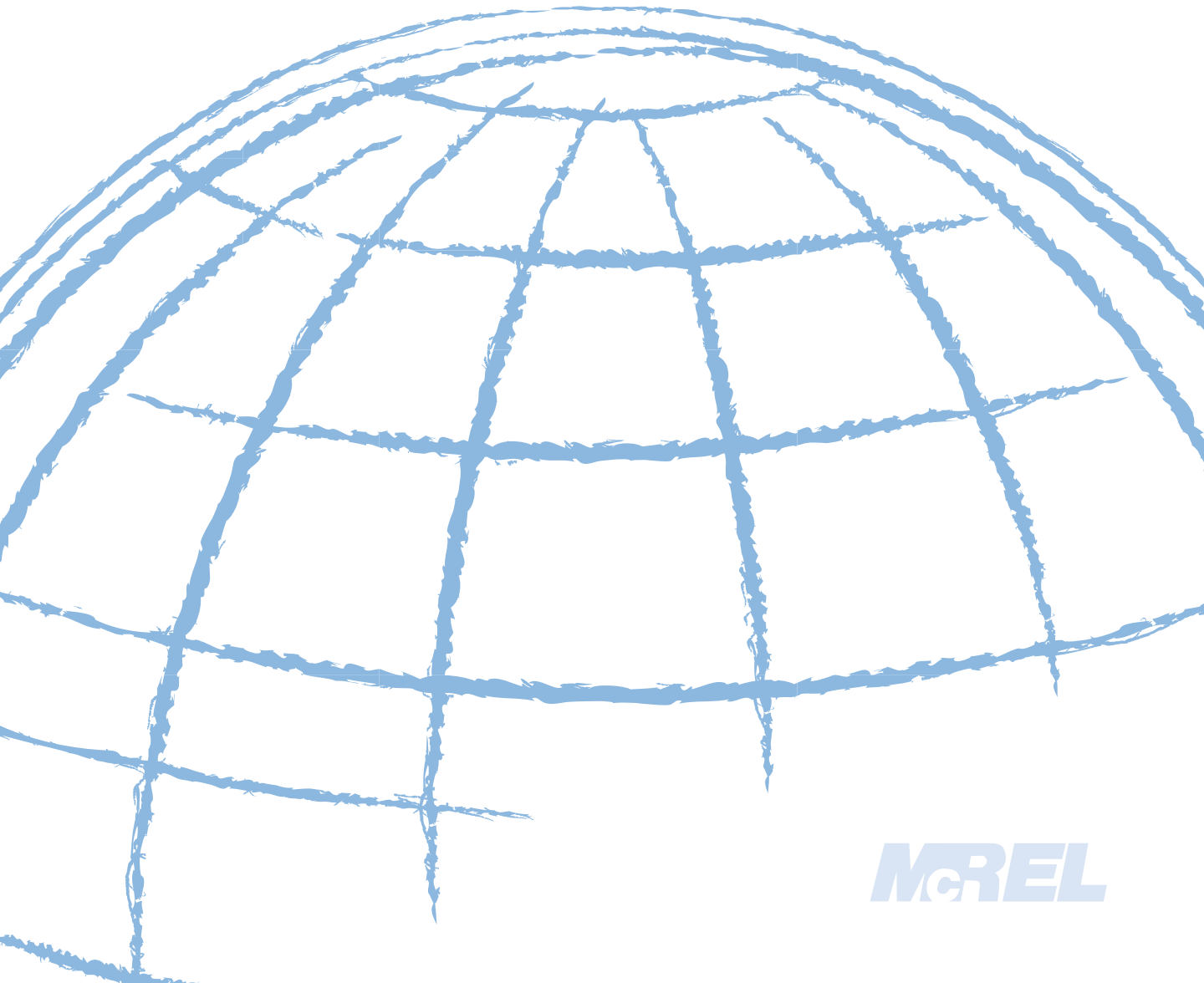


GLOBAL REACH

2010 ANNUAL REPORT



McREL



Tim Waters, CEO

Nearly 45 years ago, McREL began with a single government contract and a simple purpose: to provide educators in a three-and-a-half state region with research-based services. Over the years, we've grown well beyond our Midwestern borders and humble beginnings—my predecessor once worked at a desk fashioned from a door and cinder blocks.

Today, we serve educators worldwide—a fact reflected by the collection of McREL books on display near my office with such exotic titles as *O Ensino que funciona*, *Compreender o risco educacional*, *Wat Werkt: Leiderschap op School*, as well as many others written in the alphabets of Thailand, China, and the Republic of Georgia. Altogether, the books we've published through ASCD have been translated into 18 foreign languages.

In this annual report, we celebrate McREL's increasingly global reach—from Australia, to the opening of a new office in Hawaii and the work we're doing across the Pacific region, to the services we're providing to improve educational outcomes for Native American populations in Canada, to the professional development we're offering school leaders worldwide through the U.S. Department of Defense Education Activity.

Yet, even with our impressive growth, we haven't forgotten who we are serving or why we exist. Everywhere we go, we see educators working tirelessly to provide students with the opportunities they need to improve their lives, and through education, make the world a better place. We are in awe of who they are and what they do. These professionals are, of course, the real heroes of our work.

It is with both pride and humility that we offer these examples of our work in 2010 and thank the dedicated educators we've worked with in the past years for the opportunity to help us accomplish our mission of making a difference in the quality of education and learning for all through excellence in applied research, product development, and service.

A handwritten signature in black ink that reads "Tim Waters". The signature is written in a cursive, flowing style.

Top 10 stories of 2010

1 Getting a new Pacific Center up and running in Hawaii

McREL expanded into the Pacific Region by officially opening the McREL Pacific Center for Changing the Odds in July. With our presence in the Pacific growing, this center fulfills the need for a regional office that serves not only as a resource for quality research, evaluation, and services, but also for data, information, and tools unique to the needs of Pacific stakeholders. Senior Evaluator Wendy Kekahio, one of our Honolulu-based consultants, delivers professional development and school improvement services while cultivating new relationships with Pacific educators.



Wendy Kekahio

2 Providing services throughout the Pacific region

The voyaging canoe is not just a logo for the McREL Pacific Center for Changing the Odds; it is also a symbol that represents moving forward together. With this in mind, McREL and educators from Hawaii, Commonwealth of the Northern Mariana Islands, American Samoa, and Guam are striving to reach many of the educational goals of the Pacific Region together. Our consultants have delivered professional development sessions on Balanced Leadership®, Success in Sight®, Classroom Instruction That Works®, Power Walkthrough®, reading and writing in the content areas, and parent involvement. In addition, we are working with district-level administrators to implement our research-based teacher and principal evaluation systems.



3 Building crosswalks for Common Core adopters

Change doesn't get much bigger than the Common Core. These sweeping academic standards steamrolled into state education systems, causing many states to ask, "How does this affect us?" McREL's Standards team quickly answered by conducting comparative analysis "crosswalks"—comparing the Common Core State Standards in English language arts and mathematics to North Dakota's standards and then Wyoming's. The crosswalks uncover gaps and differences in content between the documents so that teachers in any state that adopts the Common Core (and all but a few have) can better prepare their students for the transition. McREL analysts also aligned the Common Core to lesson plans and instructional resources through McREL's *Compendium* of state standards.



4 Looking inside more than 60,000 classrooms

Using handheld devices loaded with McREL's Power Walkthrough software, school leaders are visiting classrooms of every kind—from urban, suburban, and rural settings, to high, middle, and low socioeconomic levels and with a range of technology from very limited to 1:1 computing—to answer several important questions. Chief among them is this one: How do teachers and students *really* use technology? McREL Senior Director Howard Pitler leads this work with educators in more than 34 states, Canada, Commonwealth of Northern Mariana Islands, China, Australia, and Switzerland, where the Power Walkthrough process is generating discussions about effective instruction and helping leaders make better decisions about professional development initiatives.



Howard Pitler



Elena Bodrova

5 Reinstating play in early childhood classrooms in Wisconsin

Internationally renowned researcher Elena Bodrova has worked for the past six years in small, rural districts in Wisconsin, showing teachers how to improve preschoolers' language and literacy skills by using the universal language of play. Structured play is a key strategy in teaching children self-regulation, or emotional and physical self-control, patience, and focused attention—which research has linked to better long-term communication and mathematics skills. Wisconsin teachers are seeing their students connect sounds and symbols earlier and write with more details.

6 Developing an effective afterschool model for a diverse Florida district

With McREL's help, the Collier County School District, located in an agricultural area, is improving

its afterschool programs by engaging more students and raising the achievement of its lowest performing students, many of whom are children of migrant workers. Our experts developed and evaluated a model program aimed at increasing the effectiveness of, and collaboration between, two federally funded out-of-school-time programs—Supplemental Educational Services and 21st Century Community Learning Centers. Providers from both programs aim to collaborate with each other and with regular classroom teachers on effective instructional strategies and individual student progress.

7 Supporting large-scale reform in the Cree Nation

Led by Principal Consultant Sammye Wheeler-Clouse, McREL consultants are guiding a large-scale, integrated reform effort in the Cree Nation, located on the Hudson Bay in Quebec, Canada. Our curriculum experts are facilitating efforts to develop a challenging and culturally relevant curriculum in three languages: Cree, French, and English and also are delivering McREL's Success in Sight approach to school improvement to the Nation's nine schools. The entire process has been translated into French to help educators





Sammye Wheeler-Clouse

understand the core components of the approach—including using data to focus efforts, implementing research-based solutions, and changing student and adult attitudes.

8 Using research to improve student outcomes

In July, McREL released *Changing the Odds for Student Success: What Matters Most*, a year-long, 40-person effort to identify key principles for improving outcomes for students who are disadvantaged. Findings were distilled into a five-component framework that educators nationwide have used in their reform efforts. An Illinois charter school used the framework to guide its improvement efforts; Jeffco Public Schools, Colorado’s largest district, distributed



hundreds of copies to its school leaders; and Nebraska education officials provided it to the state board and governor. In August, ASCD will publish an expanded version of the report under the title *Simply Better*.

9 Preparing school leaders in Europe, the Pacific, and the Americas

For the first time, more than 100 aspiring and new school leaders from the Department of Defense Education Activity’s (DoDEA) three regions are participating in targeted and rigorous professional development. In the summer and fall, as part of DoDEA’s newly launched two-year Leadership Academy, McREL consultants delivered research-based leadership practices and stressed the importance of using data to guide improvement efforts. Attendees completed the Balanced Leadership Profile® and participated in Balanced Leadership and Power of Data workshops. All principals are now receiving Web-based consultations and ongoing phone support and building on what they have learned by attending McREL’s webinars.



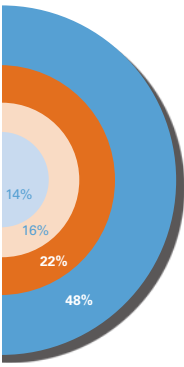
10 Combining culture, research-based strategies in Kayenta, Arizona

Principal Consultant Cynthia Björk guided the development of a customized school improvement program focused on instructional strategies to increase the language proficiency and overall achievement of students in one Navajo Nation. By combining elements of Success in Sight and Classroom Instruction that Works with English Language Learners and incorporating American Indian best practices, McREL consultants assisted the district in improving its use of data, quality of instruction, ability to manage change, and collaboration among its staff. After two years, Kayenta turned around its literacy and mathematics scores—5th graders, for example, increased reading scores by 29 percent and writing scores by 17 percent.



Cynthia Björk

2010 Financials



2010 Non-Investment Revenue by Source

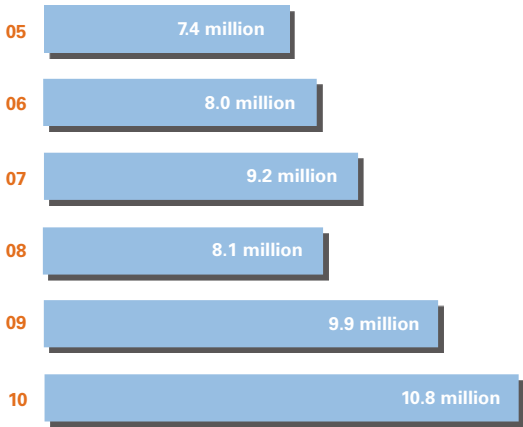
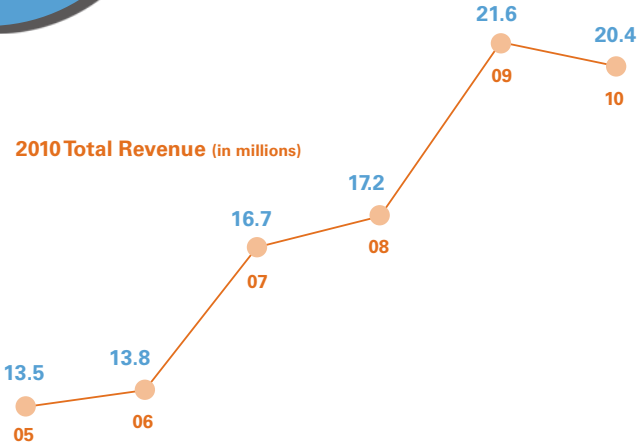
- 14% Royalties & Publications
- 16% Other Federal
- 22% IES, U.S. Dept. of ED
- 48% State, Local, Other

Since 1966, McREL has served as a federally funded regional educational laboratory, helping educators translate research into practice. Now known as the REL Central, it operates in seven states. In addition, we provide research-based services to education agencies of five states through our U.S. Department of Education-funded North Central Comprehensive Center. Through more than 200 other federal, state, and local contracts, we provide professional services and deliver products to educators nationwide and internationally. In 2010, we served clients in 42 states and Canada, Japan, and Australia.

Since 2005, when we committed to expanding McREL's impact and reach, we have achieved 55 percent growth in annual revenues.

Once almost exclusively a federal contractor, McREL has expanded into new revenue streams, diversifying our portfolio of work. Today, more than two-fifths of our revenue comes from non-federal sources.

2010 Total Revenue (in millions)



2005-2010 Total Net Assets-Unrestricted

