



EDUCATION COMMISSION OF THE STATES

**Annual Report
2004–2005**

Helping State Leaders Shape Education Policy



CHAIRMAN'S MESSAGE



In an era of high-stakes accountability, our focus is on reading, writing and mathematics – and with good reason. We want to give our children the skills and knowledge they need to succeed.

But there's more we can and must do. Research shows that students who study the arts can see academic gains in math, reading and writing. They tend to earn better grades, stay in school and perform better on exams.

At a time when many states face tight budgets, the arts face an uncertain future. It's not clear the extent to which the arts have been marginalized or if the arts are flourishing in schools across the country.

What we do know is that the arts are an indispensable part of every child's education.

- Music develops intellectual, social, and emotional skills as well as abilities in language and literacy.
- Arts instruction enhances the motor skills necessary in all walks of life.
- Arts education improves academic performance, problem-solving skills, creativity and self-expression.



Photo courtesy of David Cornwell Photography.

Learn more about Governor Mike Huckabee's initiative, The Arts — A Lifetime of Learning, at www.ecs.org/huckabee.

Left: Governor Huckabee rehearses with his band, "Capitol Offense," before their performance at the 2005 ECS National Forum, Red Rocks Amphitheatre (outside of Denver).

ECS Officers, 2004-06

CHAIRMAN

Mike Huckabee
Governor, Arkansas

CHAIRMAN-ELECT

Bill Richardson
Governor, New Mexico

VICE CHAIRMAN

David Sokola
Senator, Delaware

TREASURER

Sandy Garrett
*State Superintendent of Public Instruction,
Oklahoma*

PRESIDENT

Piedad F. Robertson

This is why arts education is the centerpiece of my term as Education Commission of the States (ECS) chairman. We are making progress. In the last year, we have:

- Created the Governor's Commission on the Arts and Education, an advisory commission that includes ECS leadership and distinguished leaders in arts and education
- Launched the *Arts and Minds* series to share the views of the best thinkers on pressing topics in arts and education
- Developed a four-point work plan called ARTS – awareness, research, tools, and state leadership
- Co-authored an op-ed in *Education Week* with former Education Secretary Rod Paige, drawing attention to the value of arts education
- Developed a national database called ArtScan, a 50-state compilation of state policies in arts education.

Much work lies ahead, and I am looking forward to the second year of my chairmanship and the activities we have planned. You can learn more about our priorities in the coming year on page 13. Join me in making arts education a priority in all states, for all children.

Sincerely,



Mike Huckabee

*Governor of Arkansas
2004-06 ECS Chairman*



PRESIDENT'S MESSAGE



The creation of Education Commission of the States (ECS) 40 years ago this summer signaled an historic commitment from governors, legislators and educators to work together to improve public education. At the time, North Carolina Governor Terry Sanford called it “the most exciting promise of any educational experiment on the American scene.”

The founders of ECS created this organization as a way to assemble the best minds and the most experienced opinions into working parties to explore new ways for the states to attack the problems and carry out research on all aspects of education. ECS quickly evolved into a nationally recognized leader in helping state leaders across the country shape educational policy. Importantly, ECS also provides states the opportunity to fulfill their role as the senior partner in American education.

Today, ECS members include 49 states, the District of Columbia, Puerto Rico, American Samoa and the Virgin Islands. The demand for ECS' services and expertise has grown rapidly as states face more pressure than ever to close the achievement gap, increase school readiness, meet adequate yearly progress, better align K-12 and postsecondary systems, improve higher education access and graduation rates, and attract and retain high-quality teachers.



Photo courtesy of David Cornwell Photography.

The stakes are high: America's ability to maintain its place in the world largely depends on the performance of its education system. Graduating with only a high school diploma is no longer an option in today's global economy. And the fastest-growing portion of the school population – poor and minority children – are students whom the education system continues to serve least effectively. These challenges are taking place within a rapidly changing socio-economic environment that will shape the world where our students will have to work and live.

*Left:
President Robertson
and Blenda Wilson
of the Nellie Mae
Foundation talk to
commissioners at
the 2005 National
Forum on Education
Policy.*

To help states address these challenges, ECS has established four institutes that will provide information on trends and resources, policy analysis and research and cutting-edge solutions to today's most pressing education issues. Through the institutes ECS will offer state leaders hands-on assistance and convene national and state policymakers and education leaders. The four institutes focus on:

- School improvement (accountability, assessment, early education, No Child Left Behind, high school reform and finance)
- Teaching quality, leadership and governance
- Postsecondary education and workforce development
- Citizenship education, service-learning and arts education.

ECS will continue to play an essential role serving as a conduit between state leaders and the federal government on these and other critical issues.

In addition, the Chairman's Initiative, The Arts in Education – A Lifetime of Learning, has become a formidable project of the organization, bringing important visibility to and knowledge about the intrinsic value of arts education. Indeed, the recipient of the Chairman's Award this year is the renowned tenor, Plácido Domingo, who is being recognized for his unflagging work promoting opera and music education to young people around the world.

These past few months have been a high learning curve for me as I immersed myself in the work of ECS. As we serve you, our constituents, I am impressed with the ECS staff who support you. And I am making a personal commitment to visit every ECS commissioner, beginning in September, to learn more about how ECS can help advance states' education agendas.

There is much to do on behalf of the education goals of this country. There is much to do in helping every student in this country meets high academic standards. ECS salutes all teachers, school and college administrators, school board members, legislators, state board members, SHEEOs and governors who, on a day-to-day basis, work to support and improve public education in this country. We at ECS are willing and able partners to be a part of that effort with all of you.

With best regards,



Piedad F. Robertson

President



ECS: HELPING STATE LEADERS SHAPE EDUCATION POLICY FOR 40 YEARS



ECS is the only national organization that brings together key leaders — governors, legislators, state education agency commissioners, higher education officials and business leaders — to work side by side to improve education.

In 1965, ECS was created as a nonprofit, interstate compact by state leaders for state leaders. This year, ECS celebrates its 40th anniversary. We are proud to serve as the nation's preeminent, nonpartisan source of information, ideas and leadership on education policy. Our staff collect and compile information on what states are doing, track trends, translate research, provide advice and create opportunities for state leaders to learn from each other.

ECS has one ultimate purpose: to help state leaders improve student learning and achievement. We accomplish this work in five major areas:

- **Information and news.** ECS maintains the nation's most extensive Web site devoted to education policy at www.ecs.org. The site includes issue sites on over 100 education topics, and provides access to ECS policy briefs, StateNotes and electronic newsletters.
- **Policy research and analysis.** Staff specialists help state leaders understand and develop policy on a number of critical issues, including accountability, early learning, finance, governance, leadership, citizenship and teaching quality.
- **State, regional, and national policy conferences.** ECS' seminars, workshops, and conferences, including The National Forum on Education Policy, bring together policymakers and educators to share ideas and hear from experts.
- **Customized technical assistance.** ECS tailors services to individual states' needs to help policymakers make informed, thoughtful decisions for their states.
- **Networks and partnerships.** Networks and partnerships involving legislators, legislative aides and governors' aides promote the sharing of information and resources at the state and national levels.

*Left:
Former governor
Terry Sanford,
co-founder and first
chairman of the
Education Commis-
sion of the States,
1964.*

*Below:
Former governors
James B. Hunt, Jr.,
and Jeanne Shaheen
address the 2005
National Forum.*



Photo courtesy of David Cornwell Photography.



ECS: MAKING AN IMPACT

ECS: Keeping Policymakers Well-Informed

Every day, policymakers stay on top of major education news from across the country thanks to *e-Clips*, our daily roundup of top education stories. Another service, *e-Connection*, is a weekly look at new state education policies, just-released research, news reports, ECS news, and useful Web sites.

Highlights from July 1, 2004 – June 30, 2005

ECS is the leading organization policymakers turn to for cutting-edge, nonpartisan information and guidance. This information influences decisions that will affect education policy for years to come. In 2004-05, ECS provided leadership, assistance and information to policymakers across the country in several areas, including No Child Left Behind (NCLB), teaching quality, citizenship, early learning and community colleges. We are pleased to share highlights from the past year.

Helping States Ensure No Child Is Left Behind

In 2004, ECS released the *ECS Report to the Nation: State Implementation of the No Child Left Behind Act*. The report was a culmination of 18 months of work and represents

the most comprehensive findings about states' progress toward implementing NCLB.

The report showed all 50 states had met or were partially on track to meet half of the 40 NCLB requirements identified by ECS. In efforts to meet a number of the law's requirements, many states are still working to ensure that professional development for all teachers is of high quality and to acquire the technology to collect, disaggregate and report data.

Among a number of recommendations, the report urges federal officials and state policymakers to ensure the academic growth of all students, not just low-performing students; to thoroughly analyze adequate yearly progress (AYP) to ensure it measures school and district effects on student progress; and to build state and local capacity.

Do Teachers in Your State Meet the Definition of Highly Qualified?

The *ECS Report to the Nation* found few states on track to implement high-quality professional development for teachers. In response, ECS created the HOUSSE database, which tracks states' progress. HOUSSE, or high objective uniform state standard of evaluation, is a key component of how "highly qualified teachers" are defined under NCLB. To see how your state is progressing, visit www.ecs.org. Type "HOUSSE" in the search window.



Photo courtesy of David Cornwell Photography.

*Left:
Secretary of Education Margaret Spelling addresses
the 2005 National Forum on Education Policy.*

A copy of the report is available at www.ecs.org. The report grew out of the ECS NCLB database at www.ecs.org/NCLBdatabase, the nation's only database that shows where every state is at any time in implementing 40 NCLB indicators.

The ECS Clearinghouse: Providing States with Timely Information

ECS maintains one of the most extensive clearinghouses in the nation devoted to education policy. A major component is ECS' comprehensive Web site where policymakers can find information about more than 100 issues, including a brief overview of each issue, information about what states are doing, research, and links to useful Web sites. The issue sites are updated regularly to offer policymakers the most up-to-the-minute information.

As ECS strengthened its Web site, telephone requests for information from policymakers, the media, and others of the ECS Clearinghouse staff decreased from 1,778 inquiries in 2003 to 1,278 requests in 2004. Web hits, on the other hand, increased by over half a million, from 1,173,073 in 2003 to 1,703,329 in 2004.

The ECS Clearinghouse also publishes an annual collection of *StateNotes* – more than 30 reports produced by staff throughout the organization on a variety of topics such as finance, NCLB, special education and teaching quality. *StateNotes* provide a 50-state compilation of policies on major education issues.

One of the Clearinghouse's biggest accomplishments was completion of the ECS Digital Library. More than 13,000 documents now reside in the library and can be e-mailed to constituents. These documents will soon be directly accessible to ECS Commissioners. This rich source of information offers ECS constituents one more avenue to help deepen their understanding of the major issues confronting public education today.

Hot Issues in 2004

Policymakers requested help from the ECS Clearinghouse most frequently on the following topics:

- No Child Left Behind (NCLB)
- Finance
- Teaching quality
- Kindergarten
- Early childhood education
- Assessment
- High schools
- School safety/student discipline
- Accountability
- Scheduling/school calendar
- School districts

For the first time, NCLB took over the number one spot held by finance. Early childhood education also gained significant ground, moving up the list as one of the most requested issues.

Helping Policymakers Make Better Decisions about Teacher Quality

Policymakers and educators need reliable research to make informed decisions about teaching quality. The *ECS Report to the Nation* revealed this as a pressing issue for many districts and states. To respond to this need, ECS policy staff developed TQ Source, a comprehensive online database that provides in-depth information about policies and programs to enhance teaching quality in all states. TQ Source can be found at www.tqsource.org.

Qualified Teachers for At-Risk Schools: A National Imperative

In far too many of the country's underperforming schools, a large number of teachers are generally less qualified than teachers in more successful schools. In response to this challenge, ECS joined with ETS and Learning Point Associates to form the National Partnership for Teaching in At-Risk Schools (NPTARS). The goal of this partnership is to raise the visibility of the issue of teaching in at-risk schools; marshal support of policymakers, education and community leaders, and funders; and develop long-term solutions to the problem at the state and federal levels.

The Partnership's report, *Qualified Teachers for At-Risk Schools: A National Imperative*, outlines the problem, the solutions, and the role of the national partnership and offers policymakers a blueprint of how to begin to solve the problem of inadequate staffing in our most troubled schools. The report is available on the ECS Web site at <http://www.ecs.org/clearinghouse/57/96/5796.pdf>.

National Center for Learning and Citizenship

The strength of our democracy depends on preparing young people to be informed and active citizens. After all, they are our future legislators, educators and leaders.

ECS' National Center for Learning and Citizenship (NCLC) works to strengthen citizenship education by convening the best thinkers in policymaking, research and education and developing strategic partnerships with other national organizations.

Over the last year, ECS has contributed to the development of high-quality civic assessments. The need is great. To date, assessment systems in only 19 states include knowledge of government or civics. NCLC has developed a database designed to help state and district leaders assess how their schools are performing in civic knowledge and skills, and create school climates that support civic learning. Learn more about this database at www.ecs.org/qna.

A Field Guide for Navigating Service-Learning

The *Learning That Lasts Field Guide* offers strategies to move service-learning from the margin to the mainstream in American schools. It is a companion piece to *Learning That Lasts: How Service-Learning Can Become an Integral Part of Schools*. Visit www.ecs.org/nclc for more details.

The Emerging Role of Community Colleges in Teacher Preparation

ECS is raising awareness nationally about the role community colleges play in preparing teachers. In June 2004, ECS convened more than 20 teams of community college presidents, university regents, state board of education members and other postsecondary leaders in Denver, Colorado, for a national conference on the role of community colleges in teacher preparation.

The need for teacher preparation is only one of several community college-related issues where ECS is at the forefront. As a co-contributor to the report, *Keeping America's Promise: A Report on the Future of the Community College*, ECS, in partnership with the League for Innovation, highlighted demographic and economic changes that are creating serious challenges for policymakers and examined the role of community colleges in responding to those challenges.

ECS Early Learning Initiative: Preparing Children to Succeed in School

These days, kindergarten is a near universal experience for American children. Kindergarten programs, however, vary widely from state to state. For example, states, and districts within states, have different policies or regulations on the length of the kindergarten day, the entrance age, and kindergarten curriculum. Understandably, these variations pose challenges for state leaders. To help policymakers, ECS published an in-depth report in June 2005 called *Full-Day Kindergarten: A Study of State Policies in the United States*.

The results are revealing. ECS found that most states *lack* policies that:

- Clearly define what a full-day kindergarten is
- Provide universal access to full-day kindergarten
- Provide adequate funding
- Address the quality of full-day programs.

ECS Teacher Preparation Policy Toolkit

Even as states face increasing demands for new classroom teachers, enrollment in teacher preparation programs at many traditional universities remains flat. Many states are adopting fast-track alternative certification programs. A recent development is the entrance of community colleges into the alternative certification marketplace. For a closer look at this issue, explore the ECS Teacher Preparation Policy Toolkit online at www.communitycollegepolicy.org.

Kindergarten Policy Database

This 50-state database of state kindergarten policies allows policymakers to review and compare access, quality and funding of kindergarten policies across the country. Access the database at www.ecs.org/kindergartendatabase.

The ECS Early Learning Initiative was one of several national partners in the School Readiness Indicators Initiative. Led by Rhode Island KIDS COUNT, the initiative worked with 17 states to develop state-based indicators of school readiness focusing on such areas as social-emotional, cognitive and physical development, family support, and transitions between early learning and K-3 education. The initiative's final report, *Getting Ready: Findings from the National School Readiness Indicators Initiative*, shows how identifying indicators of school readiness and tracking progress can lead to more effective policies and smarter investments in early childhood. Visit www.gettingready.org to view the report.

ECS Leadership Initiatives

Great school systems need great leaders. Leadership ranks second only to teaching quality in terms of impact on student achievement. Highly effective leadership, embedded throughout a school system, is the key to sustainable reform strategies that positively affect students' education goals. ECS works with policymakers to shape education leadership policy that enables inspired, high-quality education leaders to address the current and future needs of a learning society.

The Wallace Foundation continues to make major investments in ECS and its National Consortium partners to strengthen the performance of education leaders and improve the conditions for their success at all levels: school, district and state. This work directly engages 21 states. MetLife Foundation also funds ECS to produce a suite of leadership products for district and state leaders. Combined, these investments are critical to our efforts to harvest and spread useful knowledge, to improve professional leadership practice and to influence policy on a broad scale.

ECS Leadership Policy Toolkit

"Strong leadership is key to school improvement," notes Sibyl Jacobson, president of MetLife Foundation. Policymakers and other leaders need current research-based and relevant information to make informed decisions about leadership. To meet this need, ECS is developing a leadership toolkit that highlights successful district approaches to school leadership. Funded by MetLife Foundation, the toolkit will help state policymakers and district leaders implement leadership approaches that improve teaching and learning environments and increase student achievement. For more information see www.ecs.org/leadership.



FINANCIAL REPORT

ECS, like most organizations throughout the country, has experienced reduced revenues and consequent budget restrictions due to the economic downturn that has affected state budgets since the fall of 2001. Our efforts to manage our projects and staff effectively during these difficult economic times have served us well. ECS received top marks on an independent audit of Fiscal Year 2004 conducted by Grant Thornton LLP. The auditors issued clean unqualified audits of financial statements and federal awards stating that no material weaknesses in internal controls were identified and no expenses were questioned. The audit was accepted by the Finance Committee in February 2005 (Financial Statements are included in the appendix).



In presenting the audit to the Finance Committee, the auditors noted that:

- ECS ended FY 2004 with a surplus of \$106,000, despite a 13% decline in operating revenue that resulted from reductions in federal and foundation grant funding. The surplus was achieved by a \$1.36 million reduction in operating expenses, which the auditors noted as an indication that ECS is in control of its budget.
- The ECS investment portfolio performed well, earning \$280,000 in FY 2004 on a \$2.8 million portfolio.

State Fees

In Fiscal Year 2003, ECS assessed a total of \$3.5 million in state fees and collected \$3.2 million, or 90.2%, from 54 agencies. For FY 2004, the total assessment was \$3.76 million and to date \$3.05 million has been received from 52 agencies (out of 60 assessed). Given the continuing impact of the economic challenges facing states during FY 2004, ECS is grateful to its members for their efforts to pay fee assessments.

Fiscal Year 2005 Year-to-Date Performance

At the June 2005 Finance Committee meeting, staff presented a financial report for the period October 1, 2004 to May 31, 2005, which noted a surplus to date of \$104,267 and a projected year-end surplus of \$33,579. Outstanding FY 2005 state fees as of May 31, 2005 were \$1,030,577.

Amendment to ECS Bylaws

At its spring 2005 meeting, the Steering Committee approved the motion of the ECS Treasurer to amend the ECS bylaws to change the fiscal year to a calendar year. In order to accommodate this change, the FY05 budget year will be extended to December 31, 2005. The Steering Committee also approved recommendations to streamline financial reporting to provide commissioners with more timely data, and to distribute the annual report well in advance of the annual business meeting so commissioners may have a more informed discussion of ECS' financial status at the annual business meeting.





WHAT'S ON THE HORIZON FOR ECS?

A Look Ahead

Over the next year, ECS staff will make a concerted effort to connect directly and personally with ECS constituents. We will continue to provide policymakers with nonpartisan information to help them make better policy decisions. We will provide one-on-one assistance to state leaders and convene conferences on some of the most pressing education issues facing state leaders today.

Here's a preview of some of the initiatives, issue areas and projects ECS will focus on in the coming year:

The Chairman's Arts in Education Initiative

ECS will:

- Share results of a national study of how the media portray arts education
- Conduct a study of policymakers' views on arts education, including incentives and deterrents to making the arts a priority in public education
- Conduct an analysis of state policies, focusing on those that have implemented programs
- Seek to provide grants and technical assistance to selected states to encourage and further their efforts



- Explore the development of alternative certification for those who want to teach the fine arts.

Transitions from High School to Community College

In collaboration with ETS, ECS will:

- Work in selected states to align the high school and community college general education curriculum through efforts such as dual and concurrent enrollment and middle college
- Develop analytical tools that will be used in selected high school and college partnership sites to assess the learning readiness of students.

Early Learning to Grade 3 Transitions

ECS will:

- Review pre-kindergarten and kindergarten programs to provide policymakers with tools to decide how to systematically build phase-in programs for 3-, 4-, and 5-year olds
- Expand ECS' ability to provide policymakers information and resources to craft effective early learning policies.

Teacher Education

ECS will:

- Work with select states on developing and refining effective strategies to streamline the role of community colleges in P-12 teacher education by convening teams of key decisionmakers for focused technical assistance resulting in the creation of state action plans.

Paraprofessionals

ECS will:

- Explore what experts believe makes an effective paraprofessional in comparison to NCLB qualifications, certification requirements and professional development programs at the state level. ECS will create a database that identifies the qualification and certification requirements for paraprofessionals. Also, in September 2005 ECS will convene a panel of experts to explore issues related to paraprofessionals and publish a position paper on this topic.

Teaching Quality and Hard-to-Staff Schools

ECS will:

- Engage state leaders by sharing research and promising practices, and foster networking on the issue of staffing at-risk schools
- Conduct a Webcast in fall 2005 focusing on teacher recruitment issues such as mentoring, induction, and performance incentives for teachers
- Explore and seek to highlight innovative policies that states and districts have implemented to help teachers in high-poverty schools reach "highly qualified" status according to NCLB.



Education Leadership

ECS will:

- Host and facilitate six in-depth state leader meetings to create the state policy and district conditions that allow effective education leaders to thrive
- Continue to serve 21 Wallace Foundation leadership states and districts with information and policy assistance to incorporate the best practices on leadership policy in their states.
- Develop an online leadership policy and practice toolkit to soundly integrate leadership policy and practice with other elements of the school system.

School Improvement

ECS will:

- Partner with Just for the Kids to share their research-based best practices — and implications for policy — with state education leaders
- Identify state and local policies and strategies to turn around low-performing schools and share this information with state and local policymakers.

Government Relations

ECS will:

- Convene a meeting in October 2005 of legislators and governors to discuss major education issues facing the states.



Postsecondary Education

ECS will:

- Track activities and developments as Congress debates reauthorization of the Higher Education Act, especially on the issues of accountability, student financial aid, for-profit colleges and teacher training.

National Center for Learning and Citizenship (NCLC)

ECS will:

- Develop a national network of 100 leaders to advance the civic mission of schools over the next year
- Build upon the NCLC's earlier work to assess student competencies
- Create a new issue site focusing on character education.

High School Policy Database

ECS will:

- Develop a high school policy database that examines what states are doing to improve high schools, and other resources, such as research and useful Web site links.



APPENDIX

Education Commission of the States **Statements of Financial Position**

September 30

ASSETS	<u>2004</u>	<u>2003</u>
Current assets		
Cash and cash equivalents	\$ 111,204	\$ 627,701
Grants and contracts receivable	284,191	620,393
State fees and other accounts receivable, less allowance for doubtful accounts of \$380,509 in 2004 and \$366,325 in 2003	689,909	376,809
Prepaid expenses	<u>115,252</u>	<u>85,225</u>
Total current assets	1,200,556	1,710,128
Investments	2,884,149	2,689,611
Property and equipment – at cost less accumulated depreciation and amortization of \$1,485,536 in 2004 and \$1,125,304 in 2003	1,262,633	1,546,826
Deferred compensation held in trust	<u>263,347</u>	<u>151,631</u>
Total assets	<u>5,610,685</u>	<u>6,098,196</u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 215,538	\$ 217,056
Accrued liabilities		
Vacation	175,081	178,758
Payroll and benefits	399,888	333,967
Other	226,430	157,497
Deferred revenue	2,451,296	3,086,267
Current portion of capital lease obligation	22,750	22,750
Current portion of long-term debt	<u>69,709</u>	<u>65,900</u>
Total current liabilities	3,560,692	4,062,195
Capital lease obligation, net of current portion	5,688	28,438
Long-term debt, net of current portion	<u>262,380</u>	<u>332,044</u>
Total liabilities	<u>3,828,760</u>	<u>4,422,677</u>
Net assets		
Invested in capital assets, net of related debt	902,106	1,097,694
Unrestricted	<u>879,819</u>	<u>577,825</u>
Total net assets	<u>\$ 1,781,925</u>	<u>\$ 1,675,519</u>

Education Commission of the States
Statements of Revenues, Expenses and Changes in Net Assets

Years ended September 30

	<u>2004</u>	<u>2003</u>
Operating revenues		
Grants and contracts:		
Foundation funding	\$ 2,453,934	\$ 3,266,781
Federal funding	2,021,579	2,858,479
Contract funding	<u>504,740</u>	<u>442,700</u>
	4,980,253	6,567,960
State fees	3,755,800	3,614,050
Registration fees and corporate sponsorships	477,975	343,949
Web sponsorships	187,500	297,917
Publications and subscriptions	35,749	35,833
Other	<u>17,693</u>	<u>47,582</u>
Total operating revenues	9,454,970	10,907,291
Operating expenses:		
Pre-K–16 Policy Studies	5,306,273	6,935,153
Information clearinghouse	711,438	515,100
State services	1,092,251	897,666
Communication services	505,768	526,652
Executive / administration	<u>2,030,716</u>	<u>2,131,172</u>
Total operating expenses	<u>9,646,446</u>	<u>11,005,743</u>
Operating loss	(191,476)	(98,452)
Nonoperating revenues (expenses):		
Net realized / unrealized gain on investments	280,496	311,943
Interest and dividends	83,022	92,064
Interest expense	(41,636)	(24,683)
Investment expense	<u>(24,000)</u>	<u>(22,417)</u>
Total nonoperating revenues (expenses)	297,882	356,907
INCREASE IN NET ASSETS	106,406	258,455
Net assets, beginning of year	<u>1,675,519</u>	<u>1,417,064</u>
Net assets, end of year	<u>\$ 1,781,925</u>	<u>\$ 1,675,519</u>

Foundations, Corporations and Government Agencies Supporting ECS Activities for the Fiscal Year Ending September 30, 2004

FY 2004 as of September 30, 2004

<i>New Grants FY 2004</i>	<i>Amount</i>	<i>Activity</i>
U.S. Department of Education-OESE	\$ 250,200	Chartering & NCLB
National Science Foundation	99,676	Implications of Current Realities in Math & Science
National Science Foundation	15,000	Teacher Preparation
Charles Stewart Mott Foundation	165,000	Time, Learning and Afterschool Task Force
The Wallace Foundation	200,000	New York School Finance Initiative
Washington Mutual	85,000	Teacher Retention Initiative
Standard and Poor's	30,000	Just for the Kids Case Studies
Jaquelin Hume Foundation	25,000	State Policy Forum on School Choice
Josephine Bay Paul & C. Michael Paul Foundation, Inc.	80,000	Service-Learning
Stevens Institute of Technology	61,910	Teachers Technology
Council of Chief State School Officers/Wallace	200,137	State Action for Education Leadership Project
MetLife Foundation	350,000	Education Leadership Resource Toolkit
Council for Excellence in Government	40,000	Civic Mission of Schools Campaign
Total New Grants	<u>\$1,601,923</u>	
<i>New Contracts FY 2004</i>		
University of Texas	\$ 150,000	Just for the Kids
Council of Chief State School Officers/Wallace	84,100	State Action for Education Leadership Project
Bill & Melinda Gates Foundation	45,000	State Policy Studies
Colorado Association of School Executives	3,750	Technical Assistance Accountability
North Carolina State Board of Education	17,600	Technical Assistance Teacher Licensure
Oregon Department of Education	23,500	P-16 Framework for Distance Learning
Institute for Educational Leadership	21,850	Demography Workshops
NCS Pearson	50,000	Issue Site Support
Educational Testing Service	50,000	Issue Site Support
Total New Contracts	<u>\$ 445,800</u>	
Total New Grants & Contracts	<u>\$2,047,723</u>	

Foundations, Corporations and Government Agencies Supporting ECS Activities for the Fiscal Year Ending September 30, 2004

Ongoing Support

Academy for Educational Development

ACT, Inc.

AT&T

Atlantic Philanthropies, Inc.

Carnegie Corporation of New York

CIRCLE

Council of Chief State School Officers/Wallace

Educational Testing Service

Ewing Marion Kauffman Foundation

Foundation for Child Development

G E Fund

Grand Rapids Community Foundation

Josephine Bay Paul &

C. Michael Paul Foundation, Inc.

KnowledgeWorks Foundation

Martha Holding Jennings Foundation

National Science Foundation

New England School Development Council

Pearson Education

Pew Charitable Trusts

Rhode Island Kid's Count

Standard & Poor's/McGraw Hill

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