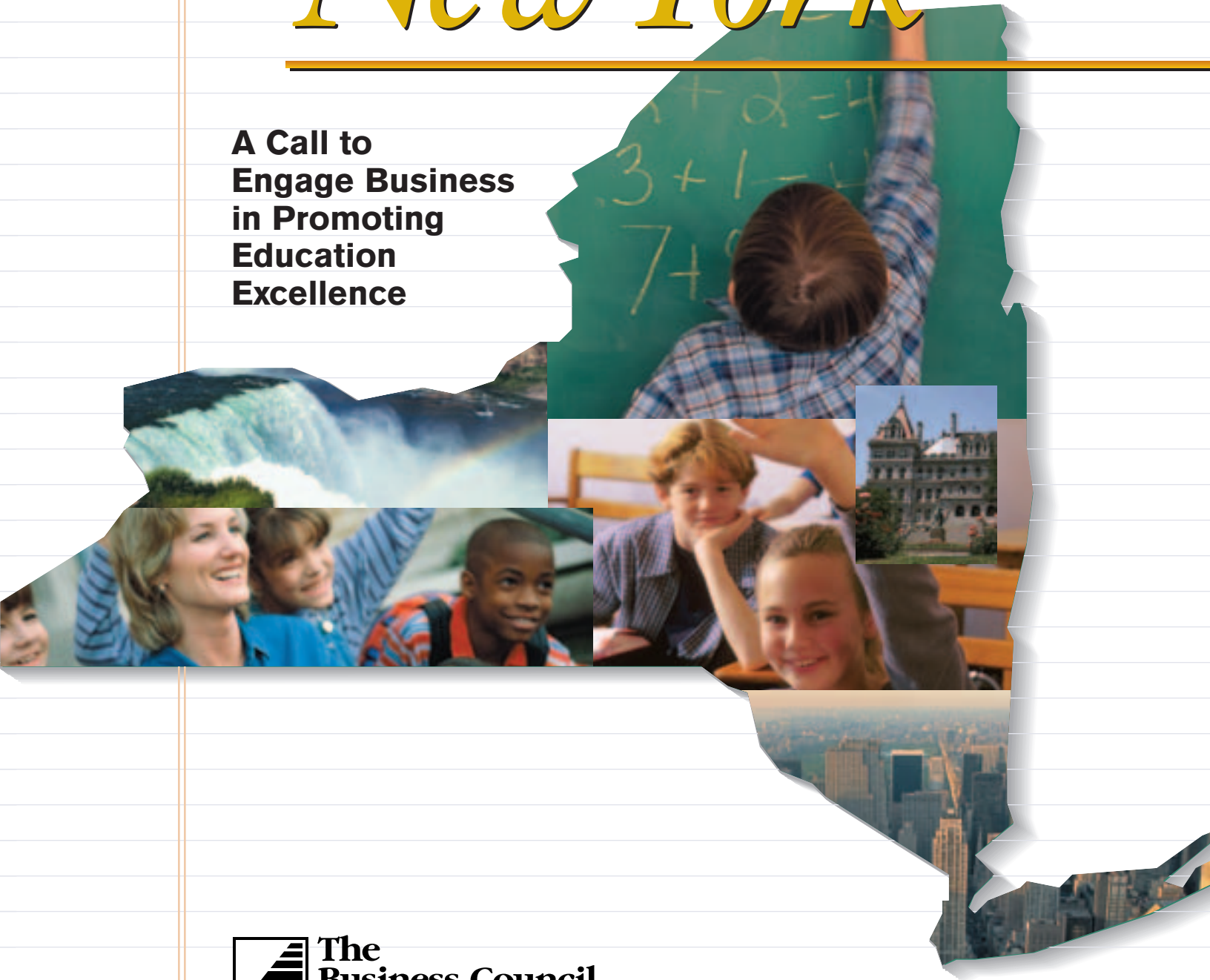


Engage *New York*

**A Call to
Engage Business
in Promoting
Education
Excellence**



 **The
Business Council
of New York State, Inc.**

Supporting High Educational Standards
and High Achievement

Dear Friends and Colleagues:

Business people know that young people entering the workforce must have a strong grounding in challenging academic subjects to compete successfully, and that the bar is constantly rising. Competition only grows more intense in today's global economy.

In the past several years, our education system has instituted new measures of student assessment and new accountability measures to ensure that young people are getting the high quality education they need. The Business Council of New York State has been a strong advocate for these reforms, and test scores show they are beginning to yield results.

However, change in education takes time. We won't get everything right the first time, and we need to leave room to adjust and correct. Educators need our support and help to meet this enormous challenge. Education reform is a process that requires our attention for the long term.

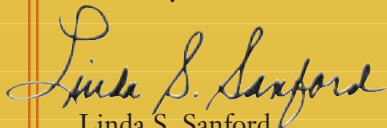
It is critical that business stay engaged in this discussion. We need to contribute our knowledge of how the world of work and careers is changing. We have experience in managing to results and steering our organizations through times of great change. These are the same challenges facing educators.

All of us – educators, policymakers, business people and parents – need to collaborate with a single goal in mind: our children. To improve our schools, we need more constructive dialogue and less divisive debate. We all bring something to the table.

The objective of the Business Council's Education Task Force is to encourage and support business involvement in that ongoing collaborative effort to improve our schools. This booklet on current education issues gives a synopsis of some recent developments, including the federal No Child Left Behind Act; New York's standards and accountability measures; professional development and leadership challenges, and education financing. We hope it will inspire more business people to become involved in education, and reinvigorate those who are already involved.

I have recently become Chair of the Task Force, and we are indebted to Bill Clark of State Farm Insurance, the former Chair, for leading this effort over the past few years. I want to acknowledge the team at The McGraw-Hill Companies for contributing their skill and expertise to the design, development and production of this booklet.

Sincerely,

A handwritten signature in black ink that reads "Linda S. Sanford". The signature is written in a cursive, flowing style.

Linda S. Sanford
Chair, Business Council Education Task Force
IBM Corporation

Engage New York

The pursuit of Education Excellence in New York State is not a new idea. The following is carved on the cornices where the first State Library was located in the State Education Building:

“Here shall be gathered the best books of all lands and all ages. A system of free common schools wherein all the



children of this state may be educated; this library aims to uplift the state and serve every citizen.”

Mission Statement:

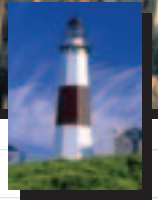
To engage business members in support of one voice for increased student achievement in New York State. Through association with The Business Council of New York State, members will be provided resource materials that will outline business’ perspective in support for today’s reforms that will result in a highly educated workforce tomorrow. Business has the desire, expertise, resources, and experience to work with the education system on the challenges and changes needed to ensure the future economic strength of New York State.*

**Though this message is directed to business it is predicated on collaboration with all stakeholders.*

Why business?

In the high-tech, information-driven, global marketplaces of the new century, workers need skills and knowledge unnecessary only a generation ago.

In 1950, 60 percent of the jobs for new workers were classified as unskilled. Today, only 15 percent are. To be positioned for the kind of economic growth we envision, we need to position our schools to compete on a global level; we need to close the gap between our students and students of other countries.



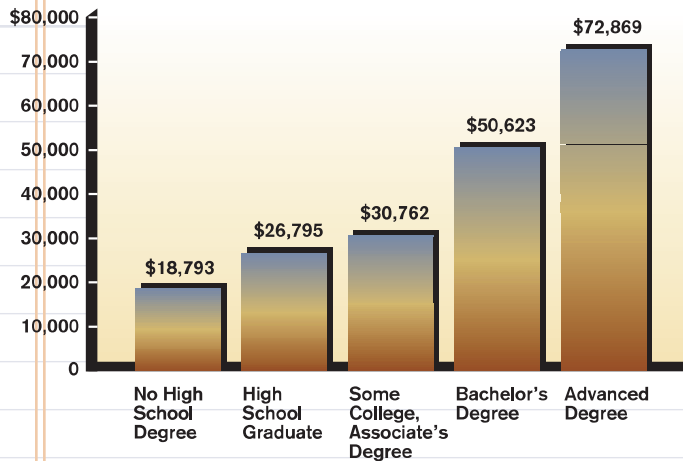
According to the Third International Math and Science Study (2000), at the fourth grade level in math and science, our kids are right up there with the best in the world. By the 8th grade, we rank 28th overall. By the 12th grade, we trail every developed nation in the world. Even our very best students can’t compete with their counterparts around the world. Our top kids are last among 16 countries that test physics and math.

In the past few decades, how well students have been doing in New York State has remained rather flat. It might have been acceptable in the past when people in New York State could get a decent job without a high school education. It is no longer acceptable in a world of global competition and rapid advances in technology. Today, young people need advanced education to succeed. According to U.S. Bureau of Labor and Statistics, the fastest growing job sectors will demand training beyond high school.

The clearest predictor of success for college, the work-

It Pays to be Educated

Average Annual Earnings for Persons 18 Years and Older by Educational Attainment



place, or for participation as an informed consumer is a high quality education. In a knowledge-based economy, the advantage given to those who are educated will only increase. That is why the business community is so passionate about ensuring that all students have the opportunity to succeed by insisting that school systems adopt higher standards, use high-quality assessments aligned to these standards, hold schools accountable for results and provide a support system to help students and teachers reach those standards. Business leaders know that prosperity depends on better-educated workers and citizens. Business can contribute:

Expertise and experience: as business leaders, we know how important data is to the continuing success of our companies. We must constantly monitor our progress against projected results and actual returns. Reading and using data to align strategy for growth are skills that business can help transfer to the education system.

Resources: every community across New York State holds an abundance of skill and talent represented by all areas of business. More than giving money, giving of human capital to our schools is critical to helping our students, teachers, and administrators understand the practical side of education.

And most importantly, desire. Business is a key stakeholder in the results our schools achieve. Just as important as helping to secure the quality and skill level of our students for work is the need to assure educated, participative citizens for our communities. The future quality of life for everyone in New York State depends on the quality of education our children receive today.

School matters and what is taught matters. Quality, standards and results matter. If we go back to the way it was before New York State adopted its higher standards and tests to measure whether they've been met, too many students won't have the skills to succeed in college or on the job. We know that from the immediate statistics, the college dropout rates and surveys of employers.

Business doesn't expect schools to simply churn out productive "worker bees." We know that education is

important to helping young people become mature adults, caring family members, and effective citizens. Getting the education and skills that prepare students for lifelong learning is the first step towards getting good jobs that pay decent wages and make the other goals attainable.

Engage New York

Aligning public school priorities with workforce needs is critical to economic growth in New York State. Engage New York is the process by which that alignment can occur; it is our effort to create a collective business voice for increased student achievement.

As members of the business community, not only do we need to stay informed about education issues, we also need to join forces in grassroots efforts aimed at building educational excellence. Engage New York builds on New York State's existing momentum in education reform. The process will help share successes from past and current efforts, help shape new efforts, as well as provide information about some of the intricacies of New York State's education system.

Here is how Engage New York works:

Step 1—Decide to Engage. Make a commitment to be a voice of support for sustained education reform.

Step 2—For those who are interested in learning more about the history and intricacies of New York State's education system, attend an Engage New York basic training seminar.

Step 3—Use the knowledge gained from the seminar, or your previous successes with education excellence to support New York State's higher standards and the changes needed to achieve them.

Step 4—Determine the level of support your business wants to give:

- Be an outspoken supporter of school improvement in your community.
- Provide financial support to the Pathfinder Award and/or the Engage New York process.
- Provide a person to be a member of the Engage New York team.
- Participate in business-to-business mentoring to rally other businesses to the cause.
- Establish or join a business/education coalition in your community

Step 5—Engage! By the time you reach this step you will have gained a good working knowledge of the issues surrounding education reform and will also have determined your own goals. Engagement will take any form that satisfies your need. The Engage New York Team will be available to you as you meet new challenges along the way.

Whether you have been involved in efforts to support higher education standards in the past, or are just starting out, we hope that you find the information presented helpful.

Section 1

Standards, Assessment and Accountability



“Simply put – what gets measured gets done.”

Standards, assessment and accountability are essential to school improvement and one without the other is meaningless. Simply put – what gets measured gets done.

Standards for Learning.

The passage of five Regents Exams and the completion of 22 credits (course requirements) is the measure the state uses to determine that students have met the standards. While the exams do not explicitly measure every one of the learning standards, the combination of course-work requirements and exams directly, and indirectly, measure all of them. New York State has had high standards for some students for more than a century – the Regents exams.

In the late 1980’s as technology was rapidly changing the business landscape and impacting business’ need for higher skilled workers, the knowledge and skills of those with a high school diploma was becoming of increasing concern. A member of the Business Council’s Board of Directors chaired a committee established by the Board of Regents to evaluate whether students were adequately prepared for the workforce. At the time, the committee determined that in fact a high school diploma did not reflect high enough skills for success in the workplace

and recommended further research be done to validate that view.

Additional research was done through a Career Validation Study that involved representatives of all public education stakeholders. That study resulted in the Regents appointing a Curriculum and Assessment Council in 1991. The Council focused on a policy initiative to create higher expectations for achievement called, The Compact for Learning. The Compact for Learning reflected a philosophy of, “top down support for bottom up reform,” but didn’t require more rigorous testing or accountability.

In 1996, the Regents exams of today began to be phased in for all students as a graduation requirement. The new higher standards were implemented because the old minimum standards did not prepare students for success in either the workplace or higher education.

Assessment and Accountability

Assessment is key to knowing whether students have met the state standards. Accountability is based on having a high quality, objective and comparative assessment system.

In 1983, a report called “A Nation-at-Risk” was written and published by a national commission on education excellence. This report ultimately called for higher standards for students across the country. A year later, in response to the Report, the New York State Board of Regents (the body that has governed education in New York State since 1784) responded with The Regents Action Plan. Thus began the identification of low performing schools based on statewide “Pupil Evaluation Program” tests in reading and math in the elementary grades in place since 1965.

Regents competency testing was also implemented for all high school students not taking Regents exams. At a minimum, students had to pass these Regents competency tests to graduate from high school. Now, passing five Regents exams represent the attainment of New York State’s learning standards. (Certain alternative, but equivalent, or more difficult nationally recognized standard exams are allowed in place of certain Regents exams.)

New York State has an accountability system that is data driven through state testing in the 4th and 8th grades (to be expanded to grade 3 and other grades in-between per the No Child Left Behind Act requirements) and the Regents Exams. The state-testing program is the basis for the state’s accountability system relative to student achievement.

School report cards are now available to every parent and the general public to inform discussions about school improvement and academic achievement based on data.

New York State also has a program to deal with failing schools called Schools Under Registration Review (SURR) that has been continuously improved upon since the mid 1980s. Additional schools have been identified as in need of improvement under the No Child Left Behind Act (NCLB). All these schools are subject to NCLB sanctions if they do not improve.

For more information about the assessment process, please refer to the New York State Education Department website:

www.emsc.nysed.gov/ciai/pub/standards.pdse

Issues to Anticipate:

1. State standards and standardized tests are sometimes viewed as a “one size fits all” approach to teaching and learning.

Things to Think About:

- Without common standards and a reliable, valid and fair measure of academic achievement there is chaos and subjectivity with regard to what students have learned.
- Prior to standards-based reform and accountability those who had little learned little. Children in wealthier communities traditionally have had a higher quality education (though testing has revealed some weaknesses even there).
- Standards and measures bring a higher level of quality education to all.

2. It is sometimes believed that standards and testing stifle creativity in teaching and learning.

Things to Think About:

- Standards and tests measure the core knowledge and skills that the state (as a result of a great deal of input from teachers, parents, school board members, students and business) decided were important for all students to learn to become productive adults.
- They reflect what students must, at a minimum, learn. They do not dictate how the learning standards should be taught.
- There is much room for creativity in the “how” of learning and much more can and should be taught and learned than even the standards and tests demand.

3. Some people believe that some students know the material but can’t demonstrate what they know on regular tests.

Things to Think About:

- There is no research in that regard. What research data does show is that students who go to class, make an effort to learn, have a strong curriculum and teachers who know and can communicate their subject matter, pass state tests.
- For students with special needs, special accommodations can be made.
- There is no harm in learning test taking skills which can have life long benefits. It is inevitable that students will encounter tests at some point in their lives.

4. All the emphasis on tests makes teachers “teach to the test.”

Things to Think About:

- No teacher needs to “teach to the test” – they need only to teach to the learning standards. Teaching to the test is a poor teaching strategy that may be the last resort for some teachers not well versed in their subject matter and/or with weak teaching skills.
- From a student perspective, the student may at least be learning what they need, albeit not in the best way, to move forward and be able to keep pace with the next class they are in. Without the standards and tests, students can easily, and perhaps unwittingly, fall behind making it that much harder for them at the next level. Lack of standards and tests contributes to the ease with which students can simply be passed along without having acquired the skills and knowledge they need to succeed.

What Does Business Support?

Continued emphasis on higher standards and accountability through standardized testing and public disclosure of information about public school achievement.

How?

The BCNYS’s Pathfinder Award is one of the primary vehicles we can use to acknowledge and celebrate improved student achievement. This award applauds those schools that have dedicated themselves to improvement as determined by data on the school report card.

Increasing the awareness of this award, including the celebration and recognition of those schools that have received the award, is a great way to let the public know that the schools’ hard work matters. Recognition of such

“...support standards, accountability and assessment by being a vocal supporter...”

achievements in a state-wide venue will help get the word out to other schools that improvement is possible. And, with all the experiences of those improving

schools, we can provide access to resources and best practices on behalf of other schools that may be looking for a model to follow.

Business can also support standards, accountability and assessment by being a vocal supporter; testifying at hearings as to the necessity and importance of standards, writing letters to the editors of our local papers in support for reforms at the local and state level, as well as meeting with local officials to discuss what business needs from its new hires, and how their position on key issues of standards and accountability can help impact such needs.

There are many ways to get a consistent message out about why business supports increased student achievement. The key is using those avenues to help the public understand business needs and the impact those needs have on the economic vitality of this State.

Section 2

No Child Left Behind Act (NCLB)



In January 2002, the President and Congress agreed to the most sweeping reform of federal education law in many years. The No Child Left Behind Act (NCLB) builds on the work started in the states and provides new accountability measures and resources to help raise the achievement of students nationwide.

Any business person becoming involved in education issues will face many references to and questions about NCLB. It is critical to have a working knowledge of the bill's major terms, and an understanding of the positions taken by business groups. Generally:

- Business views NCLB positively; it attempts to align the efforts of federal, state and local education organizations toward accountability and measurable outcomes.
- There is considerable flexibility and discretion left to states as to how to implement NCLB; business needs to stay involved to ensure implementation of the highest priority measures. New York has already met some of the requirements; we need to continue to keep the focus on improvement.
- There are key rights under the law that employees/parents need to know.

NCLB Key Issues

A. Academic Standards and Annual Assessments

Provisions of the Bill

States are required to set up annual student assessments (tests) in reading and mathematics for all students in grades 3-8. All states must have the tests developed, aligned to standards, and implemented for the 2005-2006 school year.

Issues to Anticipate

Some states may face a backlash to annual testing based on opposition to "high stakes" use of tests.

What Does Business Support?

Business strongly supports annual tests in reading and math in the early grades that are aligned to challenging academic standards and that yield results measuring student achievement of the standards. This focuses education on bringing all students to the same high standards of achievement that will enable them to succeed in higher education and the 21st century workplace. Regular assessments can identify substandard achievement while it can still be fixed.

- The annual tests should be uniform statewide and yield comparable data on student achievement from grade to grade and over time.
- Annual tests should produce results that can be used by parents, teachers, and principals to diagnose the academic needs of individual students to meet standards.

New York Status: New York Board of Regents has articulated 28 learning standards which they adopted in 1995 and phased in over the subsequent years. The learning standards were developed over a number of years with input from teachers, parents, educators and employers.

B. Public Disclosure of Achievement Data

Provisions of the Bill

States and local school districts are required to disclose student achievement data by school (not by individual student) and by district. Data must show whether or not progress toward proficiency on state academic standards is being made. Raising student achievement in each major student group (by ethnicity) is required for schools, districts, and states to make "adequate yearly progress."

Annual report cards are required at the school, district, and state levels comparing student progress, by major group, toward being "proficient." Localities must identify schools that do not make adequate yearly progress. Districts must give parents options to transfer children to better performing schools or to get supplemental educational services. Continual failure requires schools to be closed or restructured.

Issues to Anticipate:

- States should ensure that data from tests being made public can compare student achievement by school and compare school achievement over time.
- Raw performance data will need to be analyzed, simplified, and explained in easily understood formats when published.
- Communities may be shocked to learn that schools once considered “good” are now identified for “school improvement,” because disaggregated data reveals that some student groups are not succeeding.

What Does Business Support?

Business supports the annual publication of student achievement data, by both school and by district, in easily understood formats that allows comparison of each local school with others in the district and state. The public disclosure of data increases individual school accountability against common state standards. This data empowers parents and educators to seek improvements and provides a management tool for accountability.

- The state should release annual achievement reports that display data in easily understandable formats, comparing local student groups, schools, and district performance with other students in the state.
- Public reports should disaggregate achievement data for each major demographic group of students.
- Initial poor results should not be used to point fingers and criticize educators but to commit to an aggressive action plan to turn around the results – no exceptions, no excuses.

New York Status: Districts with schools in need of improvement have been directed to inform parents of their options (though how well the message is getting to parents is unclear). New York has also identified supplemental services providers throughout the state and the information is available on the state’s web site by school district. As with other states in the nation, student’s ability to transfer to another public school is currently very limited.

C. Accountability

Provisions of the Act

Each state is required to have an accountability system that is based on increasing student achievement. The state defines what level of achievement constitutes “proficiency” in academic standards.

Based on student achievement data from the 2002-2003 school year, the state must set an initial standard (percentage) of proficiency that all schools and all major demographic groups must meet to make “adequate yearly progress.” The bar for making adequate yearly progress must be raised at least once every three years, until 100 percent of students are proficient (within 12 years). A school that does not make adequate yearly

progress for two consecutive years is targeted as needing improvement, and requires action plans for improvement. Continued lack of progress brings harsher corrective actions and ultimately closure or restructuring of the school.

Issues to Anticipate

- States may be under pressure to define “proficiency” at a low enough level to be easily achieved rather than benchmarked to more challenging levels.
- The state must look ahead and set a timeline that is rigorous enough to achieve 100 percent proficiency in 12 years, including proficiency for all major demographic groups.

What Does Business Support?

The business community supports an accountability system that focuses the entire system on increasing student achievement. The accountability system should hold all schools and districts to the same high standards of performance and responsibility for student achievement to ensure both consistency and fairness.

“...The bar for making adequate yearly progress must be raised...”

- The state-defined levels of “proficiency” for meeting adequate yearly progress should be rigorous, but realistic.
- Accountability should be based on increasing achievement for all major student groups.
- Systems should have rewards for school and teacher performance.
- Systems should have clear, enforceable sanctions for persistently low-performing schools.
- Schools already identified as needing improvement or corrective action for not having made adequate yearly progress under Title I of the federal Elementary and Secondary Education Act of 1994 should be dealt with immediately.
- State accountability systems should be fully implemented and operational before the 2004-2005 school year, as required by law.

New York Status: New York was one of the first states in the nation to provide school-by-school report cards (initially using a model developed by The Business Council’s Public Policy Institute). New York provides all of the currently required information in district and building school report cards. As new grade by grade tests are added and more data are available these will be added to the school report cards. They can be accessed via the Internet as well as by direct request from school districts.

New York also has a long history of identifying low-performing schools. The state initially identified only the most poorly performing schools but has incorporated NCLB criteria into the identification process. This has resulted in approximately 400 more schools being identified as in need of improvement.

D. Alignment of Educational Improvements

Key Provisions of the Act

States are required to ensure that high-quality academic assessments, accountability systems, teacher preparation and training, curricula content, and instructional materials are aligned with challenging state academic standards so that students, teachers, parents, and administrators can measure progress against common expectations for student academic achievement.

Issues to Anticipate

- Alignment of key educational components is difficult for the states. It requires cooperative and strategic planning between educational agency officials and staff at both the state and local levels.
- The requirements of the law for alignment are not self-evident and are likely to be overlooked by state and local planners – or explained away by simply saying “their systems are already aligned.”
- The federal government has provided the states with the flexibility to determine the level of alignment that is envisioned in the law, and, as a result, states face substantial challenges (i.e., how will states address these requirements or know when they have achieved alignment).

“...progress toward proficiency on state academic standards.”

What Does Business Support?

Business wants to have major components and activities of the education systems aligned toward a common goal of increasing the academic achievement of all students in the state. Alignment is necessary for consistency, sound diagnosis, quality control, and accountability. Current education systems are rarely aligned.

- The state’s planning and implementation process should result in carefully aligned high quality assessments, accountability systems, teacher preparation and training, curricula content, and instructional materials, to state academic standards.
- States should set rigorous criteria for determining when these major system components are aligned.
- States should seek the help they need to meet these requirements, including help with strategic planning, and tapping into business expertise in the planning and implementation process.

E. Teacher Quality

Key Provisions of the Act

States must ensure that all teachers in core subjects are “highly qualified” by the end of the 2005-2006 school year. A highly qualified teacher is one that has a BA and passes state tests in the subjects they teach (for new hires), and that (for veteran teachers) has a BA and passes a high, objective state evaluation demonstrating proficiency in subjects they teach. (States may choose to test veteran teachers also).

States receive funding for professional development of

teachers, with special attention to improving math and science teaching, and for teacher training in, and integration of, technology in education. States can use funds for teacher recruitment, hiring, performance pay, alternative routes to certification, knowledge development, and advanced certification.

Issues to Anticipate

- Many teachers are teaching subjects not in their field, and out-of-field teachers are disproportionately found in low-income schools.
- Shortages of highly qualified math and science teachers are growing.
- The urgency of teacher quality is raised by the prospective retirement of a large percentage of teachers currently in the schools.
- Providing high quality professional development for teachers has not been a standard practice in the past.

What Does Business Support?

Study after study shows that teachers make the critical difference in whether or not a student succeeds. Business especially supports increased quality in math and science teaching. It is also vitally important to recruit and retain qualified individuals in the classroom to ensure future academic success. If students are to meet ambitious expectations, they must have superbly prepared teachers equal to the task.

- Teacher quality should be a top priority in state plans.
- There should be more professional development opportunities for teachers than in past practice, and it should include academic content.
- The state should commit a substantial portion of professional development money to improve math and science teaching.
- The state should undertake an aggressive and innovative agenda to make the teaching profession more attractive.

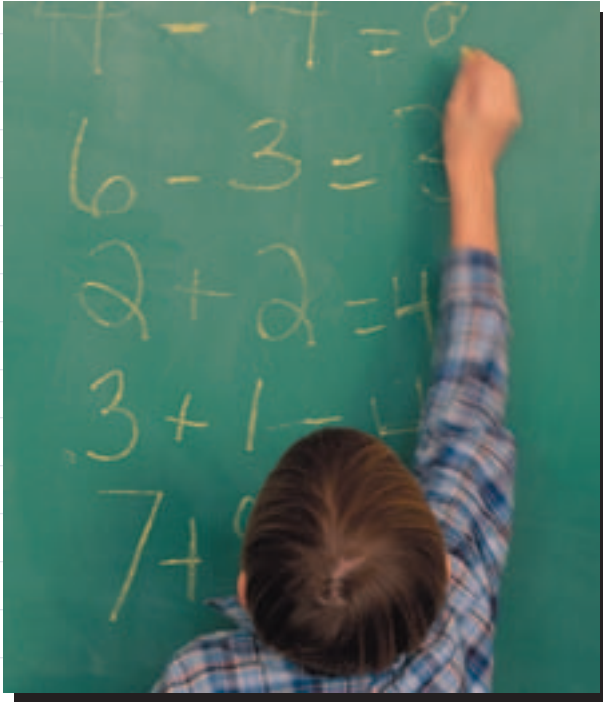
How Does Business Support NCLB Overall?

Business can support NCLB by understanding how it supports student attainment of New York State’s learning standards and speaking out in support of it when others criticize it.

Parents and business leaders can utilize national resources such as The School Information Partnership (partners include: Standard & Poor’s, U.S. Department of Education, Broad Foundation and Just for the Kids). This Partnership empowers parents, educators, and policy makers with a set of analytical tools to help them use data to inform their education decisions. The tools allow for benchmarking, school and district performance comparisons, and analyses of schools rates of improvement in reading and math.

Section 3

Education Funding



While it needs to be understood, a focus on funding alone has historically not been shown to result in school improvement. Having standards and accountability (consequences for failure to teach students effectively and incentives for success) are the keys to making spending effective.

Discussions regarding state aid and the recent state Court of Appeals decision on school funding for New York City (the decision limited itself to New York City) can easily side-track conversations about school improvement. As funding is brought up as an issue it may present an opportunity to share information about how businesses approach cost issues in their organizations.

How State School Aid Is Distributed

State school aid is distributed through 50 plus funding formulae that are designed to drive money to specific school districts in specific ways. The recent Court of Appeals decision did not throw out the formulae, but said that reforms to the current system of financing school funding and managing schools should ensure that every school in New York City has the resources necessary for providing the opportunity for a sound

basic education. The numerous school aid formulae are basically distributed in three ways:

- per pupil formulae (equalized & capped);
- expense-based formulae (equalized & capped); and
- direct grants to schools and districts.

Factors that drive the distribution are:

- school district wealth as determined by income and property (fiscal capacity);
- pupil needs factors (poverty, non English speaking children, geographic sparsity, children with disabilities);
- spending (also equalized to a certain extent by the wealth factors);
- pupil counts; and
- tax effort (how much a locality taxes its property owners relative to its wealth).

Flexibility Versus Categorical Aid

Within the funding formulae there are restricted (categorical) aids and unrestricted aids. There is a tension between allowing school districts flexibility with regard to how they use the aid versus specific restrictions and stipulations.

- School Boards and Superintendents (management) would like more flexibility on how they are able to utilize funding to achieve goals.
- Interest groups (i.e. parents of special education students, teachers of various subjects, pre-k advocates) all believe that if funding decisions are driven by management their programs or children will be left out or cut out. They go to the legislature to make sure what they want has distinct funding streams.

Information to Consider

- New York State now spends more per student (approximately \$11,000) than any other state in the nation according to March 11, 2003 U.S. Census Bureau data.
- That figure is almost \$4,000 or 55% higher than the national average of \$7,284.
- New York State's spending per pupil is 8.8% higher than in 2000. The average increase nationally was 6.6%.
- Due to differentials in state aid and local effort and ability to pay, expenditures vary dramatically from the highest spending school districts to the lowest school districts.
- The source of total education resources are 4% federal, 47% State, and 49% local. Property taxes account for 90% of local support.
- Between 1994/95 and 2002/03 New York State increased state spending on education by more than \$4.8 billion, or approximately 50%.
(Governor's Executive Budget message, January 2003)
- In 2001/02 New York State spent \$35.5 billion dollars on PK-12 education.
(Governor's Executive Budget message, January 2003)
- New York State has the third highest average

teacher salary in the country just behind New Jersey and Connecticut.

(National Center for Education Statistics/2000-01 average, table 78)

- However, sections of New York State have cost-of-living levels well above the national average.

Note: Collecting education data and comparison data is a very complex undertaking. There are many different sources and agencies compiling such data. For instance to date no reliable data source has been discovered relating to how much New York State spends on administration versus instruction compared to other states.

Issues to Anticipate:

The Court of Appeals Ruling

A key issue is the impact of the findings of the state's highest court, the Court of Appeals, on the lawsuits brought by the Campaign for Fiscal Equity on behalf of New York City and other school districts around the state challenging the manner in which the state finances schools.

The Campaign for Fiscal Equity (CFE), a New York City-based advocacy group, initiated the case in the 1970s. CFE first claimed that New York's funding formula was unfair because it was unequal. But the Court of Appeals explicitly rejected that argument in 1995 when it first remanded the case to the Supreme Court. In doing so the Court of Appeals said there was a constitutional right to a "sound basic education" but not to "equity."

While most everyone who talks about education funding talks in terms of equity, the case was not about equity, but about adequacy; two entirely different things (especially considering that per pupil expenditures in New York State range between a little over \$8,000 per pupil to over \$40,000 per pupil).

Justice DeGrasse found for CFE in early 2001, but the state's Appellate Division reversed the decision last June on the grounds that he had given too broad an interpretation to what constituted a "sound basic education."

CFE then appealed that decision before the Court of Appeals. In a 4-1 ruling modifying the lower court rulings, the Court of Appeals expressly limited its decision to New York City. It found that New York City is not adequately teaching its schoolchildren, and that the city and state must do more to ensure a "sound basic education" for those students. The state must come up with a remedy by July 30th of 2004. The court offered no specific suggestions for a remedy – nor did it say the state (as opposed to the city) would have to pay the cost.

However, the state was directed to determine the actual cost of providing a sound, basic education in New York City and then the Legislature and the Governor will have to ensure that all city schools have "the resources necessary." There must also be "a system of accountability to measure whether the reforms actually provide the opportunity for a sound basic education." Justice DeGrasse will decide whether the remedy the state comes up with is satisfactory.

School Districts outside of New York City would have to file their own lawsuit regarding being inadequately funded and if they did so, any final decisions on them would most likely be years away.

The Campaign for Fiscal Equity (CFE) conducted its own adequacy study. It concluded that New York State schools need an additional \$9.5 billion in spending over the next four years. CFE used professional judgment panels to define adequacy relative to student need.

Standard & Poor's conducted a Resource Adequacy Study for the State Commission on Education Reform (Zarb Commission). This study analyzed the spending of better-performing schools using four different options to identify successful school districts. This methodology generated a range of additional costs of improving education from \$2.5 billion to \$5.6 billion. The CEF and Zarb Commission have made numerous recommendations that inform, but do not resolve the education funding discussion.

The debate about adequacy, and how to obtain the resources, may go on for years. In the meantime, we must ensure that standards and accountability are maintained.

Call to Increase Taxes:

The Court of Appeals decision may exacerbate the pressure to increase taxes – especially on businesses – to provide more money for New York City. Organizations whose funding depends on New York State taxpayers (including teacher unions) already call on business to pay more taxes in times of state and local budget deficits. However, combined local and state business taxes in New York are among the highest in the country.

- The business' share of state taxes (considering all the various taxes business pays and not just corporate income tax) is \$10.6 billion – or over 25 percent.
- Business' share of local property taxes for schools is \$6.6 billion; added to business' share of state taxes that go to local schools, the total business contribution to education alone is almost \$10.1 billion.
- As of 2003, business pays about 49 percent of local school taxes statewide, after adjusting for the value to homeowners of STAR.

What Does Business Support?

- Business needs a well educated workforce for a successful future; we need our investment in education to be effective and adequate.
- More money for education, especially in this time of budget deficits will not lead to improved student achievement unless we maintain the framework of standards and accountability.
- Economic growth should fuel the amount of dollars available for education both locally and statewide. Tax increases will ultimately lessen the amount there is to spend on education rather than increase it. Increased taxes will drive employers and therefore families out of the state.
- Maintain support for certain key activities such as testing. Hold schools accountable for results related to student achievement.
- Simplify the formulae for distributing State aid. Reduce education mandates and give educators more flexibility in how to spend resources.

Section 4

Leadership and Professional Development



The education system is very large and complex, and it faces a need for great change. In recent years business has also faced such pressure to change; the complexity and pace of change has never been greater. Leadership and the skills of employees are critical factors in successful change, and we should expect nothing different in education. Investing in the leaders and professionals of the education system is critical to helping effect necessary changes.

Leaders are critical to change in the system. Superintendents and senior officials must galvanize commitment to standards and assessment, and principals must be the academic leaders in their buildings. Business has a unique contribution to make in helping the school system identify and acquire these management skills. Business has experience with these transformations and can advise educators in achieving successful change.

Leaders and Principals

As schools meet the challenge of higher standards and a results oriented environment, it is vital to have

exceptional administrators and high-quality principals leading schools. A recent report by the Education Research Service cites studies that find that one attribute of all high performing schools is a dedicated and dynamic principal.

Pathfinder awarding winning schools also demonstrate the importance of school leadership. These principals exhibited an unrelenting belief in their students ability to learn, they supported their teachers by providing the staff development they needed to help their students reach higher levels, they used data to inform where they needed to make changes and what they needed to make changes on, they fostered cross grade and cross grade-level communication to align curriculum and expectations for what would be accomplished at each level. They never blamed the students or their families for any short comings, and they sought out and valued parental involvement.

Business has developed a culture and expertise around managing to results, using data effectively; focusing on outcomes, managing change and other skills that education leaders will need to master the new environment. The New York City Leadership Academy and The School Leadership Program are two examples of academies where successful business leaders engage with education leaders using the most effective business leadership models to create a strong focus on instruction. Such programs are geared towards management development systems that ensure performance of their current and future leaders.

The New Nature of School Leadership

In the 1990s, school leaders focused on how to improve literacy and numeracy at the elementary level where the principal is the key player in leading reform and improving student performance. Some school districts have embraced the development and support of the school principal as instructional leader. Despite these good beginnings, the principal as instructional leader is too narrow a concept to carry the weight of the reforms that we need for the future. We need leaders who can create a fundamental transformation in the learning cultures of schools.

Articles from *Principal Leadership* magazine, comparing leaders from successful educational organizations with those from successful businesses, found business leaders have an advantage in developing and sharing knowledge and setting expectations for excellence. This is a key area where successful business leaders can partner with their counterparts in the education world.

Investing in, and providing, opportunities for school leaders to learn and collaborate with other leaders inside and outside the school is imperative to helping create new organizations that enable students to learn effectively. Business can play an important role in increasing the system's capacity to work with schools and the community as a whole.

Issues to Anticipate:

- School leaders may have an expectation about what business can provide.
- There may be a reaction from school leaders that schools are not businesses, and that children's learning cannot be managed the same way you manage business.

What Does Business Support?

- Business should keep the focus on its involvement as an opportunity to help with the management of change in the approach to school resources.
- It is true that the instructional and teaching skill sets are unique to education. In addition to those important competencies, school leadership must carry leadership skill sets that are transferable from business to education, such as change leadership, managing to outcome, etc.

Highly Qualified Teachers

The message of quality in leadership holds equally true for teachers. For business, the quality and skills of the workforce are of increasing concern. We know that an enterprise cannot succeed without effective employees. This requires higher levels of expertise and new skills as the marketplace evolves. This requires that our investment in teacher skills be aligned with standards and accountability.

The No Child Left Behind law provides states with more funding for professional development to help teachers enhance their skills and expand their subject-matter knowledge. The law requires that the state move toward hiring only "highly qualified" teachers. The term "highly qualified teachers" means:

- Public elementary and secondary teachers must be fully licensed or certified by the state and must not have had any certification of licensure requirements waived on an emergency, temporary or provisional basis.
- New public elementary school teachers must have at least a bachelor's degree and pass a state test demonstrating subject knowledge and teaching skills in reading, writing, mathematics and other areas of any basic elementary school curriculum.
- New middle or secondary school teachers must have at least a bachelor's degree and demonstrate competency in each of the academic subjects taught, or complete an academic major or coursework equivalent to a major, a graduate degree or advance certification.
- Existing public elementary, middle and secondary teachers must have at least a bachelor's degree and meet the requirements described above.

NCLB mandated that by Fall 2003, all new hires in Title I secondary schools are required to have a major (or the equivalent) in each and every subject they teach. By the 2005-2006 school year, every state receiving Title I funds must assure this requirement is met by all teachers.

Currently not all teachers meet the requirements:

- The number of out-of-field teachers in core academic subjects (math, language arts, science and social science) is very high in secondary schools in the U.S. Unfortunately, schools with large populations of high-poverty and high-minority students are even more likely than the average to have an out-of-field teacher in these subjects.
- Mathematics is the core academic area most impacted by the out-of-field teachers. About 70 percent of middle-grade math classes in high poverty and high minority schools are taught by a teacher without a major or minor in math or a math-related field.

Issues to Anticipate:

- Educators will point out that there are so many factors beyond their control, that their hands are tied when it comes to making impactful changes.

Something to Consider:

- Business leaders are held responsible for what they can affect. Effort must be made to re-direct our educators to those areas that they can influence through effective management, planning, and measurement of outcome.

What Business Supports

- Standards for teachers in middle grades cannot be overlooked. States must stop granting generic K-8 teaching licenses and work with higher education institutions to develop licensing programs that align more directly with grade-related specific subject-matter areas.
- Support the process for teachers to obtain their National Board Certification (NBC). It is an intense program of study initiated by the teacher often times without the support (financial or moral) from district leaders or building principals. It is a program that prepares teachers for leadership among peers and excellence in the classroom. Business can help further the process through targeted backing of NBC support groups for teachers as well as recognition programs for teachers who complete their certification.
- Recruitment strategies must be changed. Often districts indicate that there is an insufficient supply of teachers, when the reality is that changing how schools recruit teachers can help. These changes include looking at alternative-route candidates though such programs as Teachers of Tomorrow and Troops to Teachers campaigns, to name two of those offered in New York State. These second-career individuals can make a difference.
- Focus recruitment strategies on key student development areas: languages other than English, technology education, sciences, career and technical education, math, bilingual and school media subjects. These are also areas that are listed as New York State's teacher shortage area.

"...to help teachers enhance their skills and expand their subject matter knowledge."

Section 5

How to Get Involved



Here are some additional ways business can get involved:

- Maintain an ongoing interest in your local community's public debate on education issues.
- Get to know the local political stance on education.
- Reach out to local leadership. Ask them their position on education issues. Let them know business people care and have ideas on the subject.
- Obtain media attention in support of education reform. For example, public speaking opportunities before civic groups, letters to the editor, meetings with newspaper editorial boards, company newsletters, etc., are very effective platforms from which to demonstrate the business community's concern about the implementation of education reform. Educate your colleagues and involve them in, your efforts.
- Serve on a local school board. Take every opportunity to articulate your business community's needs in addition to helping the schools think through and master the change processes, the data

management processes, the leadership training processes and the other pieces that are critical to rapid acceleration.

- Volunteer to act in an advisory role. Business can help schools in the areas of technology training and planning, organizational/management expertise, forecasting, consumer satisfaction – many areas that are often alien to educators and school boards. By adding your voice and influence to their efforts, you can add momentum to key reforms.
- Join a local PTA. Whether or not you are a parent of a student in school, send in dues, and think about what you can do individually and with your employees to support education.

Business coalitions working on education exist in local communities across the State and many are already working on education reform (they are easy to reach through local Chambers of Commerce). By adding your voice and influence to their efforts, you can add momentum to key reforms. Ideally, business groups in each community will have a task force or a working group with a focus on education.

A local business coalition can often help bring you up to speed on the political landscape and the educational reforms already underway. If your local community does not have a business coalition that is actively working on education reform, then urge local business organizations to address the issue, or contact The Business Council of New York State, Inc. for more information on how to get involved.

Support Schools and Educators

Engage New York is an ongoing Business Council of New York State initiative to help business leaders keep their communities focused on increasing student achievement. We want to stay in touch with you, hear from you regarding your local actions, and share what you are doing with others. The Engage New York Team is there to help you use your business expertise in ways that can best help our education system improve. Visit our website (bcnys.org) regularly and give us your email address (by emailing: margarita.mayo@bcnys.org) so we can provide you with periodic updates on developments related to high standards.

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