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MEMORANDUM

June 25, 2001

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TechMIS Subscribers

FROM: Charles Blaschke

SUBJECT: Special Reports on District Title I Funding Increases, Tips on Selling to Niche Markets, What's at Stake in the ESEA Reauthorization, and Washington Update

This TechMIS mailing includes three Special Reports and Washington Update items of interest to TechMIS subscribers.

One Special Report describes the nature of Title I funding increases and the types of increases districts are getting. Approximately 600 districts will receive around 90% of the current \$700 million increase in Title I funding which could be increased by another \$160 million supplemental under serious consideration in Congress. Within these districts are almost 4,000 school-wide programs which Mailings Clearinghouse has identified and makes available for a cost of \$125 per thousand. TechMIS subscribers should target those districts receiving large increases in concentration funding immediately because "would-have-been carry-over" funds are being spent now by district Title I coordinators who now know they are getting increases. Title I school-wide programs should be the target of direct sales beginning in August through September. Most districts will wait until November to purchase products when they receive the remaining 75% of the Title I funds because of "advanced funding."

The second report entitled "Tips on Selling to Niche Markets" highlights many of the major ways niche marketing and sales strategies should differ from traditional K-12 strategies. For those of you who have difficulty convincing higher level management of these different tactics and strategies, you may wish to share this Special Report with them. Many of the suggestions are based upon sales

strategies and tactics which have proven to be effective in selling to Title I, special education, and other niches over the last two decades.

The third Special Report highlights some of the major changes in ESEA currently in the Senate 1 and House 1 versions and their implications if not changed in Conference, particularly regarding block grant consolidation and the assessment mandates. With one or two exceptions, the Senate version is much better for TechMIS subscribers than the House version.

The Washington Update includes:

- highlights of a Congressional Fly-In on June 12 and 13 in which several TechMIS subscribers discussed issues with Congressmen, including Chairman John Boehner, House Education and Workforce Committee; some progress might have been made on issues noted in the above special report, such as postponing Section 508 technology accessibility regulations and inclusion of a “maintenance of effort” clause in the block grant consolidation of technology programs;
- major provisions in the Senate-passed Distance Education Copyright Reform bill which is likely to remain intact in the House; this bill goes a long way in providing new guidance on the “fair use doctrine” related to digitally-delivered content;
- several new competitive grant applications and announcements of new grantees receiving funds from programs which support technology purchases, including the \$50 million teacher training of American History “pork barrel” project supported by Senator Robert Byrd; 21 districts receiving new magnet school funding; and slightly over 300 school districts receiving new grants under the 21st Century Community Learning Centers program;
- a new Net Day survey of findings related to Internet use by teachers reports that the greatest obstacle to teacher use of Internet for instruction is “lack of time”;
- a recently-observed trend showing an increased number of states which are adopting end-of-course exams which in many states, are replacing national norm-referenced, standardized tests; this could have major implications for vendors with products aligned to national norm-referenced tests;
- a new announcement from Achieve and College Board that they will make plans to develop and sell middle school math instructional materials and embedded assessments, initially to 14 states which have joined the Mathematics Achievement Partnership;
- an announcement by the SREB that it will take a lead role in a coalition of 12 of 16 Southern states to provide assessment item banks and Algebra I instruction materials for high school instruction;
- a new report by the National Center on Educational Outcomes, University of Minnesota, which can provide extremely useful guidance to publishers of

administrative and instructional software for special education programs; the report includes the major requirements relating to assessment and standards in a state's mandated IEP forms;

- preliminary results from two USED-funded evaluations of the impact of charter schools on public schools indicating that through competition they are forcing some changes in instructional practices in the majority of public schools; findings have already been criticized by education groups such as AFT;
- various recent announcements from the Education Leaders Council (an offshoot of the Council of Chief State School Officers), which suggests its new focus is on education reform which, for a variety of reasons, could have a major political impact supporting many Bush Administration proposals.

Just as a reminder, any TechMIS subscribers which are interested in purchasing the 2001 TURNKEY Survey of Technology Use in Special Education should sign up as a "sponsor" immediately in order to receive a 25% discount and receive the preliminary findings by the end of June; the final report will be available in August. A few extra months to plan a direct sales campaign using findings from the survey could be invaluable. Enclosed is a "sponsor" agreement indicating the price which is based upon sales volume and TechMIS discounts.

SPONSOR AGREEMENT

TURNKEY Study of Special Education Programs

Our firm, _____, agrees to participate in the 2001 marketplace study of special education programs. In return for the Final Report and accompanying data provided to all charter subscribers to this syndicated study, we will pay Education TURNKEY Systems, Inc. (TURNKEY) \$ _____, a fee based on our firm's educational sales last year:

<u>Total Firm Revenue</u>	<u>Non-TechMIS Subscribers</u>	<u>F E E</u> <u>TechMIS Subscribers</u>
Less than \$1 million	\$1,000	\$750
\$1-5 million	\$2,000	\$1,500
\$5-10 million	\$3,000	\$2,250
More than \$10 million	\$4,000	\$3,000

Payment will be made as follows: fifty percent (50%) of the total fee upon signing this Agreement; thirty-five percent (35%) payable on delivery of preliminary findings; and fifteen percent (15%) on delivery of the written Final Report.

As a subscriber, we agree to keep confidential all study data, analysis, and interpretations for a period of one year after the date of the Final Report. We also agree to allow TURNKEY to use general information about market size in an appropriate manner six months after delivery of the Final Report. It is further understood that, if our firm is a separate profit center of a larger organization with other profit centers, we may order extra copies of the Final Report for these other divisions at a cost of \$200.00 each.

This Agreement is accepted by:

Name: _____
 Title: _____ Signature
 Company/Division: _____
 Address: _____
 City/State/Zip: _____
 Telephone: _____

Contact Person: _____
 Title: _____
 Company/Division: _____
 Address: _____
 City/State/Zip: _____
 Telephone: _____
 Contact Person FAX No.: _____

* * * * *

A signed copy of this Agreement, together with a purchase order or check for at least fifty percent (50%) of the fee made payable to Education TURNKEY Systems, Inc., should be sent to:

***Mr. Charles L. Blaschke, President
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