

ESEA Waivers Alter State Accountability Systems

Just before this report went to press, the Department of Education granted federal waivers to eleven states, allowing them to circumvent some of the requirements in the Elementary and Secondary Education Act (ESEA). Four of the eleven states are profiled in this report: Colorado, Florida, Indiana, and Massachusetts. (Ohio has applied for a waiver in the second round of requests, while California and Texas have not.) The new regulations outlined in the waivers dramatically alter existing accountability structures in some states and only tweak them in others. They do not, however, impact the essential accountability elements that we outline in this report.

To be eligible to apply for waivers, states had to address three broad principles outlined by the Department of Education. States must: (1) establish college- and career-ready standards and assessments; (2) develop accountability systems that differentiate school performance, rewards, and interventions; and (3) establish teacher/principal evaluation systems based in significant part on student achievement. The findings in this report are most affected by the second and third provisions, though surely the first one has an effect on state accountability systems as well, as we discuss in the Introduction to this paper. Though we did not have adequate time to revise our state profiles to reflect the new provisions outlined in the states' accepted waiver applications, the Center on Education Policy (CEP) *has* examined them; drawing from their research, we distill a number of general trends below.²¹

New provisions better integrate federal and state accountability. The most predictable trend is that the eleven states with ESEA waivers have designed systems to better streamline federal and state accountability regulations. As noted in a number of profiles in this report, dual state and federal systems have proven redundant, confusing, and burdensome. The waivers allow for more flexibility in setting annual objectives and intervening in low-performing schools.²² Some of the eleven states have completely revamped their accountability systems as a result; others, such as those currently operating under *Differentiated Accountability* systems (Florida and Indiana, in this report), have outlined new provisions that are more closely aligned with their current systems.²³ It is also important to note that, under the waivers, most of the eleven approved states have committed to apply accountability provisions to *all* schools, not just Title I schools.

Annual Measurable Objectives (AMOs) are no longer built on the goal of universal proficiency by 2013-14 and are no longer tied to accountability actions. For all eleven states, AMOs will no longer be based on AYP and the goal of reaching 100 percent proficiency by 2013-14. Instead, Florida has committed to reduce its number of non-proficient students by 50 percent within six years (and Massachusetts has opted for a more complex variation of this goal). Indiana has determined that all schools will receive a grade of A, or improve by two letter grades, by 2019-20. And Colorado aims to move all students to achieve at 2010's 90th percentile by 2015-16.

In many cases, these AMOs will differ by group, grade, and/or school. Some states have further expanded AMOs to include measures beyond static performance: Colorado and Florida will include additional data on

²¹ See "Major Accountability Themes of Approved State Applications for NCLB Waivers," Center on Education Policy, February 27, 2012, http://www.cep-dc.org/cfcontent_file.cfm?Attachment=Riddle%5FPaper%5FWaiverApp%5Fo22712%2Epdf.

²² CEP reports that "school districts receive little attention in the accountability provisions in the 11 state waiver plans...", though some states—including Colorado and Massachusetts—still plan to include annual objectives for states and report their progress against them. *Major Accountability Themes*, 14.

²³ The Department of Education approved *Differentiated Accountability* models for nine states in 2008 and 2009. In short, *Differentiated Accountability* allows states some flexibility in aligning state and federal accountability systems to reduce redundancy and confusion. The state and federal structures continue to operate independently of each other, but states may streamline what schools and districts are asked to do under both systems so that they are implementing cohesive strategies—not overlapping or conflicting ones.

measures such as student growth, achievement gaps, and college- and career-readiness. But now, many states will *not* use AMOs to determine accountability actions, as AYP was used. Instead, AMOs will primarily be used for reporting and/or diagnostic purposes, while other measures will be used to differentiate school performance and determine accountability actions.

Performance categories, not AMOs, will determine accountability actions and will include fewer subgroups than AMOs. Most states will establish multiple performance categories for schools and districts based on measures more complex than AYP. These measures, rather than AMOs, will be used to direct accountability actions. This should come as no surprise, as nearly all the states profiled herein already layer more detailed state-determined performance categories and consequences on top of school and district AYP status. (The four states in our report that have received waivers already have such performance categories in place.) As described in at least eight of the eleven approved waiver applications, these performance categories will be based on a combination of student performance, growth, and college-readiness data, such as dropout and graduation rates and results of SAT, ACT, and AP tests. Performance categories will be used to determine accountability actions.

Further, at least seven of the eleven states will base performance categories on only two subgroups—all students, and a single “disadvantaged subgroup”—rather than on the multiple subgroups used to determine accountability actions under AYP. In Florida and Indiana, for example, the “super subgroup” will consist of the lowest-performing 25 percent of students. In Massachusetts, it will combine low-income students, students with disabilities, and English language learners. The performance categories will be used to identify high achievers for rewards and low achievers for interventions. Only once low performers have been identified will data pertaining to subgroups be used to inform the type of interventions that might be undertaken.

To be eligible to receive waivers, states had to commit to identifying both Priority schools—the lowest-performing 5 percent (or more) of schools—and Focus schools—the 10 percent (or more) of schools with the largest gaps in achievement and graduation rates among specific subgroups.²⁴ Priority schools require the most intensive interventions, while Focus schools require some targeted interventions. To meet these regulations, Florida will designate schools with F grades as Priority schools, and those D grades as Focus schools. Indiana schools receiving Fs, or Ds and Fs for two consecutive years, will be Priority schools, while all other schools receiving Ds will be Focus schools. And in Massachusetts, Level 4 and 5 schools will be deemed Priority schools, while Level 3 schools will be Focus schools. In addition to Priority and Focus schools, states must identify high-performing Reward schools for recognition (and many states have committed to provide additional funding to these schools, contingent on future budgets). Most states will designate two types of high-performing Reward schools: one based on absolute performance and one on growth.

In short, while ESEA waivers have changed the game for states struggling under burdensome federal regulations, the waivers do not alter the general structure of a sound accountability system. Rather, the essential elements—such as performance differentiation and a system of rewards, consequences, and support—remain just as essential. While four of the systems used to inform our metric (and described in our profiles) are now different, they still serve to illustrate many of the strengths—and weaknesses—of state accountability systems.²⁵

²⁴ Waiver regulations only require that Priority schools total the lowest-performing 5 percent of *Title I schools*, and Focus schools total the 10 percent of *Title I schools* with the largest gaps in achievement and graduation rates. But, as mentioned earlier, most of the eleven waiver states have committed to applying their accountability systems to all schools, not just their Title I schools.

²⁵ As we begin to evaluate all fifty states against our accountability metric, we will re-review the states profiled here that have since received NCLB waivers.