Working Paper

Decentralizing Resources in Los Angeles High Schools –

California's Quality Education Investment Act

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Executive Summary

Gov. Schwarzenegger and the California Teachers Association struck an innovative deal in 2006 to focus about $2.6 billion on the state's lowest performing schools over a seven-year period. The resulting Quality Education Investment Act (QEIA), approved by the legislature, assumes that mandated core reforms will lift student learning: reducing class size, equalizing levels of teacher experience among schools, and hiring additional counselors. Yet during the program's early years, district officials and principals hold considerable discretion in how they allocate QEIA dollars. This is consistent with

Sacramento's recent push to deregulate some categorical-aid programs, awarding fiscal discretion to local educators.

We undertook a modest inquiry within four Los Angeles high schools to learn (1) how QEIA dollars were spent in the first year of implementation, (2) who was involved in decision-making at school and district levels, and (3) the conditions under which dollars were coherently focused on improving teaching or the instructional program. Field visits and extensive interviews were conducted during the winter and spring of 2009. LAUSD staff shared school-level data on categorical aid and job posts supported through major categorical aid programs, including QEIA.

First, we found encouraging evidence that principals, teacher leaders, and school site councils were allocating QEIA dollars to improve teaching, enrich materials available to students, or improve relationships, at times through small learning communities. Positive signs included –

- *Strengthening small learning communities.* QEIA dollars supported extra instructional hours, special workshops for students, and related SLC activities aimed at strengthening pupil-teacher relationships. Categorical aid – blended with QEIA dollars – further strengthens SLCs by bringing in employers and community college instructors to discuss job opportunities, enriching math materials, computers, and lab equipment, even leasing a reliable photocopy machine for student papers.

- *Drawing human resources from community agencies and universities* to better support students. Two schools used QEIA dollars to bring mental health specialists onto campus to work with students who suffer from family or interpersonal problems. Another school supported UCLA students who serve as academic advisors for students aspiring to enter college after graduating.

- *Lengthening instructional time.* The SLCs often hosted Saturday courses and college prep activities. One school offered special tutoring sessions to ensure that more first-year students pass algebra, given the recent state mandate. After-schooling tutoring programs were more clearly structured and better staffed with QEIA dollars. Categorical aid, in general, supports credentialed teachers and part-time tutors for these activities.

- *Instructional materials.* This ranged from calculators and laptops, to laboratory equipment in one math-science SLC, as well as supplementary readers for English classes. SLC leaders clearly articulated what materials were relevant for their courses, including college prep activities.

Second, QEIA dollars are being used to maintain current staffing levels in light of state budget cuts. The biggest single allocation of QEIA dollars was for teaching posts, often aiming to hold onto younger teachers who reportedly contribute energy and innovation to the instructional program. Some principals report the desirability of pricing QEIA teacher posts below the average salary level, which incents them to hire more teachers, which helps to reduce class size.

Third, several forces constrain the ability of school leaders to allocate QEIA dollars to instructional improvement efforts. These factors include the fragmented character of high school organizations, leading to diffuse demands from various quarters; seniority rules and frustration that many energetic and inventive teachers are the first to be laid off; the scarcity of bilingual counselors and teachers; and dissatisfaction with current professional development programs, which absorb categorical aid, including QEIA dollars.

Supportive factors bolster the efforts of school-level leaders to lift the instructional program, including small learning communities when their leadership displays specific ways of enriching pedagogy or relationships with students; district flexibility in teacher retention and hiring; smaller school size and newer facilities which appear to minimize organizational fragmentation and loss of coherence.

More research is required to see whether these patterns apply to larger populations of schools, and to understand QEIA implementation in middle schools. This program continues to unfold under sharp fiscal constraints, ongoing deregulation of some categorical-aid programs, and infusions of federal stimulus dollars. How these somewhat fungible resources are blended, and the extent to which they lift teaching practices and motivating relationships inside schools, remain open empirical questions.

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1 Backdrop – Allocating Flexible Resources in Schools and the Quality Education Investment Act

Governor Arnold Schwarzenegger and the California Teachers Association (CTA) struck an inventive deal in Spring 2006. The state courts had sided with the teachers group, agreeing that Sacramento had fallen short of the legally required level of school spending. To compensate for the gap, the parties agreed to spend about $2.6 billion on the state's lowest performing schools. The resulting Quality Education Investment Act of 2006 (QEIA) demonstrated a shared commitment to narrowing achievement gaps, focusing new resources on students who are falling behind.

The QEIA initiative – to be implemented over an eight-year period – began by supporting planning activities inside participating schools in 2007-08. Full implementation grants were awarded the following year (2008-09) – providing $1,000 per student in QEIA-participating high schools, $900 per student in grades 4-8, and $500 per K-3 pupil. This translated initially into a 12% boost in per pupil spending in QEIA schools (2007 dollars).[1] A sizeable portion of these dollars was targeted to support new teaching positions in order to reduce class size in core subject areas. During this first year of QEIA implementation, Sacramento provided $402 million to help schools meet class-size reduction (CSR) and staffing mandates, and to give principals fungible dollars to allocate in consultation with school site councils.

The architects of the QEIA deal, embodied in Senate Bill 1133, held strong views on which specific organizational changes would boost student achievement. The Act requires that participating schools must:

- Reduce class size in core instructional subjects, such as language arts and mathematics, to 25 students, or five students fewer than the 2005-06 school year.
- Be staffed by fully qualified teachers, following the state's definition that conforms to the No Child Left Behind Act (NCLB).
- Ensure that levels of teacher experience match or exceed the district average.
- Hire additional counselors to reach a staffing ratio of no more than 300 students per counselor.

In addition, QEIA also includes an alternative program in which schools receive the same amount of funding, but are not subject to the mandated elements of the legislation. Here, the state aims to understand what unfolds inside schools where QEIA dollars are entirely fungible.

To win QEIA funding, local districts nominated schools falling in the lowest two deciles on the state's Academic Performance Index (API) – the bottom fifth of California's schools in terms of student performance. Once selected through a modified

lottery process, as detailed below, QEIA schools must continue to meet or exceed API growth targets set by the state to remain eligible for funding.

Selecting QEIA Schools

Local district officials across California recommended 1,260 of the 1,455 eligible schools. These "low-performing" schools remain heavily concentrated in less than one-third of the state's school districts. They typically serve children situated in high poverty neighborhoods or those coming from non-English speaking families. The state Department of Education (CDE) designed a special lottery for picking what would be 488 QEIA-funded schools. This was not a random selection of eligible schools. Before asking questions about the program's effects we must first understand which schools were selected, along with the attributes of the students they serve. This holds implications for longer-term evaluation efforts.

The state selects QEIA schools. The Act established specific funding priorities. This controlled how the modified lottery was conducted and affects how the program's long-term effects can be studied in the future. Randomly drawn numbers were assigned to each nominated school, from 1 to 1,260. But once the lottery began, the number drawn established which *district* won the next QEIA award. This slot was then assigned to the school ranked first, second, and so on by the chosen district. Funding went first to schools bidding for the alternative program (covering just 15% of enrollments). Another initial stage in the lottery ensured that each county received at least one grant. Funds then went largely to high schools nominated by districts, in part given the incentives of winning larger per-pupil allocations. Dollars next went to middle schools, and finally to elementary schools. Savvy districts married their school rankings to the Act's priorities to maximize their draw of QEIA resources and count of selected schools.[2]

Table 1.1 details which schools were selected through this modified lottery procedure, reported by grade level. A somewhat higher percentage of middle schools proposed by districts were awarded QEIA funding, compared with elementary and high schools. Still, the bulk of funding statewide went to middle and high schools. This analysis details how most districts disproportionately put forward schools that were in years four or five of "program improvement" (PI) as defined under NCLB.[3]

Table 1.1 State funding for the nominated QEIA schools by grade level

	Elementary schools	Middle schools	High schools
Count of nominated QEIA schools	876	217	167
Funded QEIA schools	303	133	52
Percent of nominated QEIA schools funded	35%	61%	31%
QEIA funding for first year of implementation (2008-09, following the planning year)	$113.7 million	$140.7 million	$130.7 million

Sources: California Department of Education public data files (see Appendix A for details).

Selected schools reflect the student attributes of all decile 1 and 2 schools statewide, whether or not they were nominated for QEIA funding. Student enrollments in participating QEIA schools are 73% Latino, on average, with 47% of students identified as English-language learners and 78% as economically disadvantaged in2005-06. About 17% of core classes were taught by teachers who failed to meet the NCLB definition of "fully qualified" across QEIA-funded schools in 2005-06. Appendix A provides detailed characteristics about the QEIA awarded, and non-awarded, schools at the baseline year, 2007-08.

Importantly, 18 of the 52 (35%) QEIA high schools had already met the 300:1 student-counselor ratio requirement, and just over two-thirds of all QEIA schools met or exceeded the average level of teacher experience for their host district. Well over two-thirds of all participating QEIA schools had met or exceeded their API growth target in recent years. Only six schools had shed all under-qualified teachers or interns. All teachers had full credentials in 160 (33%) QEIA schools.

QEIA in the Reform Context – Guided Deregulation of School Finance

The QEIA initiative resembles earlier programs that have aimed to lift low-performing schools. These efforts variably target dollars toward specific organizational changes or instructional tools, while decentralizing authority to school-level leaders. The Obama Administration is currently pumping $2.8 billion in additional Title I (compensatory education) and special education funding into California schools, as part of the economic stimulus package. This offers two additional dollops of partially regulated aid that seek to lift the performance of students populating QEIA schools.

More broadly, state and federal leaders are struggling with how to buoy perennially low-performing schools. NCLB rules have driven a rising count of California schools into PI status – a count that far exceeds the capacity of local districts or Sacramento to effectively respond. Most so-called PI schools serve poor families and their children. Washington will likely alter how it defines failing schools, recognizing growth in student achievement and concentrating scarce public dollars on schools that display only slight progress. That said, federal and state officials continue to cast about for sustainable models of reform that might elevate these schools over time.

In this context QEIA offers a distinct model for reform implementation, with particular emphasis on the organizational dynamics of the district and schools as interacting agents around new funding and mandates. First, it wagers a fair sum of public dollars on particular interventions, which its architects believe will lift student achievement. Second, QEIA represents an unprecedented effort by the state and teacher groups to target reform dollars on poor communities. The CTA is putting significant resources into local training efforts, helping to guide implementation inside schools. The Association is also mounting its own implementation study, although their results will not necessarily become available publicly.

At the same time, QEIA stems from a long line of categorical aid programs that have promised to narrow achievement gaps across California – initiatives that have granted school principals and teacher leaders varying levels of discretion over new dollars. Superintendent Wilson Riles in the early 1970s advanced the School Improvement Program (SIP), agreeing with Washington that school staff and parents should be awarded greater authority over how education dollars are spent (originally tied to Title I funding).[4] Sacramento stills pumps $62 million into the SIP program each year (plus $352 million in one-time stimulus dollars through 2013). We detail below how QEIA dollars are commingled with SIP funding – and a variety of other categorical aid programs – to support teaching posts, counselors, instructional materials, professional development, and other school-determined priorities. These local allocation decisions variably involve the school site council (SSC), stemming from this 45-year history of categorical aid.

Similar efforts have been funded over the past decade by Sacramento, including the Immediate Intervention/Underperforming Schools Program (II/USP), followed by the High Priority Schools (HPS) effort. Evaluation evidence remains mixed for both programs, although district leadership and the quality of outside reform groups seem to condition effectiveness.[5] Many schools participating in QEIA also draw funds from the HPS program, which in L.A. involves a mix of SIP and Economic Impact Aid as well.

A similar policy shift toward awarding principals and school leaders greater control over resources can also be seen outside California. A handful of states now send dollars to schools based on a simple weighted-student formula that recognizes the higher cost of educating children from poor families, those with disabilities, or preschool-age youngsters. State governments set learning goals and proficiency standards, then deregulate control over school inputs and staffing decisions. Several urban school systems now pass down to principals and site councils a significant part of their operating budget (though not necessarily control over teacher hiring and firing), including districts like Oakland, Vancouver, Seattle, and San Francisco.[6]

This steady move toward centrally set learning objectives and decentralized control over resources stems from deep-seated forces and contested ideals over who and how schools should be run to advance effectiveness:

- School principals spend many hours ensuring compliance with all the rules and monitoring requirements attached to the multiple funding streams that have been created since the 1960s. This appears to distract principals and site councils from focusing on improving pedagogy inside the school, according to some studies.[7]

- Principals often hold little power to build and unify their teaching staff, as seniority rules and union contracts eclipse school-level discretion. In some cases, principals win control over discretionary dollars but still must accept teachers assigned by downtown personnel officials. (LAUSD and the charter school community have begun a sizeable experiment with "thin labor contracts," that afford greater flexibility around the roles and work of teachers.)

- District bureaucracies now mirror the maze of categorical-aid programs regulated from Sacramento. Ensuring compliance to spending rules becomes the main role of district managers, rather than supporting school leaders to improve teaching and learning. District staff report having little time to innovate or motivate instructional gains inside schools, preoccupied with state rules and visiting regulators.

- Sacramento finances local schools using Byzantine formulae that only a few specialists can decipher. This lack of transparency erodes public confidence in legislative decision-making. And the long-term benefits of layers of categorical aid programs – amounting to about 30% of education spending and, until recently, numbering over 70 separately regulated programs in California – have proven disappointing, according to occasional evaluation studies.[8]

- Government's fiscal and organizational capacity to lift sputtering schools continues to be quite weak. The current surge of federal stimulus dollars, from 2009 - 2011, will temporarily buoy school districts, as a sizeable portion backfills against state budget cuts. But long-term, Sacramento's capacity to support low-performing schools will be weak, suggesting that district capacity and decision-making over resources must be strengthened. And until employment rates, wage levels, and property values grow stronger, government's fiscal resources will remain highly restricted.

In a partial response to these pressures, the legislature and governor did act to decentralize control of 39 categorical-aid programs in February, 2009, totaling $4.2 billion in state allocations. This fell on the heels of sharp budget cuts – trading greater fiscal control with less funding. This decentralizing move also stemmed from a key recommendation of the *Getting Down to Facts* study panel, based at Stanford University, which had urged in 2007 to deregulate the state's categorical-aid programs. These funds, representing about two-fifths of all categorical funding streams, are now being sent to districts in a single "Ed-Flex" block grant.

At the same time, political leaders and education interest groups remain eager to press new (or old) models of school reform. The past generation of Sacramento activists and the courts have mandated smaller class sizes, aid for gifted students, a high school exit exam, inspectors to ensure available textbooks, and minimal counts of student counselors. Similarly, federal education policy has intensified highly regulated reforms, advancing more frequent student testing, after-school tutoring, and meticulous rules for how disabled students are served. Each reform effort may seem rational at the time, but as federal and state programs accumulate, the role of school managers becomes less tied to improving pedagogy or building motivating relationships with students.

The QEIA initiative – dropped into schools amidst these cross currents – represents a hybrid model. On the one hand, its architects remain confident in mandating that all participating schools reduce class size, hire more counselors, and raise the experience levels of teachers. These core elements will allegedly lift teacher motivation and student performance. On the other hand, a significant portion of QEIA dollars can be used at the discretion of principals, teacher leaders, and site councils. We detail below the extent to which QEIA resources are pegged to required teaching and counselor positions, and how

school leaders distribute remaining fungible dollars. In the final sections of this paper, we examine how these converging strategies play out in changes to instruction and the specific support students see in their schools.

Initial Concerns with QEIA – Pointing to Research Questions

Since its inception, the QEIA reform model has been controversial. The legislature's Democratic majority was supportive, given that CTA preferred to focus dollars on low-performing schools, promising to narrow achievement gaps. Yet by early 2007, the Legislative Analyst's Office (LAO) was raising questions about the potential effectiveness of the program model. LAO staff argued that the efficacy of similar programs, such as the HPS effort, remained unproven. The CDE had already been charged with implementing a panoply of over 70 categorical-aid programs, many focusing on the same students. And expensive elements of the QEIA mandates, especially class-size reduction (CSR), had shown tepid effects on student achievement inside elementary schools. Still, unlike QEIA, which targets resources on low-performing students, the statewide CSR program has been implemented in all districts, rich and poor

Our study was *not* designed to inform broad questions regarding the long-term effects of the QEIA program.[1] Instead, we simply focus on first-year implementation within three urban high schools, plus one comparison school that had yet to receive any QEIA funding but enjoyed categorical aid from parallel programs. Our team examined how the QEIA program is being understood by school principals and teacher leaders inside Los Angeles high schools, and how they are allocating fresh infusions of QEIA resources, including job posts and discretionary dollars. Our fieldwork does not speak to whether QEIA is working overall or not. But we do illuminate the extent to which school actors see it as a bounded program, how they allocate new posts and dollars, and the extent to which they believe that QEIA is providing resources that address core weaknesses of their schools.

Coherent Innovation as Budgets Shrink?

Just as the QEIA program was getting underway, state revenues began to decline as the nation's recession hit California with severe job losses and sharp pain in the housing sector. The state's deteriorating fiscal health, along with two waves of education cuts (in February and July, 2009), has affected how principals and school leaders think about QEIA resources, especially as many tried to retain teaching positions while also making some progress is reducing class sizes in core subjects.[2] Let's look briefly at the history and current severity of this fiscal decline.

Gray Davis, the former state senator, became governor in 1998, as California's "dot-com boom" persisted. State revenues continued to grow, stoked by increasing personal

[1] Despite committing $2.9 billion to the QEIA program, when including the community college element, neither the governor nor the legislature has yet to support an independent evaluation.

[2] Moving into the 2009-10 school year, districts with QEIA-funded schools were being asked to allocate federal Title I dollars to backfill a one-year suspension of state funding for QEIA activities. This budget act provision extended the life of QEIA by one-year to meet court-mandated requirements.

income and enormous capital gains realized by investors and beneficiaries of a rising housing market. Gov. Davis pushed through the ambitious Public Schools Accountability Act of 1999, which began pumping more money into the public schools. Senate Democrats, concerned over whether the Davis program would narrow achievement gaps, created the II/USP program, focusing new dollars on low-performing schools while requiring school principals to craft individual reform strategies.

Figure 1.1 displays changes in school spending from California's Proposition 98 guarantee, including state and local (property tax) revenues. After peaking at just over $50 billion in 2007-08, still in the wake of the dot-com boom, the Great Recession quickly hit the state's economy, dragging down state and local tax revenues. Spending under the Prop 98 guarantee fell by 14% in just one year (2008-09). Over the past two years, K-12 expenditures are estimated at stable levels but at this much lower baseline.

Figure 1.1 Recent trends in California Prop 98 spending on K-12 education (current $ millions)

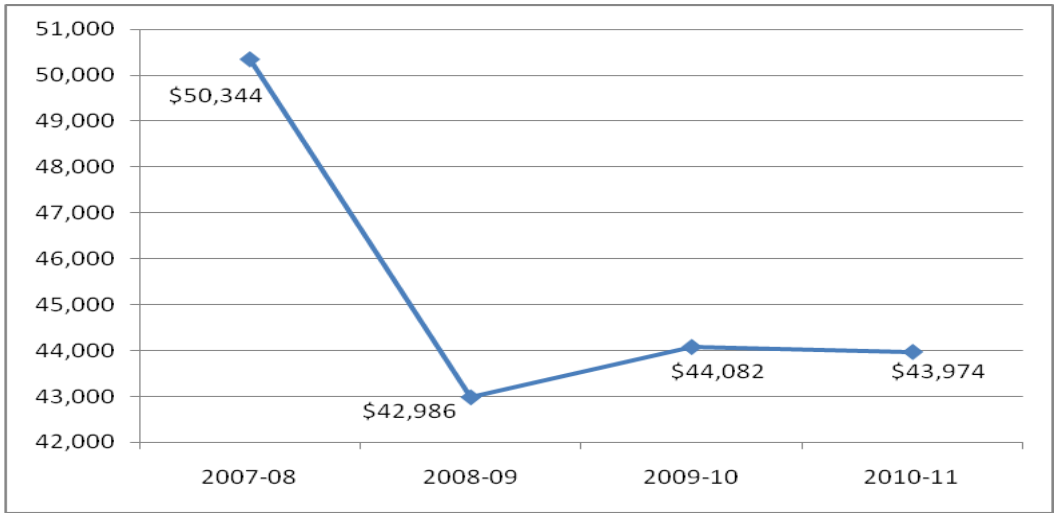

Table 1.1 details historical spending levels on K-12 education, along with statewide enrollments and expenditures per pupil – and from all state and local sources, not limited to the Prop 98 guarantee. Spending initially climbed from about $5,400 per student in FY1999 to $8,657 in FY2008. Support then began to fall, dropping back to $7,049 per student the following year. During the upswing, California's K-12 education spending rose from about 47th in per pupil spending, when compared to other states, to the middle of the pack, at 32nd. We began visiting L.A. high schools within this deteriorating fiscal context, during the 2008-09 school year.

Table 1.1 Historical spending patterns: all state and local sources for K-12 education and enrollment patterns, FY1999 – FY2010

	Spending from all state and local sources, excluding facilities dollars (billions $ current)	K-12 enrollment	Spending per student ($ current)

1998-99	$30.9	5,727,303	$5,400
2000-01	$38.9	5,951,612	$6,535
2002-03	$38.3	6,147,375	$6,226
2004-05	$43.5	6,298,769	$6,898
2006-07	$51.5	6,286,943	$8,159
2007-08	$54.3	6,275,569	$8,657
2008-09	$46.5	6,252,011	$7,049
2009-10	$44.1 [Estimate]		

Study Aims – Crafting QEIA inside High Schools

We first aimed to examine how school-level actors *interpret the aims* of QEIA, and the flexibility they experience when it comes to allocating these resources. Veteran teachers and principals have seen many reforms and funding streams come and go. Some categorical aid programs have persisted, like federal Title I dollars for compensatory education, or SIP funds to support site councils and modest reform efforts. Management of these funds has become institutionalized within urban high schools. We typically found a full-time employee in L.A. high schools responsible for keeping track of, and creatively blending, these various channels of aid. Most recently, new dollars have flowed into many of these same high schools when they fall into "program improvement" status under NCLB, showing insufficient progress in raising test scores.

As new QEIA dollars have arrived over the past two years – first for planning and then to implement each school's own initiative – principals and their site councils have blended this funding stream with the others. QEIA differs in that a significant portion of funding must be used to hire new teachers, lower class size in core subjects, and hire additional counselors. But in the early years of implementation, this new funding stream offers highly fungible resources, much like the parallel channels of funding. So, the end-users of QEIA dollars – counselors, teachers, and staff inside schools – come to see this effort as yet another funding source, not a clearly focused program. It's simply another font of fairly flexible funding, as detailed below. (Optional: could start section here.) Given this historical context, we first examined how school-level actors *interpret the aims* of QEIA, and the flexibility they experience when it comes to allocating these resources.

Second, we followed the money. That is, we examined QEIA *expenditures* in three of the four participating high schools. Each school was taking steps in 2008-09 to reduce class size in core subjects and hire additional counselors. Yet schools varied in which new posts were funded in this first year of implementation. This shaped the count of dollars that remained for flexible allocation – from supporting small learning communities, longer instructional sessions, professional development activities, and other efforts. A fourth participating school, not yet funded under QEIA, served as a comparison school, as detailed below.

Third, we set out to understand the *contextual forces* and dynamics within schools that shape *decision*s regarding what posts or cohesive efforts received QEIA dollars. QEIA aims to give school-level leaders control over fresh resources – constrained by the mandated components of the program. To what extent do these mandates and other

policies limit the authority of principals, teacher leaders, and school site councils? How might other contextual forces – especially the overall fiscal health of LAUSD – further limit the discretion of school actors? Within these parameters, what kinds of forces arise within or outside these high schools – politically complicated institutions – which help to further explain how QEIA dollars are spent?

Our fourth goal was to examine the instructional shifts and supports that have emerged within the context of QEIA and the other convergent reform approaches. How are school leaders creatively using these funds to improve learning conditions for students? What strategies are being used to personalize school experiences for students, and do students feel any more engaged in their classes because of these changes?

We next turn to the empirical work we carried out in the Los Angeles Unified School District (LAUSD). How did LAUSD officials mobilize to nominate schools for QEIA funding, guide early implementation, and continue to provide oversight and coordination across QEIA-funded schools? Then, we describe our basic research methods and present key findings, stemming from our interviews of principals, teacher leaders, students, and other administrators inside each of the four high schools.

2 Implementing QEIA in Los Angeles

Los Angeles selects QEIA-funded schools. LAUSD, like other large urban districts, put forward a list of eligible decile 1 and 2 schools, candidates that went into Sacramento's modified lottery for selecting a final set of QEIA-funded schools. School rankings were based on a need index that factored in family poverty levels, historical API trends, and the number of years each school had been in "program improvement" status under NCLB rules. The school's classroom capacity, necessary for meeting the CSR mandate, was factored into the district's rankings as well. The district ranked high schools at the top of the list by incorporating level-of-instruction into their need index, and prioritized high schools for participation in the alternative program as well, aiming to experiment without the class-size reduction and other mandated constraints.

After the lottery was completed, LAUSD had won funding for 88 schools, driven largely by the count of decile 1 and 2 schools located in the district. This included 19 high schools, 9 of which were drawn for the alternative program.[9] So, 9 of the QEIA-funded LAUSD high schools had to meet class size, student counselor, and teacher experience mandates, while 10 schools obtained fully fungible aid.

Table 2.1 displays basic attributes of the 10 high schools that received QEIA funding under the regular program, ranked from highest to lowest need by LAUSD planners. These schools serve predominately low-income families. Those on a single-track calendar had recently benefited from enrollment relief, as new high schools opened nearby. Still, several schools remain severely overcrowded. Test-score trends had been generally flat in these schools, with the exception of Dorsey and Locke. All 10 schools were in year 5 of program improvement at the time of selection (not shown). The additional 9 schools, selected for the alternative QEIA program, look quite similar along these attributes.

Table 2.1 QEIA-funded schools under the regular program by school need index, 2007

	Enrollment 2006-07	API decile rank 2005	Students, lunch subsidy 2006-07	Met API growth target, 2005-06	Calendar tracks
Belmont	4,359	1	83%	No	3
Washington Prep	2,896	1	69%	No	1
Crenshaw	2,314	1	61%	No	1
Roosevelt	4,778	1	83%	No	3
Los Angeles	4,405	1	66%	No	3
Wilson	2,877	1	80%	No	1
Locke	2,771	1	78%	Yes	1
Dorsey	1,996	1	67%	Yes	1
Lincoln	2,793	1	81%	No	1
Hollywood	3,111	2	72%	No	3

Sources: California Department of Education public data files (see Appendix A for details).

A few newly built schools joined the QEIA program in the fall of 2009-10. The district argued that funding should follow low-performing students as they move from an overcrowded to a freshly opened school. Our comparison school opened its doors in Fall 2008 and began receiving QEIA funding a year later. While the comparison school enrolled students quite similar to the three QEIA-funded schools, it was not yet participating in the program during our visits in 2008-09. The school did, of course, receive categorical aid from other sources, as detailed below.

Local implementation gets underway. Following the CDE's modified lottery, planning activities began in Los Angeles and around the state. QEIA planning grants were distributed to selected schools in 2007-08, with first year implementation underway by 2008-09. Our field visits to four LAUSD high schools were conducted during the first six months of 2009, that is, the second half of this initial year of implementation.

A QEIA implementation plan crafted by senior LAUSD staff was in place by summer 2007, soon after CDE had completed the statewide lottery. That fall, LAUSD headquarters staff convened the area superintendents, principals, and site council chairs to explain QEIA's core mandates and how QEIA funds would go to schools alongside other streams of categorical aid. Given the CTA's historical involvement in shaping QEIA, district leaders included school representatives of the United Teachers of Los Angeles (UTLA) in training sessions as well. The CTA hosted workshops on QEIA implementation, coinciding with Sacramento's release of planning grants for the 2007-08 school year.

Each participating QEIA school was required to build a "single plan for student achievement". The district pushed each principal to a discussion with key school leaders

on how the expanding pot of categorical aid could best enrich instruction and student engagement. A variety of possible activities were suggested by district officials worthy of QEIA support. [10] These included "examine student work" and " analyze test results", or "implement A-G requirements" (courses required for admission to either the UC or CSU system), "design service learning projects", "achieve vertical alignment in instruction and assessment", and (implement) Small Learning Community activities and instruction". School leaders would presumably pick and choose from among these options.

LAUSD's categorical-aid managers pressed similar priorities with principals and teachers. District leaders continue to focus on eight major funding streams received by elementary and high schools, including federal Title I dollars, Title III funds for English learners, state Economic Impact Aid, and QEIA. Most schools also receive state SIP to support their site council, and low-performing schools may receive High Priority Schools or School Assistance and Intervention Team funding from Sacramento. District staff issued guidance that urged "School Site Councils (to) participate in the budget development process," and referenced "the Cortines Action Plan" which sets forth the superintendent's benchmarks for showing growth in test scores.[11] Beyond meeting the QEIA-specific mandates, we generally heard from principals on how these new dollars were blended with other sources of categorical aid, then pegged to school-wide priorities shaped by various stakeholders.

The district suggested various scenarios for how funding streams might be combined inside schools to advance instructional reforms.[12] Scenario 2, for instance, urged principals to hire a "limited contract teacher" to provide in-class interventions for English learners. Scenario 5 emphasized the use of classroom aides to support college-prep tutoring for promising students. Scenario 6 suggested hiring a "bridge coordinator" to focus on low-performing students. In these ways, district leaders offered a menu of different organizational models, each generally tied to lifting the quality of instruction, or enriching school-level staff that would be available to work with low-performing students, either inside regular classrooms or other settings.

3 Field Work in L.A. High Schools – Illuminating How School Staff View QEIA

Selecting high schools in Los Angeles. To inform our research questions, we worked with LAUSD officials to select three QEIA-funded high schools that serve youth from lower-income families. We decided that conducting similar interviews with staff inside a non-QEIA funded high school would be informative as well, and selected one comparison school.[3] All four schools are situated within urban parts of LAUSD. We agreed that pseudonyms should be used to identify schools, encouraging candor and transparency in our conversations. The four names we use to refer to the schools in our study are Wallis, Town, Adams, and New – our comparison school.

[3] This school was new and benefited from students who moved from their previous, QEIA-funded schools, bring their QEIA monies with them in the year following our fieldwork.

District officials worked with each principal to explain the scope of the study and to ensure trust with local administrators. We conducted interviews with principals, teacher leaders, and other staff at each of the four schools. Detailed budget data were made available both by district leaders and principals, as well as school site plans and other documents relevant to understanding how QEIA dollars were being allocated, along with the actors, priorities, and forces that influenced these allocation decisions. Interviews took place during the first full year of QEIA implementation. Most school staff members were quite candid in responding to our interview questions.

Aspects of the study. We included close-ended survey questions to yield quantifiable data on a variety of issues, from the school's overall climate and safety, and how teachers responded to smaller classes, to whether they found QEIA-funded professional development (PD) activities to be useful. Remember that a sample of four high schools is small, prohibiting broad claims and generalization to other schools and districts. Our findings are presented below in the spirit of offering early feedback to district leaders and school managers on how implementation of QEIA is unfolding and how school-level activities might improve. We seek to understand how school-level stakeholders – when given control over a larger portion of their budget – come to interpret and allocate flexible dollars. This involves detailing how resources are used and the antecedent forces that shape allocations.

Illuminating the viewpoints of school leaders. Given that our research questions focused, in part, on who's influential in shaping QEIA allocations and how decision-making unfolds inside the school, we interviewed a variety of key actors:

- Principals
- Categorical aid coordinators
- Department chairs or lead teachers in small learning communities (SLCs)
- Chapter chairs of the United Teachers of Los Angeles
- Teachers in core subjects
- Counselors

To learn more about the school context we also conducted student focus groups at the four schools, in an effort to learn whether students are noticing changes in teaching practices or school climate that might be the result of QEIA funding. Table 3.1 details the count of school-level actors that we interviewed, varying across the schools. We discovered that a variety of teachers are involved in QEIA-funded activities. Department chairs or lead SLC teachers often coordinate class-size reduction, innovative instructional efforts, and professional development activities, as detailed below. Yet these leaders also report lower job satisfaction, averaging a score of 2 on a 4-point scale (with 4 being high). On the other hand, classroom teachers benefiting from these reforms, yet not leading them, displayed stronger job satisfaction (scoring a 3 or 4 on the same scale).

Again, these sample counts are small. But they suggest that those coordinating change efforts may be more burdened and experience fewer direct benefits than teachers not heavily involved in implementation.

Table 3.1 Count of principals, teachers, and other school staff interviewed, spring 2009

	Principals	Teachers	Counselors	Categorical aid coordinators	Student focus- group participants
New	1	6	1	--	6
Wallis	1	3	--	1	9
Town	1	1	1	1	4
Adams	--	3	1	1	9

QEIA budget data in the context of other categorical aid. We gathered year-end budget and spending reports for each of the three QEIA schools. Budgets for major categorical aid programs were compiled for all four schools – helping to put the QEIA funding stream in the context of various categorical-aid dollars flowing to each school.

Interview questions – interpreting QEIA, decision-making, allocating resources. Our interview questions – across school leaders and staff – focused on these topics:

- Budget planning and spending
- Interpretation of QEIA goals and mandated program components
- Implications for classroom facilities
- Experiences with teaching smaller classes
- Experiences with counseling services
- Professional development
- Teacher community, contact, and communication
- School climate
- General QEIA implementation
- Personal background information

Interview questions were tailored to fit the roles of particular actors. For example, the questions for teachers differed from the topics covered with principals; our interview protocol for the categorical-aid manager was narrower than that conducted with teacher leaders and union representatives. Our interviews with the principal and staff at the comparison school also differed from the protocol followed by staff at the QEIA-funded schools.

Data analysis. Each interview was conducted by two members of our four-member team, allowing us to take detailed field notes, record quantifiable responses to the structured portion of questions, and maintain a running flow of comments and quotes from each interviewee. Quantifiable scales were used to measure certain kinds of variables, including background attributes of teachers and administrators, multiple measures of school climate, and gauges of how teachers perceived various positions or programs funded with categorical-aid dollars. These data were used in building the tables appearing in this report. We organized our qualitative interview data – based on team-

wide reviews of field notes – into contextual factors that may have influenced decision-making around QEIA dollars, actors who were involved in shaping QEIA allocations (or categorical aid spending more generally), and the posts or coherent instructional changes that were funded by QEIA during this first year of implementation.

4 Organizational Contexts – Another Funding Stream Drops into L.A. High Schools

The young QEIA program – from Sacramento's vantage point – displays crisp goals and sharply defined program elements, from reducing class size to hiring additional counselors. District leaders around the state must track how QEIA dollars are spent, and they must meet achievement growth benchmarks to keep their schools in the program. The CTA continues to highlight the importance of this ambitious experiment and monitor progress through union locals. Sitting high above local schools, QEIA remains a clearly identifiable program.

But the picture blurs as QEIA funds enter complicated high school institutions, replete with other funding streams, organizational habits, and a variety of political pressures from teachers, site councils, and parents. So, whether QEIA maintains its programmatic integrity once these dollars flow into a wider pool of funds and competing demands from diverse stakeholders remains a basic question.

This section describes facets of the school context which tend to complicate the life of QEIA inside high schools. First, we report data from the teacher interviews and student focus groups which describe the social climate of each school, including the level of academic expectations and student engagement. Second, we detail existing flows of categorical aid, including how QEIA funding fits into the picture. Elements of these tandem contexts – the social and the fiscal – are interwoven in many schools. The availability of fungible dollars legitimates a lively discussion over which jobs and programs should be sustained, and which may wither. Some teachers, for example, report that smaller classes offer them the chance to get to know their students better. Some teachers say they are also using the smaller classes in order to group students in ways that enhance learning. In one school, categorical aid – including QEIA funding – is helping to enrich small learning communities, from protecting teacher posts to supporting seminars and social events, which served to strengthen social relations.

Academic and social climate. To better understand the daily climate and norms of each school, we asked participating teachers a series of questions (both scaled and free-response). Our less structured conversations also yielded additional information about expectations for academic engagement and the character of student-teacher relationships. Table 4.1 summarizes the quantifiable indicators yielded by our interview protocol.

Table 4.1 Selected indicators of school climate, reported by teachers (mean scale scores)

	All teachers (n=9)

"Students are well behaved and eager to learn" (1=strongly disagree, to 4=strongly agree)	2.8
"When I prepare well for my classes, I feel that students respond eagerly and learn." (1=strongly disagree, to 4=strongly agree)	3.1
"My students feel comfortable about their own safety while in the school." (1=strongly disagree, 4=strongly agree)	2.8
"I feel that my school is a safe workplace" (1=strongly disagree, 4=strongly agree)	2.9

Teachers repeatedly distinguish between whether their students are friendly and well-behaved versus being academically oriented and well prepared. One teacher said, "Overall we have good kids. We don't have a lot of fights. But they're not strong academically." Teachers commented on how many pupils come from families with, what they saw as, weak literacy traditions. Others commented on teens' strong engagement and how many respond to the SLC structure. "It's pretty awesome. I know every student that walks by my door." And another teacher, one who recently moved to New School, said, "we are much happier (compared to her old school), emphasizing that the new facilities and the SLC structure made for much stronger, more personalized working conditions.

Students describe school climate. We conducted student focus groups at all four schools. The typically feisty students that participated in these sessions eagerly described their school's climate and daily routines. Overall, they feel safe while in school, and students at Town feel their school was often unfairly labeled as a "ghetto school." This sentiment was echoed by students at Adams. One student there said "It sucks that even South Central people think it's a bad school—bad reputation—ghetto." Another Adams student noted that journalists are quick to publicize a negative event at her school, but positive happenings go unreported. "When something bad happens, they're here. But when something good happens, forget it."

The students express respect for teachers who take time to get to know them and treat them like young adults, giving them the freedom and responsibility that come with adulthood. Some students at Adams argued for increases in funding for school spirit and extramural activities. Students at another school were eager to extend their economic lessons into the local community—well aware of how conditions of poverty shape problems both inside and outside their school.

Asked what they would urge the governor to do, if given the chance, some students said that he should spend a day inside their high school and see how it works. One student at Town said that the governor needs to "…wake up his robot body… if he really cared, he'd visit our school." Some students indicate a view that the outside world has forgotten about them.

Teachers describe their working conditions. We asked teachers how they feel about various facets of their daily work. They did not report ideal working conditions (Table

4.2). Sampled teachers award mild endorsement to questions regarding their feeling of being supported by their colleagues and principals, having adequate access to resources, and being part of a school community that facilitates learning.

Table 4.2 Selected indicators of working conditions, reported by teachers (mean scale scores)

	All teachers (*n*=9)
"Fellow teachers are friendly and eager to work together." (1=strongly disagree, 4=strongly agree)	2.5
"The principal is supportive of his/her teachers." (1=strongly disagree, 4=strongly agree)	3.2
"The school facilities are clean, in good shape, and support a learning community." (1=strongly disagree, 4=strongly agree)	2.8
"When I need instructional materials, time to plan, or other support, I feel that I can get it." (1=strongly disagree, 4=strongly agree)	2.8

Historical levels of categorical aid. Pre-set fiscal structures further define the context into which QEIA dollars flow. This goes back to the mid-1960s when California schools began to receive federal Title I dollars, aimed at lifting the performance of low-achieving students. Layers of categorical aid have grown more numerous over the past four decades. Table 4.3 reports the amount of *budgeted* categorical funding from three major sources during 2008-09 school year. These figures do not necessarily match *spending* during the same year. Principals may carry over unexpended funds to the following year. Still, these figures illuminate the levels of aid that are allocated at the discretion of principals, often in consultation with the school site council, teacher leaders, and parents.

Title I funds continue to be the single largest source of categorical aid. State Economic Impact Aid (EIA) falls close behind as the second biggest source. Total amounts of discretionary aid were significant before the arrival of QEIA dollars, as seen in Table 4.3. Per pupil spending varies substantially among the four schools.

Table 4.3 Categorical aid budgets in dollars by major source excluding QEIA, 2008-09

	Title I - NCLB (federal)	Economic Impact Aid (state)	Aid for English Learners (state and federal)	Total budgeted	Total spending budgeted per student
New	$378,000	$196,000	$48,000	$622,000	$546
Adams	$680,000	$401,000	$107,000	$1,188,000	$603
Town	$926,000	$183,000	$169,000	$1,278,000	$403
Wallis	$1,548,000	$826,000	$209,000	$2,583,000	$558

Note: Aid for English learners includes a portion of state EIA dollars and federal Title III funds. Source: LAUSD.

How QEIA dollars are spent. Resources flowing from the QEIA program exceed the level of Title I funding for each of the three high schools that participated in our study. Yet QEIA funds are less flexible, given the mandated program components. Table 4.4 details the extent to which QEIA dollars support a variety of school-level staff. At Wallis, fully 24 FTE teaching posts were supported by QEIA funds in the 2008-09 school year. A significant number of support staff is funded as well, from clerical assistants to overtime hours for custodians.

Table 4.4 Full-time equivalent (FTE) teaching and staff positions funded by QEIA, 2008-09

	Instructional coaches, advisors	Teachers – class size reduction	Counselors, psychiatric social workers	Support staff
Adams	2	11	2	8.7
Town	1	9	5	8.5
Wallis	2	24	2	16

Source: LAUSD.

Table 4.5 displays the dollar cost of staff positions and other end-uses for QEIA funds during the same year, 2008-09. Some schools appear to be moving toward the CSR objective more rapidly than others, reflected in the count of teaching posts funded. Wallis – a large school in terms of student enrollment – allocated over $2 million to fund its 24 new teaching positions. Town puts proportionally more dollars into counselors and instructional materials or equipment. Classroom coaches or well-paid instructional counselors also represent a significant spending category. Normative class sizes, of course, conditioned the extent to which QEIA dollars were allocated in the first year to new teaching positions. Also, principals differ on whether they prefer to move quickly or slowly toward the class-size or counselor-ratio mandate. This, in turn, determines how much discretionary QEIA money remains for other activities.

Table 4.5 QEIA budgeted allocations by job post or activity, 2008-09 ($ thousands)

	Adams	**Town**	**Wallis**
Improving teaching and teacher posts (CSR mandate)			
Instructional coaches	$211	$124	$256
Teaching positions	$820	$832	$2,054
Professional development (PD)	$50	$150	$365
Instructional materials	$281	$1,930	$2,183
Counselors and psychiatric social workers	$191	$323	$162

Operational support staff	$444	$582	$698
Other activities and budget reserve*	$238	$288	$414

*Adams also budgeted $84,000 for facilities renovation in 2008-09.

Institutionalized job roles. A final key element of school context further controls how QEIA dollars – and organizational reforms – are conceived and implemented inside schools. This pertains to how the roles of teachers and counselors are cast, including the duties and relationships that adults enact. In three schools, for instance, the college counselors and psychiatric social workers performed tasks that are distinctly different from what general counselors do. The latter group is typically preoccupied with checking whether students are earning enough units to graduate, addressing discipline problems, and performing administrative chores. The former group – college advisors and social workers – perform more specialized tasks, as their titles imply.

This holds implications for the legitimacy of additional posts, potentially supported with QEIA dollars. At one school the college advisor job is considered an easy one, given the low share of students who go on to college. Thus, psychiatric social workers were deemed more relevant, given many students' family or interpersonal problems. At schools where SLCs are seen as attractive and effective organizations in which to teach, these units gain more QEIA funding. So, the legitimacy of these kinds of subunits within schools also to shape the flow of QEIA and other categorical aid.

5 Steps Toward Meeting QEIA's Mandated Components

We turn next to how school leaders allocate QEIA dollars to meet the required elements of the program – reducing class sizes in core subjects and enriching the student-to-counselor ratio. Preexisting conditions, as mentioned above, make a big difference in the urgency with which principals and others rush toward meeting mandated staffing targets. First, we show how these school leaders interpreted the legitimate uses and fungibility of QEIA dollars. Second, we focus on this variable pace of movement toward implementing QEIA's mandated components.

Tacit Routines and Assumptions about QEIA Resources

Various interpretations of the purposes and allowable uses of categorical aid take hold in the hearts and minds of school staff. QEIA is no exception. Downtown LAUSD leaders were quite clear in explaining the CSR and counselor mandates, along with the fact that district leaders are intent on lifting the performance of high schools, buoyed by infusions of QEIA funds. (The specific details of CSR within the context of QEIA are included in Appendix B for reference.) At the same time, principals well understand that they have three years to implement the mandated elements. So, given the sharp cuts in teaching posts made by LAUSD officials over the past two years, maximizing the fungible portions of QEIA funding became a high priority in the first year of implementation. This shaped how QEIA came to be interpreted and adapted to meet each school's staffing needs.

Meanwhile, a colorful mix of stakeholders in complex high schools express a variety of needs – only a portion of which are directly related to classroom instructional or teaching quality. At one school the principal pointed out that parents' number one priority, as voiced through the SSC, was to tighten security during the early morning hours. Parents were concerned that errant youth or drug dealers would move through the school's front gate without sufficient staff to check all entrants. This would require modifying the front steel doors and paying for additional staff time, or eating into the time of counselors. In addition, all four principals talked about using categorical aid to retain existing teachers or support staff, including clerical assistants – essentially back-filling against successive years of staff cuts.

Another frequently mentioned priority was teacher professional development. A substantial share of categorical aid dollars is already allotted to PD efforts inside the participating schools. Principals and teachers alike assume that this is one area in which large amounts of categorical aid can be spent. This may involve weekly or biweekly sessions organized by the principal or teacher leaders. Some dollars also support teachers who attend conferences.

Yet few teachers interviewed report feeling that PD programs are effective, or even engaging. Part of the problem, they say, is that high school teachers work within their subject specialties; so, the general discussion of pedagogical techniques often fails to resonate across subjects. Some teachers now report identifying mainly with their SLC, not necessarily with the school as a whole, a notable success of LAUSD leaders' recent commitment to smaller units of students and teachers. But this means that required, school-wide PD sessions for all teachers are simply ineffective, according to several teachers that we interviewed.

Some schools, like Adams and Wallis, contract with private firms to run PD activities, including regular sessions on curricular content, discipline, and pedagogical methods. We heard several complaints that this is even more divorced from teachers' everyday work than other efforts. So, while PD is a highly institutionalized recipient of categorical aid—now including QEIA funds—its attractiveness and effectiveness in lifting pedagogical quality remains questionable in the experiences of the four high schools we studied.

Another underlying worry expressed by several staff members is whether available counseling services are truly responsive to the needs of contemporary students. First, a shortage of Spanish-speaking counselors was reported in multiple schools; so many Latino students cannot talk comfortably with their counselor. Second, some principals have been purchasing social-work services with categorical aid, given the limitations of LAUSD's stock of counselors. Other staff members reported that college counselors insufficiently motivate students to prepare for entering postsecondary education. So, while QEIA requires richer counseling staffs, their roles and competence in assisting teens on various fronts is being debated among teachers and principals.

These concerns are often discussed within the SSC as categorical aid becomes available within the school, as well as with teacher leaders, parent groups, and via

conversations with the principal. At times the union representative seemed central to the decision-making process; at other times the representative was viewed as just another teacher eager to express his or her priorities. All told, the principal faces a panoply of demands, which argues for keeping QEIA (and other categorical-aid) dollars as fungible as possible. And while the principal may pursue a deliberative conversation about how to set priorities – even how to better focus QEIA funds on instructional improvement – perennial and deep-seated problems or demands may quickly soak-up categorical aid.

Reducing Class Size

A core tenet of the QEIA initiative is that shrinking class sizes in core subjects will boost student test scores. By the end of year 3, class sizes in English, math, science, and history must average 25 students, or five fewer than the baseline year.. The three QEIA-funded schools had already "purchased" additional teachers, to preserve teaching posts (given budget cuts and lower class sizes. Some principals talked of conserving QEIA dollars in the early years to ensure that sufficient funds remained to fully meet the class size mandate. Others spoke of the counter-instinct: to spend categorical aid monies while they were available, because they may be cut next year or simply go away. Some principals also purchased additional teachers from the district at a lower cost than average to maximize the count of posts.

Principals at the three schools were funding a total of 44 teaching posts with QEIA funds during the first year of implementation, as reported in section 4. The bulk of these positions were assigned to core subject areas and reportedly lowering class sizes. This objective clearly competed with other demands expressed by school leaders. For example, another 33 clerical and support positions were funded, seemingly unrelated to instruction. A small portion of these posts did help to support SLCs, but most did not, according to those we interviewed. So, principals and site councils clearly took steps toward meeting the CSR mandate by year 3. But at the same time, they were also trying to retain considerable portions of QEIA dollars to flexibly allocate to other priorities within their schools.

Principals faced several challenges as they moved toward the CSR mandate. This included pre-existing teacher or curricular structures, facility constraints, multiple political demands from various stakeholders, and the "re-norming" of budgeted staffing levels by district officials. This re-norming issue also limited how QEIA dollars could be allocated for counseling posts as well, detailed below.

Prior organizational structures and instability. All LAUSD high schools should be implementing small learning communities (SLC), given this mandate from the district board of education. So, principals were required to divide teachers and students into between four and 10 largely separate, units. At New School, each SLC is housed on its own floor. Students do take courses outside their home SLC. A school, for example, may offer an algebra class in four or five separate SLCs, or an English-as-second-language course may enjoy high student demand, given that it's offered in just one. When the task is to reduce class size in core subject areas, the SLC organizational structure presents unanticipated challenges. One principal reported that class sizes were already low in

science and social studies classes, and any further reduction would not be cost-effective. Meanwhile, some popular elective courses enrolled well over 30 students.

Another challenge faces schools that remain overcrowded and still operate multiple tracks – despite the district's ambitious building program. –. This was the case for one of our QEIA-funded schools. In order to reduce class size in algebra classes, for example, three or four different principals must figure out how to buy additional teachers across the tracks.

The principal at Adams emphasized that QEIA and new federal stimulus dollars created an unusual feeling of fluidity. Schools were losing posts "to the district office," as he put it, with overall budget cutbacks. But they could "buy back" teaching positions with fungible chunks of categorical aid. But with posts and people in flux, this principal argued that holding teachers accountable for student performance had become more difficult. "All this time teachers benefit without accountability of student achievement," he said. Teachers are able to float… (they) don't have to make API at all. They won't change until they feel the pinch." He also wondered whether teacher migration across schools may increase as a rising share of teaching posts are supported by less stable sources of categorical aid. While QEIA rules require that schools meet growth targets, pressing individual teachers to lift achievement becomes more difficult under conditions of uncertainty.

School facilities. We heard few worries about facilities constraints in implementing smaller classes in core subjects. This was the initial year of implementation, but overcrowded conditions may come into play as principals move more aggressively to meet the CSR mandate in year 3. LAUSD planners, prior to bidding their schools in the lottery, did assess whether certain facilities were too tight to be considered for QEIA funding.

The opening of new high schools is relieving pressure on previously overcrowded schools. But for now, classroom space remains limited at some QEIA-funded schools, and a number of them will struggle to meet the CSR mandate. The principal at New School complained that, "Next year we will use traveling teachers and have teachers double up to implement CSR. Special ed teachers are in a co-teaching model, and have their own classrooms; they will start sharing classrooms next year."

Multiple channels of political influence. Principals vary in who they think exerts the most influence over QEIA allocation decisions. The principal at Adams reported that he was *the* major decision-maker when it came to the distribution of all categorical aid. Yes, he talked with his SSC, but he typically proposed specific funding ideas and successfully pressed his case.

In sharp contrast, the principal at New School, our comparison school, reports several constituencies to which she tries to be responsive, steadily using her SSC as a place to discuss spending ideas. Parents are "always worried about security and safety issues," and were pushing the SSC to better secure the front entry way, and put more staff at the front gate to guard against intruders. Leaders of the school's SLCs had already pressed for

a variety of activities funded with pre-existing categorical funding streams, including a Saturday morning prep class for the state exit exam, social and team-building activities outside of class for students populating the SLCs, and more science equipment.

The counseling staff at New School is divided over what kind of support students need most. Some fear that the college counselor is underutilized, while students with personal and family problems have to wait to see a single psychiatric social worker. Several teachers complain that most counselors are overly focused on patrolling the grounds and making sure students sign up for appropriate courses. So, amidst these several demands – only a fraction of which is linked to enriching instruction – the principal has crafted a package of various activities, funded with multiple sources of categorical aid. In this regard, QEIA has become yet another welcomed funding source.

The constituencies' many demands are situated in deeper institutional structures. Once LAUSD decided to establish small learning communities in all high schools, this created a new interest group, which now places claims on categorical aid. The steady erosion of teaching and administrative-support posts in recent years means that QEIA and other categorical aid programs have become ripe sources for preserving job positions, even before reducing class sizes or mounting coherent instructional reform efforts (e.g., lengthening instructional time or instituting Saturday classes). The roles of general counselors, college advisors, and psychiatric social workers also appear to be highly institutionalized. So, principals and SLCs have had to expand these positions within pre-set categories, often reinforced by labor contracts. Thinking inventively about staff roles or how to organize stronger relationships with students becomes tightly restricted by these institutionalized practices.

Approaching the Counselor Mandate

The QEIA legislation requires that high schools employ one counselor for no more than 300 students by the end of year 3. Remember that 19 of the district's 51 QEIA-funded schools had met this mandate prior to entering the program. The counselor-staffing mandate certainly guards against further staff erosion in these schools. We saw in section 4 above that our three QEIA-funded schools were supporting nine additional counselor positions during the first year of implementation. At least two schools have worked out cooperative agreements with community agencies or universities to bring in additional counselors, as discussed below.

The principal at Adams uses QEIA dollars to support a psychiatric social worker, a college counselor, and an assistant principal to focus on discipline issues. The principal at Wallis allocates QEIA funds to support a half-time career counselor and a full-time public school attendance (PSA) counselor to boost student attendance rates. At Town School the principal reported hiring "three to four" counselors and plans to boost this to six additional counselors. The New School principal decided to delay hiring counselors, given her student population. She emphasizes how the school needed "bilingual counselors, so we waited out all of the displaced counselors, to get more flexibility. But (we) plan to hire two for the following school year." This mismatch between LAUSD's

pupils and the available pool of counselor candidates remains worrisome, especially given the range of academic and interpersonal challenges that confront students.

The roles of counselors vary greatly, as new posts are created with QEIA funding. Table 5.1 summarizes how principals and counselors define their role. In some cases, the staff feels that skilled counselors are addressing pressing personal and academic problems. In other cases, they complain that counselors are 'pushing paper,' signing-off on student schedules, or performing mundane administrative tasks.

Table 5.1 How counselors view their major activities (mean scale scores)

How much time do you/the counselors spend on the following? (1=no time, 4=a lot of time)	
Discipline	1.8
Organizing school activities	2.2
Student class schedules	2.5
Talking with students about college	2.7
Helping students with social or personal problems	2.3

The principal at Town School raised the question of how counselors could help "individuals (students) maximize their potential," moving away from the traditional role of "programmers." Similarly, the principal at Adams wants to see his counselors working on "getting to know the kids… (to) work more with students and less with paper." With a higher staffing ratio and the addition of specialized counselors, the staff is trying to reduce time spent on discipline issues and take on a more proactive role in supporting students. The SLC structure appears to advance this goal as well, providing scaffolding for personal and respectful relationships between teachers and students.

Still, hiring additional counselors who fail to engage youths, or simply become preoccupied with mundane tasks, will not likely strengthen student engagement. The categorical-aid coordinator at Adams emphasizes that the school...

> "It would be better if we had different people. Attitudes still need to shift … as far as having high expectations for students and knowing that they can live up to that. There is still some mis-programming happening. They [the counseling staff] are the weakest link right now. We have one who is very good… two of them are bonkers."

The work and priorities of counselors appear to be shaped by whether school leaders are committed to academic quality, strengthening relationships, and propelling larger shares of students into college or postsecondary options.

"It leveled the playing field"

QEIA's architects hoped to award fresh resources to low-performing schools. But considerable portions of these funds were used in year 1 to back-fill against state

cutbacks, reductions usually felt in terms of reduced teaching posts. As the categorical-aid coordinator at Adams notes, "(it) doesn't feel like supplemental. Instead, it feels like it leveled the playing field, (bringing) us up to a core level." The head counselor at Town School says that QEIA funds were needed to mitigate against the district's re-norming of budgeted positions. "QEIA [mandates] are killing us. The district norm for counselors went from 450:1 to 500:1 and that makes us having to purchase more counselors (given the QEIA mandate of 300:1). The funding gap may simply be too big if district norms remain so high." That is, with the district thinning-out required staffing levels ("norms"), more categorical aid must be dedicated to meeting the QEIA staffing mandates. This draws previously fungible resources away from locally determined priorities, displaced by the mandates set in Sacramento by QEIA's original architects.

Some principals face similar problems in filling teaching positions. When the SLC mandate came down from the district board, class sizes had to be reduced. But in year 1 of QEIA implementation, these dollars were now being allocated to maintain staffing norms for the SLCs, rather than to further reduce class size. Principals are forced to simultaneously meet differing mandates set in Sacramento and by the LAUSD board. The coordinator at Adams mentions a similar obstacle: "We are buying more positions this year because of budget cuts, just to maintain 08-09 levels. We needed to buy six new teachers just to keep the same levels." And neither the QEIA staffing mandates, nor funding levels, are adjusted in light of shifting fiscal conditions.

Worries over Professional Development

Teachers and counselors hold strong, largely negative, feelings toward conventional forms of professional development (PD), as indicated above. These conversations – while intersecting how QEIA and other categorical funding is allocated – often became quite animated and broader in scope. One commonly heard message is that PD programs very often fail to address a specific content area or subject matter. Many interviewees point out that due to the structure of faculty meetings, relevant content cannot be addressed in a useful way. SLCs are also mentioned as a reason why—because of their inherent structure—professional development held during faculty meetings is not specific enough to be helpful to the entire staff. For example, one teacher at New School strongly disagrees that professional development advances his subject-matter knowledge, saying:

> "Professional development is ridiculous. It needs to focus on content of subjects. It's every Tuesday. The principal runs it; the SSC has a person to head up review of the PD options. We'll break into SLCs; then our AP leads the sessions. There is a lead teacher in each SLC and they run it for their group."

Counselors, generally speaking, are equally dissatisfied with professional development. They express the feeling that professional development hardly ever addresses their needs and concerns. One counselor at New said, "We need to discuss real issues, not what gets shoved down our throats."

In contrast, principals and categorical-aid coordinators show greater confidence that teachers have access to high-quality PD activities. When asked how they support their staffs with QEIA resources, principals say they give teachers the opportunity to engage in

professional development. The principal at Town says that she "prioritizes teachers to take advantage of the time that is built into the schedule for their professional development, as well as using weekly minimum days for an hour of PD."

But the disconnect remains wide between how school administrators and teachers view PD options. One counselor at New School said he was regularly "offended" by professional development meetings. When asked whether or not PD sessions offer a refreshing break from the daily routine, he went beyond disagreement:

> "It's comical. We make a game of it. We don't need to have a game to tell us the points. Poster boards on the wall? I hate that stuff. Teachers hate that stuff—we don't want to be belittled in a meeting."

This commentary generally represents the views expressed by other teachers and counselors across the four schools.

Students indirectly express views on a teacher's mastery of subject matter. While students were not asked about teachers' content knowledge, they did provide some insight. When asked to talk about their favorite classes, and what teachers in those classes do, one student at Town stated:

> "Our English teacher is good. She gets us involved in class discussions and doesn't lecture too much. She takes the job seriously and explained difficult material well. We get to study relevant current topics."

Students also recognize teachers' comparative levels of expertise, valuing those who put more effort into their pedagogy and ability to engage the class.

Addressing pedagogical practices. Ideally, rising levels of categorical aid, including fresh QEIA funds, would focus in part on enriching pedagogy and student engagement. Yet several teachers report that PD efforts rarely focus on how best to improve teaching or classroom management – at least not in ways that engage them. The department chair at Wallis told us that plenty of sessions are held that focus on "...literacy and cognitive coaching, (but) there is not enough focus on instructional changes." One example is how little PD focuses on methods of teaching fewer students or smaller groups. So, QEIA is moving schools toward a structural change – smaller classes in core subjects – but PD activities fail to address this notable shift.

The Town principal counters that, while smaller classes offer an improvement in working condition for teachers, most teachers and the union are "creatures of comfort," and do not alter their pedagogy in return. "Teachers don't want to change their practices, because they're comfortable." However, some teachers report that they want more relevant and stimulating PD activities to help them with this change. The math teacher at Town said, "I would welcome professional development on smaller classes. We could get trained on differentiated instruction, especially for new teachers. We need more than just one lesson."

We asked structured questions about how teachers rate specific elements of PD sessions inside or outside their schools. Table 5.2 summarizes these results. These quantifiable results tend to confirm teachers' generally sour view of current forms of professional development. It is again worth noting that our sample of teachers is quite small, and these findings should not be considered suggestive of broader trends. We also see some variability among the three QEIA-funded schools. But scores remain low overall, indicating fairly negative evaluations of current forms of PD, often funded with QEIA dollars.

Table 5.2 Teachers rate professional development (mean scale scores)

"Professional development sessions…	New	Adams	Town	Wallis	All teachers (*n*=10)
Provides useful ideas on how to improve my pedagogical practices." (1=strongly disagree, 4=strongly agree)	2.0	2.0	2.0	3.0	2.3
Advance my knowledge of the subject matter." (1=strongly disagree, 4=strongly agree)	2.5	1.3	1.0	2.7	1.7
Provide training on how to work in with smaller classes." (1=strongly disagree, 4=strongly agree)	2.5	2.3	1.0	2.0	1.9

How Students View Teachers and Pedagogy

Students were not asked directly about teachers or pedagogical practices during the focus groups. Yet they inevitably talk about what does and does not motivate them in school. Students say they like classes in which teachers show a genuine interest in their learning. For example, one student said "the teacher, he wants you to learn… and he'll motivate you. If you fail, he asks. [He's] not just a teacher, he's a friend." This signals the importance of social relationships as the foundation for more attractive pedagogical practices, through students' eyes. Some students express their acceptance of teachers who seem honest—even humble—and open to pupils' viewpoints and feelings.

One student at Wallis commented that "the teacher is in his first year, and he admits he's learning with the students and that he makes mistakes." Another Wallis student contrasts that to other teachers, saying that these "other teachers act like 'you can't correct us' even though they are wrong. We don't want stubborn teachers. We want teachers who can accept our insight." Another student from Wallis described why he "hated" his chemistry class:

> "I would ask for help and he would make me feel dumb, gave bad looks and his writing was like chicken scratch. He wouldn't wait for others to catch up. In 90 minutes [block scheduling] he would give two assignments per day with 10-minute lessons. He thought we were supposed to pass the test. He kicked people out, and that's the opposite of motivating."

The preponderance of rote learning received poor reviews by several students. One student at New stated that "in biology, there were questions and we had to get the answers, but we didn't learn." Students at Wallis equally dislike teachers "who went off topic" and "talked too much about their personal life" during instructional class time. Students are rarely consulted when principals and school staff shape professional development sessions, but they clearly have a lot to say in terms of what pedagogical practices, and kinds of relationships, they find motivating. Our study was not designed to carefully examine the implementation of PD programs inside high schools, yet given the amount of categorical aid plowed into professional development – increasingly with QEIA dollars – serious rethinking may be in order.

6 Coherent Organizational Change – At Times Related to Instruction

School leaders do report several reforms which – if sustained at potent levels – could advance student engagement and achievement. Investigating how such institutional changes affect the daily experiences of students and teachers is well beyond the scope of our study. But these mindful reforms offer encouraging news, and suggest the importance of sustained research inside a wider array of schools that benefit from largely fungible categorical aid.

This section discusses two particular kinds of reforms that principals, categorical-aid coordinators, and teacher leaders across the four participating schools think are making a difference for students. First, we heard much about how teachers valued the first year of class-size reduction in core subject areas. Second, we observed repeated examples of innovative efforts to enrich learning for 9th graders, from advancing initial orientation sessions, and building stronger relationships through small learning communities (SLCs), to lengthening instructional time.

Before detailing these efforts, let's briefly review those organizational reforms that may enrich student engagement and boost achievement. These encouraging initiatives were inconsistently observed across the schools, but they do illustrate how QEIA and allied categorical aid is, at times, directed toward coherent efforts that touch the daily experiences of students. Each of the following organizational changes was mounted by at least one participating school:

- *Building SLC structures* in which QEIA dollars support extra instructional programs, including Saturday sessions, as well as social activities that strengthen relationships between students and teachers. Categorical aid supports SLC's in a variety of ways, from bringing in community college instructors to discuss job opportunities to simply buying a reliable photocopy machine.

- *Drawing human resources from community agencies and universities* to better support students. Two schools use QEIA dollars to bring mental health specialists onto campus to work with students who suffer from family or interpersonal problems. Another school supports UCLA students who serve as academic advisors for students aspiring to enter college after graduating.

- *Lengthening instructional time* in different ways with QEIA funds. This includes preparation sessions for the high school exit exam, offered after school or on Saturdays. One school offers special tutoring sessions to ensure that more first-year students pass algebra, given the recent state curriculum mandate. Categorical aid helps to support credentialed teachers and tutors for these activities.

- *Purchasing instructional materials* with QEIA funds, These range from calculators and laptops, to laboratory equipment in one math-science SLC, as well as supplementary readers for English classes. In this way, QEIA helps LAUSD deliver higher quality instruction within the new SLC organizational structure.

CSR and Classroom Change

When asked how QEIA funding influences their teaching or activities, teachers invariably discuss the impact of smaller class size. Teachers report that smaller classes allow them to "reach more students" and give them "a better ability to group students" or "have success with groups." Teachers also state that smaller classes make providing students "one-to-one attention more manageable," and help them "address ELL students, since they are intimidated and hide." Furthermore, teachers say the benefits of smaller class size include "being able to personally assess kids," "focus on someone who is struggling," and "interact with ELL students." A teacher at Town notes that smaller classes allow him to "give more complex exams" and "focus more on teaching," since there were "less bad kids, so less monitoring behavior."

Asked more specifically about the major benefits of smaller classes, teachers also note that smaller class sizes create opportunities for more efficient student grouping. For example, one teacher at Wallis said small classes allow for "more groups and projects" and another at Town said that group work was "more hands on." The same teacher even noted that having less students in a class created more physical space for the grouping of students, allowing him to "jump from group to group to help."

When teachers were asked about specific ways they alter their classroom practices, or try to innovate, they often emphasize the stronger nature of relationships. One teacher at New School, for instance, said that she "made sure all the students knew each other", and that she can have "one-on-one conversations with a student and we can revise a paper sentence-by-sentence." A teacher at Wallis said that she engages in more "student-centered planning," giving students "more choice" and receiving "more input from students." These changes are noteworthy and may reflect tighter student engagement. Still, just one teacher (at Adams School) directly answered the question, saying that smaller classes allow the chance to experiment with new pedagogical instructional methods, such as "engaging my students in more Socratic seminars and reading-based discussion, and lengthen(ing) discussion time."

Instructional Methods – Student Grouping

While several teachers report that smaller classes provide more orderly environments and help to build stronger relationships with students, they say that *how* they teach is not

necessarily changing. They report being able to do *more* with each student in smaller classes, but we detect few changes in pedagogical practices, as reported on the survey or through our less formal interviews. While they may be using new student grouping arrangements, how this strategy is used in their teaching is not always clear. One teacher at Wallis said that he gives students "a question to work together on," then present to the class. A teacher at New School stated that his groups were "homogeneous" and he left "them alone in their groups," whereas a teacher at Town said his groups were "heterogeneous," and he paired a "strong student with a weak one (to) get them to work together."

Another teacher at New School said he uses a "reciprocal model of teaching where students teach each other… we split up the roles." A teacher at Adams said that he puts his students "in groups to complete work or to complete projects." The use of student grouping does seem purposeful, even inventive at times, but such practices do not consistently stem from having fewer students in the classroom. For example, one teacher at Adams said, "With groups, I get them started, then they are on their own. They come to me for what their group needs. Groups as a whole produce, I'm more of a facilitator." One Town teacher echoed this, saying that he does not "answer quickly when (students are) working in groups, so they can figure stuff out."

A teacher at Wallis hinted at using grouping as a way to differentiate instruction by stating that grouping makes him "aware of differences within groups" and allows him to "modify based on student needs, but generally all groups have the same activity." In contrast, a teacher at New used groups as a tool for classroom management:

> When they are in small groups, I can spend time with each group. Then, we can use what each small group learns to help the whole class. There is less noise, so it is easier to hear discussions and easier to see what they are doing, so I can help. Each group is responsible for their behavior. Smaller classes mean a bigger buffer space.

Overall, most teachers are thankful for the QEIA funding of smaller classes. It improves their working conditions. Whether is stimulates more innovative or effective practices remains an open empirical question.

Inventive Efforts for First-Year Students

In the case of two participating schools, the planning of QEIA-funding activities has prompted fresh thinking about discrete programmatic changes – focused on the experience of first-year students.

Off-campus freshman orientation. The three (fact check) principals at Adams School report how QEIA dollars support a weekend event for incoming freshmen. The purpose of the orientation is to ensure that students experience a smooth transition into high school by introducing them to each other and key staff, discussing academic expectations, and responding to student worries. School staff, teachers, and students all mentioned this approach toward orientation in quite positive tones.

This reflects a common view among principals and teacher leaders that categorical aid should be spent to help strengthen relationships between students and teachers, and among student peers. Whether this discernibly affects learning and test scores remains an open question. But all participants, at least with regard to the orientation experiment, feel that such activities strengthen student engagement. *Student retention academy*. A related innovation is aimed at sustaining the engagement of first-year students, in light of the significant dropout rate among 10th graders who often fail classes and become disengaged. Town School leaders created a small, personalized off-campus academy charged with helping students make up failed 9th-grade courses while keep pace with 10th-grade work overall. The special academy also focuses on improving study skills and preparing students for the transition back into the regular Town School in 11th grade. QEIA funding supports a richer staff ratio at the academy, as well as instructional materials. School leaders and counselors praise the academy's success, citing a 95% success rate, while serving about 100 students each year.

Despite its programmatic success the Town academy has faced contractual issues over its off-campus space. It was slated to move to the main campus the following year, threatening to erode its success as a separate, highly personalized organization, according to Town's principal. She feels that academy students were thriving because they were in a nurturing, small-school environment away from the peer pressures and larger classes found on the main campus.

7. Unbending Constraints – Categorical Aid and the Frozen Structure of High Schools

We noted earlier how the allocation of QEIA dollars can be constrained by the entrenched roles and habits that often characterize high schools. Overall, the QEIA initiative does appear to yield discernible benefits on staffing patterns inside the three funded schools – protecting teacher posts, reducing class sizes, and making counselors more available to students. At the same time, the allocation of categorical aid, including QEIA funds, tends to be slotted into dominant structures and deep-seated routines.

Rethinking pedagogical practices, or how to engage students more deeply, represent difficult challenges for teachers and school managers who labor under already demanding conditions. (Bruce, this following sentence seems out of place. It's mixed in with a lot of talk about the barriers teachers face. It might work better somewhere else. LAUSD's shift to small learning communities is creating new organizational possibilities in some high schools.

Beyond the fiscal and organizational demands raised earlier, three additional impediments became evident as we interviewed teachers, staff, and students. These sticky elements of high schools may further limit the benefits of QEIA funding. This includes how teacher seniority rules (under labor contracts) affect the ability of principals and SLC coordinators to build strong teams of teachers; the scarcity of bilingual counselors and other staff; and how small learning communities can inadvertently fracture the spending of categorical aid, rather than encouraging school-wide reform efforts.

Seniority rules. Many principals and teachers note the demoralizing loss of young, energetic teachers as budget cuts have unfolded in recent years. Even with the additional infusion of QEIA and federal stimulus dollars, schools were losing teaching posts in 2008-09, and this meant laying-off those with the least seniority. One principal largely blamed the union and the chapter chair that vigilantly made sure that "bumping rights" are respected as lay-offs occur in her school. The principal likened the union to an "employment agency," and believed that the United Teachers of Los Angeles is more concerned with protecting older teachers and maintaining small classes, than "serv(ing) students." There was nothing she could do to protect the younger teachers. This is especially devastating for principals of newly opened schools, who often assume that they can build a fresh, dynamic team of teachers.

Another principal celebrated the fact that QEIA funding is covering 16 new teaching posts at his school. But he emphasized that he has had little say in deciding which teachers would survive the most recent round of cuts. He spent months interviewing and selecting new teachers, cultivating a strong sense of camaraderie among his youthful staff. But the district was now telling him which teachers to lay-off, and who would be "bumped" into his school from the outside, all under inviolable seniority rules.

The students we interviewed at Adams are quite aware of the dynamics of budget cuts and seniority rules. One student said, "new teachers are part of the positive change. They bring new ideas and they can relate (to us)." Students also understand the impact of budget cuts on jobs. One said, "South Central schools get affected more by budget cuts because teachers leave." One student questioned the dedication of teachers. "Teaching in South Central? Good luck," he said. Teachers are scared. We don't bite." Another bluntly said, "We want the teachers that don't like it here to leave."

Scarcity of bilingual staff. Counselors express strong concerns about their limited ability to communicate effectively with Spanish-speaking parents. One problem frequently reported is the requirement of counselors to reach out to parents to discuss so-called A-G (University of California and California State University) college entry requirements. While some counselors have bilingual skills, many do not have the appropriate language skills for the community in which they work. At one school, counselors are bilingual in Korean and English, but not in Spanish and English. At another school, where Latinos represent over 85% of the student population, two of the four counselors are bilingual in Armenian, which represents 10% of the student body. To mitigate against this problem, one of the counselors recruits bilingual student interns from UCLA to help communicate with parents and first-generation youths.

QEIA dollars appear to help in reducing the shortage of bilingual counselors by funding additional positions. Yet seniority rules limit the discretion that principals can exercise in recruiting counselors with requisite skills from the downtown personnel office. Even if principals had more control the district appears to suffer from a scarcity of counselors with the cultural and linguistic knowledge to effectively serve non-English speaking students, or even to relate to contemporary youths.

Students report frustration in gaining access to a counselor who is knowledgeable about college and other postsecondary options. One student at Wallis said, "college apps are due, and we're off track (multiple tracks still operate in this overcrowded school), and there is no one to help us, so we have to help each other." Another student also reported a problem with counselor assignments within the SLC structure; counselors not linked to a particular SLC refuse to see the SLC's students. "They say stuff like, 'well, (you're) not my student, (I) can't really help you'."

SLCs and segmented school spending. The majority of teachers, students, and principals we interviewed are enthusiastic about the benefits of small learning communities. One student at Wallis said, "I like the small learning communities. It makes it easier for learning. Our school is overpopulated, so the idea of a large crowd in a class (makes it)… difficult to stay on task." Another student added, "Teachers know you, (with) less students to worry about." A third student stated, "counselors can really help you get the right classes." Another emphasized, "…you get comfortable, like a whole family." Another student said, "friendships in the SLC help not to put us down."

Yet the SLC structure at times creates new tensions among staff, and at times appears to fracture how principals allocate categorical aid. The department chair at Wallis recommends that new teachers be experts in their subject area. In contrast SLC heads focus more on the "teaching philosophy" and how the candidate might improve relationships with students. Therefore, teachers may feel split loyalties between their subject department vis-à-vis the SLC to which they also belong. In turn, this cuts into principals' own efforts to build coherent teacher communities, and to get everyone working towards the same ends. We observed that strong members of particular SLCs now make demands on principals to allocate QEIA and other categorical aid to their units, working against school-wide reform efforts.

Principals in the middle. It's the principal – responsible for distributing expanding pots of categorical aid – who must mediate among various stakeholders. Some of these constituencies press priorities or institutional reforms from the outside, including the downtown LAUSD office, parents, community groups, and reform organizations. Other stakeholders operate from within the school, including members of the school site council, the counseling staff, department chairs, and the union representative (potentially backed by the UTLA). Given these varied and often vocal constituencies, it's easy to understand why some principals scatter categorical aid dollars across a variety of activities with little coherence, with only tenuous links to the instructional program.

The district's SLC initiative is not necessarily a negative development inside high schools. SLC leaders request categorical aid for curricular improvements, Saturday classes, and activities explicitly aimed at strengthening relationships with students, as we detailed in section 6. Yet we have seen how QEIA and other categorical funds are typically scattered across job posts, instructional materials, uneven PD efforts, and new counselors. The fact that SLC organizations place even more demand on categorical funds may strengthen or splinter coherent organizational reforms.

8 Decentralizing School Finance – Early Lessons from Los Angeles

Policy makers and reformers accent the importance of agile and innovative schools – advancing clear missions and motivating pedagogies crafted by local educators – to elevate student achievement. School-level control of resources, no longer hampered by centralized regulations or thick labor contracts, will result in less bureaucracy and stronger investment in teacher and classroom quality, these advocates argue. In short, central governments should establish demanding learning standards, then de-regulate to let local educators implement effective strategies to motivate students and teachers alike.

California is pursuing this reform strategy on several fronts. The growth of charter schools offers one method for decentralizing the finance and governance of neighborhood schools. In Los Angeles, the district is experimenting with pilot schools, modeled after Boston, which grant principals control over resources and personnel practices, while operating under thin labor agreements. And for the entire public system, Sacramento has moved to deregulate about $4.2 billion in previously restricted categorical aid, under the Ed-Flex program. The Obama Administration has proposed consolidating several categorical aid programs, and moving away from a regulatory, compliance mentality.

The Quality Education Investment Act offers a hybrid model of sorts. Its designers hold faith in *specific* forms of investment that they believe will pay-off – lowering class sizes, hiring more counselors, and equalizing the distribution of experienced teachers across schools. QEIA also focuses scarce dollars on the lowest performing students, a major shift in teacher union priorities.

Perhaps the biggest lesson is that when policy makers attempt to give school-level leaders greater control over resources, the devil remains in the details. And these details pertain not only to the features of the QEIA program but also the institutional structures into which a decentralizing effort is dropped.

We did observe school principals, site councils, and teacher leaders who allocated QEIA dollars to activities that were directly related to student learning or classroom quality. Remember that we conducted our interview during the first year of implementation, so CSR and other mandated staffing targets were not yet pressing.

- *Strengthening small learning communities.* QEIA dollars supported extra instructional hours, special workshops for students, and related SLC activities aimed at strengthening pupil-teacher relationships. Categorical aid – blended with QEIA dollars – further strengthens SLCs by bringing in employers and community college instructors to discuss job opportunities, enriching math materials, computers, and lab equipment, even leasing a reliable photocopy machine for student papers.

- *Drawing human resources from community agencies and universities* to better support students. Two schools used QEIA dollars to bring mental health specialists onto campus to work with students who suffer from family or interpersonal problems. Another school supported UCLA students who serve as academic advisors for students aspiring to enter college after graduating.

- *Lengthening instructional time.* The SLCs often hosted Saturday courses and college prep activities. One school offered special tutoring sessions to ensure that more first-year students pass algebra, given the recent state mandate. After-schooling tutoring programs were more clearly structured and better staffed with QEIA dollars. Categorical aid, in general, supports credentialed teachers and part-time tutors for these activities.

- *Instructional materials.* This ranged from calculators and laptops, to laboratory equipment in one math-science SLC, as well as supplementary readers for English classes. SLC leaders clearly articulated what materials were relevant for their courses, including college prep activities.

In addition, QEIA dollars were used to maintain staffing levels in light of state budget cuts. The biggest single allocation of QEIA dollars was for teaching posts. And principals often moved to hold onto younger teachers who reportedly contribute energy and innovation to the instructional program. Some principals report the desirability of pricing QEIA teacher posts below the average salary level, which incents them to hire more teachers. This helps to reduce class size. QEIA dollars can be rolled over from year to year, offering greater flexibility for principals who are focused on long-term strategies to lift student achievement.

This brings us back to the devil in the details. LAUSD's willingness to give principals greater authority over the mix of teachers selected or retained, using QEIA dollars, rewards principals who are trying to enrich their staffing mix. At times, this incentive moved them to blend other categorical aid to advance staff quality.

QEIA's partial focus on additional counselors also encouraged school-level leaders to rethink the mix of advisors that would best serve students, including college counselors, discipline-focused adults, and counselors who focus on students' interpersonal and behavioral problems. The program does require allocations to the counselor function, but within this domain it prompts educators to make their own decisions on how to best aid students.

In short, *how* policy makers craft the decentralization of resources, and how districts implement the policy amidst a panoply of other funding streams, creates varying incentives for careful deliberations and decisions inside schools.

Decentralizing initiatives are necessarily lowered into complex district and school organizations. Under extreme fiscal pressures, for instance, district officials often take advantage of fiscal flexibility without passing it onto principals and school-level leaders. This is understandable, but it fails to test the theory of action: that school leaders will make the most effective decisions in allocating resources. QEIA is being closely watched by many stakeholders, so districts seem reticent to "sweep up" unspent dollars. But collateral dollars coming through other funding streams, like Title I, are being held at the district level to understandably balance budgets.

We observed institutional features that may be enhancing the effectiveness of QEIA investments. The growth of Small Learning Communities in L.A. high schools over a human-scale structure for considering how best to allocate QEIA and other categorical aid. Some school already had in place strategies for lengthening instructional time, such as Saturday classes, afterschool programs, and prep sessions for the high school exit exam. QEIA, then, helped to amplify these pre-existing organizational structures.

Finally, several negative devils in the details were observed – institutional or economic forces that a solo program or single decentralization effort will not likely overcome. Some principals were forced to use QEIA dollars to retain teaching posts, essentially back-filling against the severe cuts in state spending. Some principals seemed to be responding to a variety of fragmented demands being made by teaches and administrative colleagues alike. Significant portions of dollars are going to important functions that remain distant from teaching and learning processes. The micro-politics of schools – especially in the absence of strong instructional leaders – can lead to resource allocations which are unlikely to boost teacher motivation or student performance.

And QEIA in one sense is simply another funding stream with some restrictions and some flexibility, through the eyes the four school principals. They understand that the dollars can be rolled over, aiding longer term planning. They get that certain staffing targets must be met in out years. They see that the teachers union holds special interest in the "program". But principals and site councils endeavor to meet a variety of funding demands with an array of categorical aid programs. Thoughtful leaders blend these sources to address coherent priorities. And this may mean that the identify of each funding stream blurs.

Appendix A. Characteristics of nominated and selected QEIA schools statewide

Table A.1 Performance of nominated QEIA schools by award status, 2007-08

	Awarded schools		Not awarded schools	
	n	**Percent**	**n**	**Percent**
PI status				
NA	21	4.3	39	5.1
In PI	412	84.4	577	74.7
Not in PI	55	11.3	156	20.2
Years in PI				
NA	21	4.3	39	5.1
0	55	11.3	156	20.2
1	12	2.5	63	8.2
2	35	7.2	128	16.6
3	44	9.0	73	9.5
4	101	20.7	143	18.5
5	220	45.1	170	22.0

Sources: Authors' analysis based on data from California Department of Education school program improvement status data files. Retrieved July 16, 2009, from http://www.cde.ca.gov/ta/ac/ay/aypdatafiles.asp.

Table A.2 Characteristics of students and teachers in nominated QEIA schools by award status, 2007-08

	Awarded schools	Not awarded schools
	Average percent	Average percent
Characteristics of students		
African American	1.2	0.6
Native American	3.6	3.4
Asian	0.6	0.5
Filipinos	1.2	1.1
Hispanic or Latino	74.5	74.6
Pacific Islander	6.1	6.7
White	1.4	1.2
Multiple or No Response	11.4	9.8
ELL students	47.3	47.1
FRPM eligible students	82.2	78.9
Students with disability	10.7	10.3
Socioeconomic Disadvantaged students	87.4	85.7
Characteristics of teachers		
African American	13.5	13.0
Native American	2.7	3.2
Asian	7	7.6
Filipinos	4.1	4.5
Hispanic or Latino	30.1	31.6
Pacific Islanders	3.2	3.5
White	53	52.8
Multi or No response	5.4	5.5
Doctorate degree	2.9	3.3
Master's degree plus 30 or more semester hours	16.8	18.7
Master's degree	16.7	17.6
Bachelor's degree plus 30 or more semester hours	52.6	54.2
Bachelor's degree	23.1	21.4
Less than bachelor's degree	3.1	3.4
Teachers with full credential	93.1	94.0

Sources: Authors' analysis based on California Basic Educational Data System (CBEDS) enrollment by ethnic group and school data file for race/ethnicity. Retrieved July 16, 2009, from http://dq.cde.ca.gov/DataQuest/downloads/sifenr.asp.

California Department of Education *Language Census (R30-LC) of English learners by* grade and language data file for English language learners. Retrieved July 16, 2009, from http://www.cde.ca.gov/ds/sd/lc/fileselsch.asp.

California Department of Education Free and Reduced Price Meals Program (FRPM) and California Work Opportunity (CalWORKS) data file for students eligible for free or reduced-price lunch. Retrieved July 16, 2009, from http://www.cde.ca.gov/ds/sh/cw/filesafdc.asp.

California Department of Education adequate yearly progress data file for students with disabilities and socioeconomic disadvantaged students. Retrieved July 16, 2009, from http://www.cde.ca.gov/ta/ac/ay/aypdatafiles.asp.

California Basic Educational Data System (CBEDS) Professional Assignment Information Form (PAIF) data file for teacher's background. Retrieved July 16, 2009, from http://www.cde.ca.gov/ds/ss/cb/filespaif.asp.

Table A.3 Whether the nominated QEIA schools met some of the QEIA requirements by award status, 2007-08

		Awarded schools		Not awarded schools	
		n	Percent	n	Percent
In high school, student-to-counselor ratio no more than 300:1					
	No	34	65.4	90	78.3
	Yes	18	34.6	25	21.7
Whether each NCLB core class was taught by highly qualified teacher in accordance with NCLB					
Overall	NA [a]	1	0.2	15	1.9
	No	286	58.6	423	54.8
	Yes	201	41.2	334	43.3
Elementary school	NA [a]	1	0.3	5	0.9
	No	119	39.3	272	47.5
	Yes	183	60.4	296	51.7
Middle school	NA [a]	0	0.0	9	10.7
	No	116	87.2	60	71.4
	Yes	17	12.8	15	17.9
High school	NA [a]	0	0.0	1	0.9
	No	51	98.1	91	79.1
	Yes	1	1.9	23	20.0
Whether average teaching experience meets or exceeds the average teaching experience at the same type of school in the district [b]					
Overall	Unknown [c]	0	0.0	287	37.2
	No	161	33.0	143	18.5
	Yes	327	67.0	342	44.3
Elementary school	Unknown [c]	0	0.0	142	24.8
	No	101	33.3	124	21.6
	Yes	202	66.7	307	53.6
Middle school	Unknown [c]	0	0.0	54	64.3
	No	43	32.3	10	11.9
	Yes	90	67.7	20	23.8
High school	Unknown [c]	0	0.0	91	79.1
	No	17	32.7	9	7.8
	Yes	35	67.3	15	13.0
Whether the school meets or exceeds its API growth target					
Overall	Unknown [d]	14	2.9	33	4.27

	No	127	26.0	207	26.81
	Yes	347	71.1	532	68.91
Elementary school	Unknown [d]	6	2.0	13	2.3
	No	70	23.1	145	25.3
	Yes	227	74.9	415	72.4
Middle school	Unknown [d]	4	3.0	10	11.9
	No	38	28.6	23	27.4
	Yes	91	68.4	51	60.7
High school	Unknown [d]	4	7.7	10	8.7
	No	19	36.5	39	33.9
	Yes	29	55.8	66	57.4
Average percent of grade levels met class reduction targets (core classes only)					
Overall		-	39.5	-	40.4
Elementary school		-	58.7	-	51.3
Middle school		-	9.8	-	5.2
High school		-	3.8	-	8.5

Sources: Authors' analysis based on California Basic Educational Data System (CBEDS) enrollment by ethnic group and school data file for total student enrollment. Retrieved July 16, 2009, from http://dq.cde.ca.gov/DataQuest/downloads/sifenr.asp;

California Basic Educational Data System (CBEDS) Professional Assignment Information Form (PAIF) data file for total number of FTE counselors and teacher's experience. Retrieved July 16, 2009, from http://www.cde.ca.gov/ds/ss/cb/filespaif.asp

QEIA official website for Teacher Experience Index (TEI) calculated targets. Retrieved July 16, 2009, from http://www.qeia.org/qeia2/.

California Department of Education adequate yearly progress data file for school API growth target. Retrieved July 16, 2009, from http://www.cde.ca.gov/ta/ac/ay/aypdatafiles.asp.

California Department of Education school accountability report card data file for school class size. Retrieved July 16, 2009, from http://www.cde.ca.gov/ta/ac/sa/.

Notes

a: These schools either don't have any NCLB core classes or don't have information in this field.

b: By 2010-11, QEIA schools must ensure that their average level of teaching experience meets or exceeds the average level of teaching experience among all teachers at the same type of school (e.g., elementary) in their school district. Schools must make progress toward this requirement annually beginning in 2008-09. The average level of teaching experience that QEIA schools must meet is based on teacher experience levels reported by their district in 2005-06, and therefore will remain constant through the duration of the QEIA program.

c : It is due to the missing values in the target teaching experience or average teaching experience for the school.

d: It is due to the missing values in the API growth target.

Appendix B. QEIA Policy Guidelines (2007-08)

1. Class Size Reduction Requirement for K-3

QEIA applies requirements of the existing K-3 CSR Program (*EC* Section 52120, et al) to classes in these grades in QEIA-funded schools. Specifically, classes in these grades must not exceed 20 pupils per class. Calculation rules established for the K-3 CSR Program apply for these grades.

Additional background on average class size can be found at
http://www.ccsesa.org/index/QEIATrainingMaterials.cfm

2. Calculating CSR Targets for Grades 4 through 12

The QEIA guidelines require that QEIA-funded schools reduce their class sizes at each grade level by an average of 5 students per class, or to an average of 25, whichever is lower, by the end of the 2010-11 school year. In addition, no class at the school (in pertinent subject areas) may enroll more than 27 students. The school's required reductions or "targets" are calculated based on the school's enrollment in one of two prior years, depending on specific conditions.

- If the school's average class size in 2005-06 was less than 25, that year will be used to calculate the school's targets; or
- If the school's average class size in 2005-06 was 25 or more, 2006-07 will be used to calculate the school's targets

3. Determining Whether a School has Met QEIA CSR Requirements

QEIA CSR requirements vary to some degree among kindergarten through grade three, grades four through twelve in a self-contained format, and grades four through twelve in a departmentalized format.

For Grades Kindergarten through Three:

- All classes must be reduced to an average of 20 pupils per class by the end of school year 2010-11 and each funded year thereafter. Because the QEIA statute applies rules for the K-3 CSR program to this requirement, classes may average up to 20.44 students per class, but an average of 20.45 exceeds the requirement.
- Interim rules apply. If classes in these grades averaged more than 20 in the appropriate base year (2005-06 or 2006-07) then schools must include these grades in reductions made in each of the interim years constituting one-third of the progress needed to meet the CSR target required by the end of the 2010-11 school year.

For Self-Contained and Departmentalized Classes in Grades Four through Twelve:

- No class may exceed 27 students by the end of school year 2010-2011 or during funded years thereafter.
- The grade level average class size may not exceed the grade level class size reduction target by the end of school year 2010-2011, and each funded year thereafter, and the respective grade level interim class size reduction targets for the years 2008-09 and 2009-10. For example, if the grade level CSR target is 25.0, then the actual grade level class size cannot exceed 25.0 when rounded to the nearest tenth. A rounded grade level class size of 25.1 would not meet the requirement.

4. All Other Classes

QEIA also requires that participating schools "Not increase any other class sizes in the school above the size used during the 2005-06 school year." (*EC* Section 52055.740(a)(1)(D)) To clarify this requirement, any class not identified as a core class using the definition above is to be included in the group of "all other classes".

Endnotes for main report

[1] California Department of Education (2008). Current cost of education. Accessed, September 2008, www.cde.ca.gov/ds/fd/ec.

[2] For detailed reviews of the design of QEIA and the school selection process, see the Legislative Analyst's review of the 2008-09 budget proposed by the governor. And see Finkelstein et al. (2008). Preliminary data on QEIA district ranking. San Francisco: WestEd.

[3] Initial analyses of the QEIA selection process were directed by Neal Finkelstein at WestEd.

[4] Earlier studies of California's three-decade-old School Improvement Program appear in: Berman, Weiler Associates (1983). *Improving school improvement: An independent evaluation of the California School Improvement Program, Volume* 2. Berkeley: Berman, Weiler Associates. Also, Fuller, B., & Izu, J. (1986). Explaining school cohesion: What shapes the organizational beliefs of teachers. *American Journal of Education, 94*, 501-535

[5] Bitter, C., Pérez, M., Parrish, T., González, R., Socias, M., Salzfass, L., Chaney, K., Gubbins, P.., Anand, P., Dawson, K., Yu, V., Delancey, D., and Esra, P. (2005). Evaluation study of the Immediate Intervention/ Underperforming Schools Program of the Public Schools Accountability Act of 1999. Menlo Park: American Institutes for Research. Harr, J., Parrish, T., Socias, M., & Gubbins, P. (2007). Evaluation study of California's High Priority Schools: Final Report. Menlo Park: American Institutes for Research .

[6] Ouchi, W. (2003). *Making schools work*. New York: Simon and Schuster. For a recent study of weighted-student budget strategies in Oakland and San Francisco, see Chambers, J., Shambaugh, L., Levin, J., Muraki, M., & Poland, L. (2008). A tale of two districts: A comparative study of student-based funding and school-based decision making in San Francisco and Oakland unified school districts. Menlo Park: American Institutes for Research. On Oklahoma's statewide weighted-student formula approach, see Fuller, B. (2007). *Standardized childhood*. Palo Alto: Stanford University Press.

[7] Fuller, B., Loeb, S., Arshan, N., Chen, A., & Yi, S. (2007). Principal resources: Acquisition, deployment, and barriers. Berkeley and Stanford: Policy Analysis for California Education and Institute for Research on Education Policy and Practice, Stanford University.

[8] Bitter et al. (2005). Harr et al. (2007).

[9] Tanimura, R., & White, J. (2007). The Quality Education Investment Act Program, SB-1133: Funded schools with priority ranking with enrollment and capacity information. Los Angeles: LAUSD, SB-1X Office (March 14).

[10] SB-1X Office (2007). Quality Education Investment Act professional development training timeline. Los Angeles: Los Angeles Unified School District.

[11] LAUSD (2008). School site stakeholders and Cortines action plan (memo). Los Angeles.

[12] Federal and state education programs office (2008). Choosing the best dollar. Los Angeles: Los Angeles Unified School District.