations involving the Board.

1. **Alternative Schools. The State Board of Education and the State Department of Education may wish to use the alternative school standards to assess the effectiveness of programs across the state.**

   The Board agrees that the Board's standards would be an excellent set of criteria by which to assess effectiveness. The report points out that schools are already committing resources to alternative schools that far exceed the funding provided by the BEP. The Board's *Master Plan* includes a strategy calling for funding alternative schools based upon data on schools' actual expenditures.

2. **Basic Education Program. The State Board of Education should define a set of "adequate" performance standards based on outcomes established by the General Assembly. In addition, the SBE should propose programs and costs required to reach those performance standards.**

The Board will define a set of adequate performance standards consistent with any new outcomes established by the General Assembly. The Board's *Performance Model* currently includes standards consistent with outcomes specified in the EIA. The Board has included in its *Master Plan* strategies (and costs) which if fully implemented would help to ensure that students meet the standards. The Board will continue to advocate for these strategies and is continuously revising its policies to make sure that all students are successful.

3. **Basic Education Program. The State Board of Education should propose any necessary modifications to the BEP formula to address desired outcomes and standards established by the General Assembly and the Board.**

   The Board will continue to propose modifications in the BEP formula. As part of its ongoing review process, the Board has worked with the BEP Review Committee to develop recommendations regarding many of the issues noted in the Comptroller's report. The Board's current recommendations are included in its *Master Plan* and its *Funding Needs Report*.

4. **Basic Education Program. The State Board of Education should analyze and verify the BEP estimates and distributions on an ongoing basis.**

   The Board looks forward to being able to do this work. Currently, the Board does not have sufficient staff to analyze and verify the BEP estimates and to fulfill its other statutory responsibilities.

5. **Compulsory Attendance. If the General Assembly chooses to alter the age at which a student can enter adult high school, the State Board of Education should revise Rule 0520-1-2-.05(d) accordingly.**

   If the General Assembly allows students to enter adult high schools when they turn 16, the Board will revise its rule.

6. **School Social Workers. The BEP Review Committee should analyze the school social worker component and may wish to recommend adjusting the ratio to provide funds for additional positions.**

   The Board will work with the BEP Review Committee to determine the appropriate ratio of school social workers for Tennessee schools.

7. **Two-Track Curriculum. The State Department of Education, the State Board of Education, and the General Assembly may wish to consider monitoring Hamilton County's change to a single path curriculum as a pilot for the state.**

   The Board has identified the universal path as an area for research and recommendations to the Board and the General Assembly no later than August,

2004. The Board will look closely at Hamilton County experience in implementing a single path curriculum.

The Board looks forward to working with the General Assembly and others in implementing these recommendations.

Please feel free to call me if you have any questions.

Sincerely,

Dr. Douglas E. Wood
Executive Director

DEW/pc

Offices of Research and Education Accountability Staff

Director
◆Ethel Detch

Assistant Director (Research)
Douglas Wright

Assistant Director (Education Accountability)
◆Jason Walton

Principal Legislative Research Analysts
◆Phillip Doss
◆Kim Potts

Senior Legislative Research Analysts
Denise Denton
◆Richard Gurley
◆Margaret Rose
◆Melissa J. Smith
Greg Spradley
◆Emily Wilson

Associate Legislative Research Analysts
◆Bonnie Adamson
Brian Doss
◆Kevin Krushenski
◆Russell Moore
◆Bintou Njie
◆Alisa Palmisano
◆Sonya Phillips

Executive Secretary
◆Sherrill Murrell

◆indicates staff who assisted with this project