

San Diego City Schools Progress Report*EARLY GAINS IN STUDENT ACHIEVEMENT**By Scott Grimes, Research Director, San Diego Dialogue*

Amid the discord and rancor that characterize the governance of San Diego City Schools, it is important not to lose sight of the goal of the District's ambitious reform program – raising student achievement and closing the achievement gap. One way to restore civility to the public conversation on school reform in San Diego is to return to the evidence on whether students are making progress toward the District's standards for academic achievement.

New evidence provides encouragement in this regard. This evidence is especially compelling because it stems not from the statewide Stanford-9 standardized test, but from local assessments that are directly tied to the District's framework for instruction. Despite the attention it receives in the news media, the Stanford-9 is not a high-stakes test from the perspective of the student.

As students become increasingly savvy about the battery of tests they face each year, they may start to realize that the Stanford-9 means nothing to their academic future. The Stanford-9 test is a "fill-in-the-bubble" assessment that compares students to their peers, rather than to a fixed standard. Student results are ranked in relation to a nationally generated sample of other students. Unlike the SAT or Advanced Placement tests, the Stanford 9 has no impact on the student's college placement or credit, so there are real questions about the degree to which students "try" on this test.

By contrast, the District's own assessments play a direct role in determining whether and how students progress through the school system.

In the area of literacy, which has been the focus of the reform

*continued on page 2***Executive Director's Column***LOOKING PAST THE FOOD FIGHT*

Across the country from Stanford to Harvard, education researchers are saying that the reforms underway in San Diego City Schools are among the most important ever undertaken in American education. Based on this testimony, national foundations are giving tens of millions of dollars to help the reforms succeed. They see the efforts here as the last great hope to show that a major urban school district can be turned around.

*Exec. Dir. Chuck Nathanson*

Yet, in San Diego what we mostly know about the reforms is the ugly passions they have unleashed. The teachers' union president and the school superintendent seem always to be fighting. The pro- and anti-superintendent factions on the school board can't be civil to one another. Teachers responding to

Researchers characterize the efforts in San Diego as the most important program of urban school reform ever undertaken in America.

a union survey say overwhelmingly that they lack confidence in the District's leadership and reforms.

I have suspected for some time that the enthusiasm of the researchers and the anger within the District are due to the same cause. The researchers are excited because they know that piecemeal reform has consistently failed to improve student achievement in large urban districts, and San Diego's is definitely not a piecemeal reform.

Instead, San Diego has undertaken comprehensive, systemic change, which is being orchestrated meticulously by the central office. Using a theory of learning that Chancellor of Instruction Tony Alvarado first tried out with some success in Manhattan, the central office has reorganized the curriculum and the school day. It has taken

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- **Biggest Student Gains Made by English Language Learners**
- **The Visitor Services Industry in San Diego and Baja California**

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BIGGEST GAINS BY ENGLISH LANGUAGE LEARNERS

efforts, students in the early elementary grades are making significant progress towards attaining the District's standards.

One way to restore civility to the public conversation is to return to the evidence on whether students are making progress. New evidence provides encouragement in this regard.

- During the past academic year substantial numbers of students in grades K-4 moved from "below grade level" to an "at or above grade level" standard of performance in literacy.
- The largest gains came in the first grade, which has been the recipient of the most intensive investments under the District's *Blueprint for Student Success*. In 2000-2001 about 20% of these students moved from below grade level performance to at or above grade level in a single academic year.
- The District's gains in literacy have been even more dramatic among its population of "English Learners," or Limited English Proficient (LEP) students. In each grade, the percentage of LEP students rising to grade level performance outpaced the total percentage of students. Again, the first grade showed the greatest gains out of all of the early elementary grades. At this grade the percentage of students judged to be "significantly below grade level" was cut in half.
- When the progress of the District's students is compared between academic years, the promise of raising all students to high standards and narrowing the achievement gap starts to become real. For example, if the District can sustain its pace of the last two years among today's third graders, it will raise all these students to "grade level or above" by the time they enter middle school. This evidence stems from the District's own, standards-aligned assessment in literacy. The news media tend to give extensive coverage to the state-mandated Stanford-9 test, but the District's own literacy assessment is a more powerful tool for assessing the real progress of

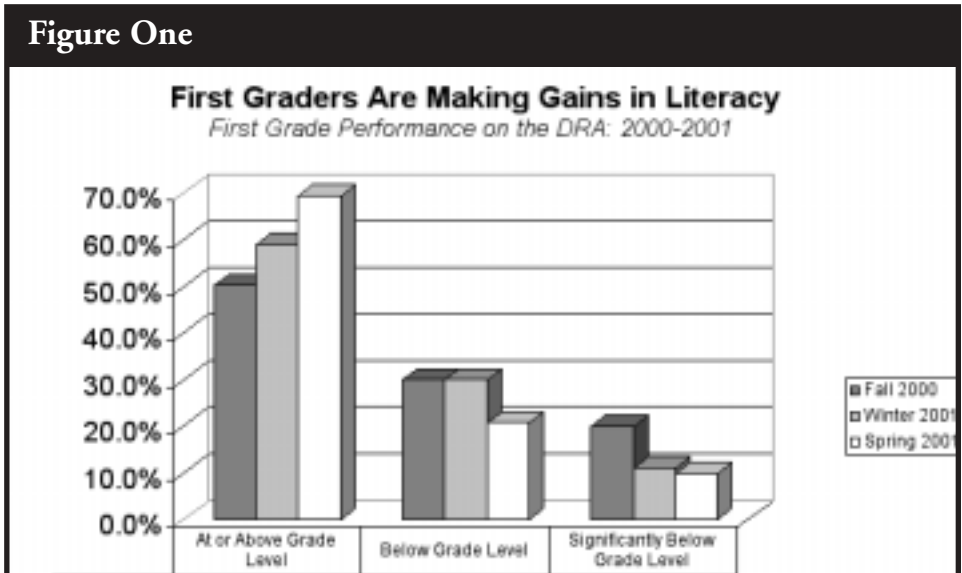
students against standards. Why?

- This assessment is administered "one-on-one" by the teacher to the student. It is not a fill-in-the-bubble test.
- The assessment measures students' progress in literacy by testing their ability to read and comprehend a set of texts, which are benchmarked against the District's literacy standards and framework.
- The assessment is administered multiple times during the course of the academic year, allowing a more finely grained examination of the student's progress.
- This assessment is administered as early as kindergarten, while the Stanford-9 doesn't begin until the second grade.

What is "Grade Level?"

It's also important to note that standards for what constitutes "grade level" in literacy are increased during the school year as the assessment is administered a second, and then a third, time. In other words, a student is expected to be able to do more as the year progresses in order to be considered "at or above grade level."

Figure One shows the progress in literacy that was made by first graders in the District during the last academic year, based on their



performance on the Developmental Reading Assessment (DRA). As the graph displays, the percentage of first graders assessed at being at or above grade level grew from about 50% in the fall of 2000 to almost 70% by the spring of 2001. The number of students performing significantly below grade level was cut in half during this same time period.

The performance of students in the first grade is particularly interesting, given that this grade level has received the most intensive

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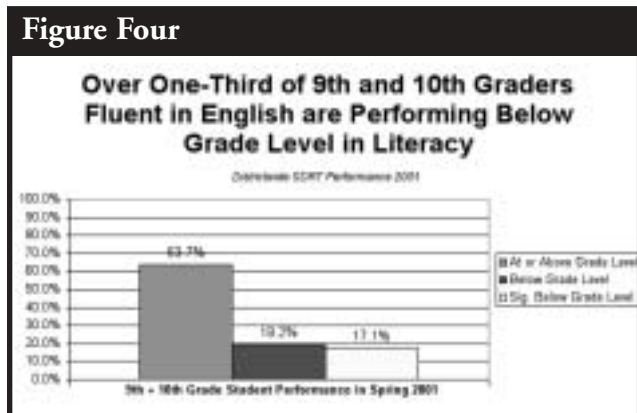
San Diego City Schools Progress Report

CITY HIGH SCHOOLS NOT YET MAKING THE GRADE

By Scott Grimes, Research Director, San Diego Dialogue

At this point in the reforms put forth by the District, it is evident that high school students have a long way to go to improve their academic performance. To gauge the performance of high schools, it may be more instructive to examine student performance on the District's own standards-aligned assessments than on state or national tests. Many of these assessments have only recently been introduced to the District's high schools and they have received almost no attention in the news media. But their consequence for students is quite clear.

Figure Four shows the performance of the District's 9th and 10th grade students from last spring on a locally-adopted literacy

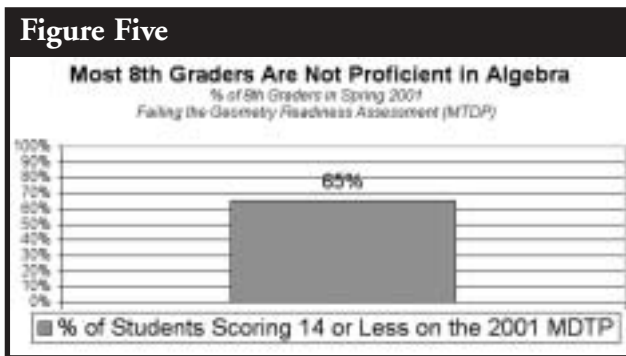


assessment, the Stanford Diagnostic Reading Test (SDRT). This assessment is administered to all students from grades four to eleven to assess their progress in literacy. Here we show data for only those 9th and 10th graders in the District who are fluent in English. The point of excluding Limited English Proficient students from this graph is to demonstrate that low literacy levels in the District are not merely a "English as a Second Language" problem. In fact, over 36% of the

Well over half of all high school graduates in the city are ineligible to attend a rigorous four-year college.

fluent English students at these grade levels are not meeting the District's standards for literacy.

It's worth returning to the question of student motivation when taking this assessment (see previous story). Unlike the Stanford-9, the SDRT has clear consequences for students. Students performing below grade level on this assessment are placed in extended, multi-period literacy courses, as an intervention designed to increase their perform-



ance against standards in this subject area. This limits the students' ability to take elective courses, which they may find more enjoyable or may appeal more directly to their personal interests. As a result, students have every incentive to try to do their best on this assessment.

Figure Five shows a similar measure of performance against standards in the area of mathematics. Algebra is an 8th-grade standard in San Diego City Schools. In other words, by the end of eighth grade a student should be proficient in algebra and ready to move on to another subject area within mathematics, such as geometry. However, as shown in Figure Five, most students entering high school are not meeting this standard in mathematics. 65% of the eighth grade students in the spring of 2001 failed to demonstrate proficiency in algebra based on their performance on the District's "Geometry Readiness" assessment. As a result, all of these students were placed in another algebra-oriented course in the ninth grade, in order to try again to meet the District's standard in this area of mathematics.

Encouraging Dropouts?

These data underscore the substantial challenge that lies ahead in extending standards-based, system-wide school reform to the high school level in San Diego. While promising gains may be occurring in the elementary grades, much more work is necessary to raise all students to standards by the time they exit high school. It's important to note also that the District continues to have a substantial dropout rate from its high schools. The cumulative four-year dropout rate has hovered between 13 percent and 14 percent for the last several years. Raising standards without providing extra instructional support at the high school is unlikely to help all students succeed. Instead, it could merely encourage more students to leave high school prior to graduation.

For those who do graduate from high school, substantial gaps remain in terms of their readiness to enter a four-year college and pursue a rigorous college education. Figure Six (seen on page 5) displays the percentage of graduates at the District's high schools who complete necessary requirements to apply for entry into the UC or CSU systems of higher education. The various high schools have been broken into four roughly equal quartiles by the level of poverty at the

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interventions under the *District's Blueprint for Student Success*. During the last academic year each grade level between kindergarten and the fourth grade made gains on the DRA; however the first grade made the most substantial improvement.

Figure Two shows another way of looking at the same type of data. This graph shows the progress of a cohort of students (today's third graders) on the DRA over two years. In the spring of 2000, when these students were in the first grade, about 64% were at or above grade level. By the spring of 2001 an additional 11% of these students had moved above this threshold. New data will be available later this fall to show whether these students have sustained their gains into the start of the third grade.

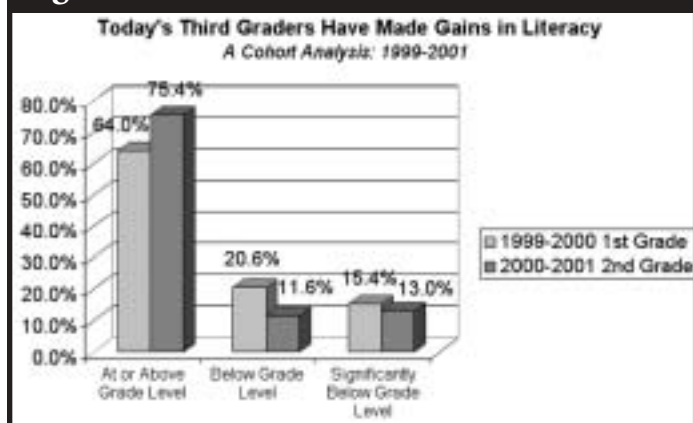
Addressing the Achievement Gap

While overall student achievement is important, the District and the San Diego community have focused particular attention on the achievement gap between affluent, predominantly white students

The promise of raising all students to high standards and narrowing the achievement gap is starting to become real.

and low-income students, many of whom are students of color. Special concerns have been raised regarding those students for whom English is a second language, including whether they can meet the District's standards for English literacy. **Figure Three** shows the performance of Limited English Proficient (LEP) first grade students on the DRA over the past academic year. As shown in the graph, the percentage of LEP first graders performing at or above grade level in

Figure Two



English literacy climbed from 22% to 43% over the course of the year. The percentage of students performing significantly below grade level was reduced from over 42% to about 21%. In other words, LEP first graders made greater gains than all first graders on this assessment in the 2000-2001 academic year.

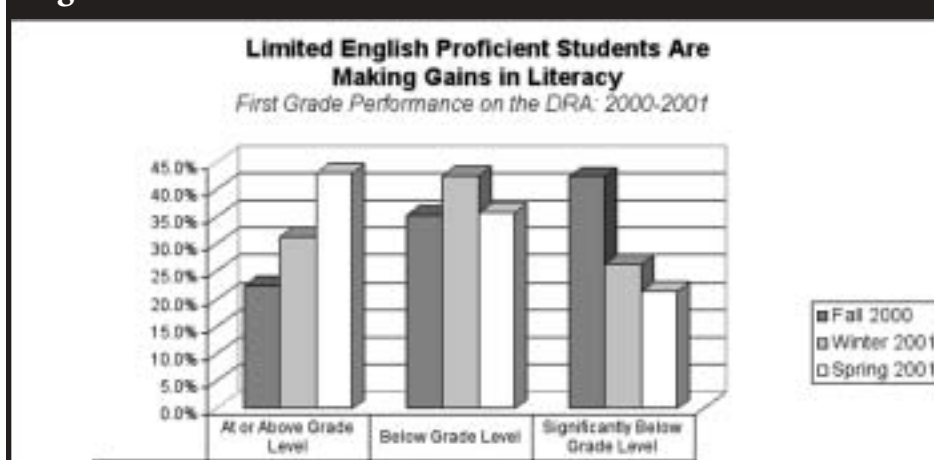
This pattern of LEP student performance is mirrored in each of the early elementary grade levels in the District. At each grade level, the percentage of LEP students rising to grade level outpaced the total percentage of students. Again, the first grade showed the greatest gains out of all of the early elementary grades.

Out of the Danger Zone

What do these data mean in terms of raw numbers? As one example, consider the students in Figure One who were judged to be significantly below grade level in the fall of 2000. Because first grade is a retention grade under the *Blueprint for Student Success*, all of these students were at risk of having to repeat the first grade based on their performance levels in literacy. However, by the end of the academic year half of these students had progressed out of this "danger zone." This means the District prevented more than 1,100 students from having to be retained because of the instruction they received while in the first grade.

As the reforms in the District unfold, it will be important to continue to gauge the progress of students by cohort as they move through the school system. In other words, we shouldn't just look at how "this year's fourth grade" performed in comparison to "last year's fourth grade." We should also examine how today's fourth graders are doing compared to last year, when they were in the third grade, and then compare those results to next year, when they are in the fifth grade. The Dialogue will continue to provide information on these types of indicators as they become available.

Figure Three



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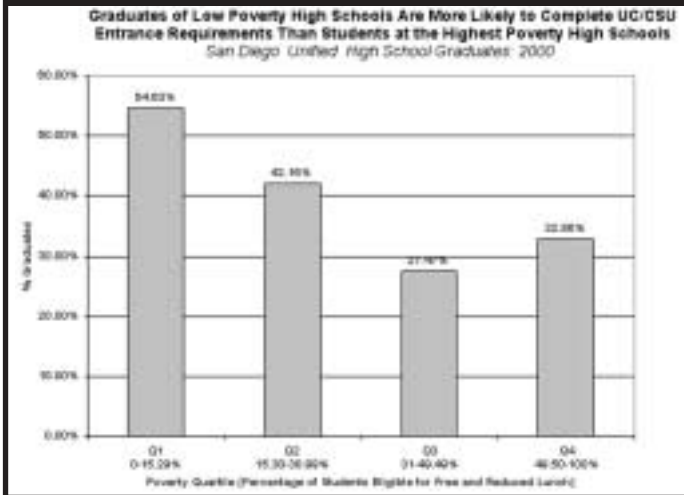
CITY HIGH SCHOOLS NOT YET MAKING THE GRADE

school. As shown in the graph, students from the wealthiest high schools in San Diego are more likely to complete the UC/CSU eligibility requirements than students at the highest poverty high schools.

In the coming months and years the San Diego community will need to engage in an intense conversation about the purpose of high

in the city are ineligible to attend a rigorous four-year college. Should high schools seek to prepare all students to attend a four-year university? If so, what are the costs and consequences of trying to meet such an ambitious goal? In a time when the labor market is placing greater and

Figure Six



school and the meaning of a high school education. Currently San Diego City Schools has a system-wide UC/CSU eligibility rate of about 39%. This means that well over half of all high school graduates

The District continues to have a substantial dropout rate from its high schools.... Raising standards without providing extra instructional support is unlikely to help all students succeed.

greater premiums on higher education, what are the costs for our region if we don't try to raise these eligibility rates?

These questions are worthy of serious consideration by policy-makers, civic leadership and the public. The ultimate prize of the District's reform effort will not be political praise, new grant funds or national exposure. The only measure for assessing the ultimate impact of the reforms should be student achievement.

Executive Director's Column

LOOKING PAST THE FOOD FIGHT

charge of what teachers teach, and when and how they teach it. Moreover, teacher performance is now regularly subject to scrutiny by peers and superiors.

Understandably, many teachers are out of sorts about this. They have lost autonomy, privacy and influence. Many feel that their expertise and professional skills have been called into question. This is unfortunate, and some of the sense of insult may have been avoidable. But it may also be too much to expect that a major systemic reform such as this can be carried out by sweet consensus.

In any case, the real test of the reforms is not whether the teachers

are upset. It is whether they are becoming better teachers and their students better learners. This issue of *San Diego Dialogue Report* is the first in a series that will be dedicated to answering that question.

In the midst of all the highly publicized turmoil, the public could be excused for tuning out or dismissing the conflicts around the reforms as the result of nothing more than petty jealousies and political infighting. But the stakes are so much higher than a few bruised egos. The reforms require calm, dispassionate consideration from an attentive public. The focus of this work should be data-driven.

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San Diego Dialogue's Cross-Border Economic Bulletin

THE VISITOR SERVICES INDUSTRY IN SAN DIEGO AND BAJA CALIFORNIA



Dr. Jim Gerber, professor of economics at San Diego State University and San Diego Dialogue's Economic Research Fellow, writes the Cross-Border Economic Bulletin

One of the primary regional economic impacts of the September 11th terrorist attack is the decline in tourism and business travel. The visitor services industry, which supports tourism and business travel, is one of 16 industry clusters that the San Diego Association of Governments (SANDAG) has identified as “groups of complementary, competing, and inter-dependent industries that drive wealth creation in the region....” Hence, negative shocks to the industry hurt the entire region.

This issue of the Cross Border Economic Bulletin uses regionally comparable statistics to examine the size of the visitor services industry in San Diego and Baja California. Its main findings are:

- Visitor services comprise about 7% of total employment and 5% of output in both Baja California and San Diego;
- Approximately 75% of visitor services industry workers in San Diego are employees in hotels, motels and other lodging facilities, or in restaurants, bars, and night clubs; the figure for Baja California is over 80%;
- The impact of the terrorist attack is likely to be felt more intensely in Baja California, and particularly in Ensenada and Rosarito;
- Some of the impact in San Diego could be offset by southern Californians who substitute local vacations for distant ones;
- Negative impacts in San Diego will fall most heavily on local city and county budgets that depend on the transient occupancy tax (TOT) and on the working poor—some of whom may be forced back onto public assistance.

Definition and size of the sector

SANDAG identifies two separate clusters of economic activity that support travel, tourism, and conventions. These are the (i) Visitor Industry Services and (ii) Entertainment and Amusement. Both industries are included in the analysis below. Collectively, they are called the Visitor Services cluster.

In both San Diego and Baja California, the Visitor Services industry generates wealth by using local labor and inputs to produce services that are sold to people from outside the region. The industry provides employment to large numbers of low skilled workers and is an important avenue for their entry into the local labor force.

Table 1 illustrates the size of the sector in 1998, the most recent year of comparable data. The relative size of the Visitor Services industry is roughly the same in Baja California and San Diego County, where it makes up about 5% of output and 7% of total employment in both regions. (San Diego's employment figures are from the Workforce Partnership; they are significantly less than the numbers provided by the San Diego Convention and Visitor's Bureau.

The latter uses a jobs multiplier factor to measure direct and indirect jobs—that is, jobs in the industry and additional jobs outside the industry created by business and tourist spending. The data in Table 1 measure jobs in the industry only.)

Table 1
Visitor Services Industry Cluster, 1998

	Employment	Average wage (US \$)	Share of regional product
Baja California	37,025	2,773	4.9%
San Diego County	89,884	15,396	5.1%

Source: San Diego Workforce Partnership; California EDD; Economic Census of Baja California; INEGI; and author's calculations.

In 1998, the average annual wage in San Diego was \$28,790 (87% higher than in the Visitor Services cluster) and in Baja California was \$4,061 (46% higher). The difference between the industry's employment share (7%) and its output share (5%) is explained by the low wages and relative lack of skilled positions.

Industry subsectors

Within the San Diego segment of the Visitors Services cluster, approximately 75% of total employment is in two subsectors: (i) hotels, motels, and other lodging, and (ii) eating and drinking places. In Baja California, the figure is over 80%. This explains the relatively low wages paid as well as the scarcity of high skilled positions. For example, in San Diego, the single most important occupational category is waitress and waiters, followed by food preparation workers, and cashiers. Occupational data for Baja California is less certain, but there is no reason to believe that it differs from this pattern.

Tables 2 and 3 show the number of workers in the two leading subsectors, as well as the Amusement and Entertainment sector. Note that the concentration of employment in the tourism sector is much greater in Rosarito than in any other political jurisdiction. Ensenada is a distant second, while San Diego, Tijuana, and Mexicali are roughly comparable. The data in Table 2 show that Rosarito is particularly vulnerable to negative shocks to the tourism sector.

Impacts of the terrorist attack

The September 11th terrorist attack had a harmful impact on the Visitor Services industry. Airports were shutdown for several days and air travel is not likely to return to its previous level for quite awhile. In addition, border crossings became more difficult, and many Americans simply decided to stay at home. As a consequence, several conventions were canceled, hotels and motels have experienced big declines in occupancy rates, and restaurants have fewer customers.

In San Diego, 27% of overnight visitors arrive by air. Their

Table 2
Subsectors of the visitors services industry, 1998

	<i>Hotels, motels, other lodging</i>		<i>Restaurants, bars, night clubs</i>	
	Employment	Percent of City	Employment	Percent of City
Ensenada	1,330	2.2	3,490	5.9
Mexicali	1,669	1.2	6,616	5.0
Rosarito	919	12.5	979	13.3
Tecate	64	0.3	533	3.2
Tijuana	2,715	0.9	14,189	4.8
San Diego County	25,399	2.0	43,379	3.4

Source: San Diego Workforce Partnership; Economic Census of Baja California.

impact on the local Visitor Services industry is relatively greater than their share of the visitors, however, because 2/3 of all business and convention travelers arrive via air, and these visitors spend more than twice as much per day (\$132 per person versus \$59, in 1999). In Baja California, only 9% of the overnight visitors arrive by air, but a much larger share of visitors are from outside Mexico and must cross an international border. As a result, air travel is less critical than in San Diego, but impacts at the border are more critical.

Table 4 shows the total number of visitors in 1999, along with the share that is national in origin and the share that is foreign. The vast majority (94%) of visitors to San Diego are from the U.S., and 45% are from Southern California (33%) or Arizona (12%). One of the effects of the terrorist attacks is that Americans are staying home more, but once travel begins to pick up again, it is conceivable that San

Table 3
Amusements and recreation subsector of the visitor services industry, 1998

	<i>Amusements and recreation</i>	
	Employment	Percent of region
Baja California	4,483	0.9
San Diego County	16,738	1.3

Source: San Diego Workforce Partnership; Economic Census of Baja California.

Diego could benefit from a redirection of vacation plans by Southern Californians and Arizonans. That is, if air travel does not resume its previous volumes, more people will likely seek vacation opportunities nearby rather than at destinations requiring air travel. In this sense, some of the decline in visitors could be recouped from the large population base in Southern California.

Baja California's status is more complex however, as large

numbers of visitors must cross the U.S.-Mexico border, and border waits have gotten longer and more erratic. In particular, the very large share of Ensenada's and particularly Rosarito's economies that are built around the Visitor Services cluster, make them extremely vulnerable to a downturn in travel. Ensenada is partially insulated from the border given that about 6% of its visitors arrive via passenger ship. In 1998, this totaled 248 arrivals, and 349,351 passengers. Not all of these passengers spend the night, however, and overnight visitors sleep aboard ship, which reduces the demand for hotels and motels.

Several other effects should be noted. First, the San Diego County derived about \$140 million dollars in revenue from the transient occupancy tax (TOT) during fiscal year 2001. The Convention and Visitor's Bureau estimates that declining occupancy rates in the region's hotels and motels, together with discounts in room rates, may reduce tax collections as much as \$9 million in 4th quarter of 2001.

Second, a large but unknown share of Baja California's commercial sector depends on tourism. Not only the merchants along Tijuana's Revolution Ave., but pottery and furniture makers in Rosarito and

Table 4
Visitor Services Industry, 1999

visitors	Overnight visitors (%)	National origin visitors (%)	Foreign origin
Ensenada	892,100	53.0	47.0
Rosarito	844,200	25.3	74.7
Tijuana	1,300,500	76.1	23.9
San Diego County	14,692,000	94.0	6.0

Source: San Diego Convention and Visitor's Bureau; Secretaría de Turismo (SECTUR).

Ensenada, pharmacies, and taxis, all depend to one extent or another on the tourist trade. Baja California has 12,454 employees (1998) in the passenger transportation sector, and another 34,617 employed in specialized retail stores other than food. Some but not all of these workers will feel the impact.

Third, as mentioned in last month's Bulletin, about 35,000 residents of Tijuana cross the border daily to get to work in San Diego. Longer waits and greater uncertainty makes their lives more difficult and threatens the income that they bring to Tijuana.

Finally, the low wage, low skill, characteristics of the Visitor Services cluster makes it an important source of employment for people struggling to get off public assistance. Given that the U.S. and San Diego economies have been in one long expansion since the implementation of welfare reform, economic events have never posed a significant challenge to the reforms passed by Congress. Now, with the possibility of a national recession and a downturn in Visitor Services, some of our assumptions about welfare reform may be called into question.

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Inexperienced Teachers at High Poverty Schools

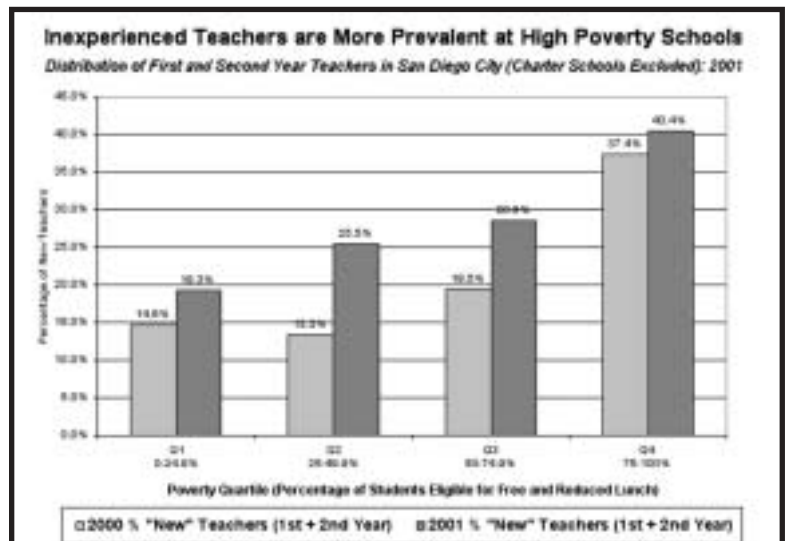
THE ACHILLES' HEEL OF URBAN SCHOOL REFORM

Despite the encouraging early gains that are emerging from San Diego City Schools, serious questions remain whether the District can reform itself to deliver high standards and equal educational opportunities to all students. Essentially the District is faced with the question of whether quality education (specifically, quality instruction) can overcome the social circumstances faced by its poorest students.

As in many large urban school districts, San Diego City Schools provides different levels of instructional capacity at different schools. Most notably, inexperienced teachers are disproportionately concentrated in the District's poorest schools. In fact, recent research by the Dialogue has documented that students at the poorest schools in San Diego are over twice as likely to be assigned to a "new" teacher (a teacher in their first or second year of teaching) than students in the system's most affluent schools.

This fact poses troubling questions for a reform program that is predicated on offering unprecedented levels of professional development to its teachers. If teachers gain additional skills via this professional development, but then depart disadvantaged schools for more advantaged sites, high quality instructional capacity will never be sustained at these "hard-to-staff" schools. There is also the troubling phenomenon of teachers departing the District, or departing the profession altogether, because of new requirements being placed on them through the reform program.

The most recently available evidence suggests that the concentra-



tion of inexperienced teachers is actually increasing in San Diego City Schools, as more and more new teachers are hired to fill open slots within the District's schools. If systemic reform is to be sustained in San Diego, teachers must come to embrace assignments at the highest poverty schools in the District and be provided the tools and resources necessary to make these sites outstanding environments for teaching and learning.