

# **FY 2002 Budget and New ESEA Legislation Suggests Triple Whammy Cuts for Technology Grants But Increased Opportunities for Certain Formula Programs Such as Title I, Early Childhood Reading, and Special Education**

*A Technology Monitoring and Information Service (TechMIS)  
SPECIAL REPORT*

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The FY 2002 budget, in combination with the ESEA Reauthorization -- passed within days of each other in mid to late December -- strongly suggests that technology grants, both Federal and state, will be negatively affected because of: (a) less than expected funding; (b) inclusion in a block grant which allows districts to transfer up to 50 percent of technology funds for other purposes; and (c) "pork barrel" earmarks which significantly reduces the amount of discretionary technology grant funds for competitions. On the other hand, increased opportunities can be predicted for Title I, including early childhood reading, and special education. A sleeper in the whole process is the newly consolidated bilingual reform bill, which depending upon regulations could become an important niche market to target.

## **Technology Grant Cuts**

While both the Senate and House initially supported about the same increase in technology grants from approximately \$830 million to \$1 billion, the final 2002 Conference Committee earmarked only \$785 million as part of the Core Technology Block Grant and reduced by approximately 50 percent Star Schools, Community Technology Centers and the PT<sup>3</sup> program which are now outside of the block grant. Hence, for those technology programs (both inside and outside the block grant), the total amount is slightly over \$860 million. The Learning Anywhere Anytime Initiative which was initially supported by primarily Republican Western Governors, currently has no additional funding and its future is in limbo.

### **Block Grant Flexibility**

As reported in numerous TechMIS reports over the last year, by combining most of the technology earmarked grant programs into a Core Technology Block Grant with additional flexibility, in certain states there may be extreme pressures to reallocate such technology funds for other purposes. A strict interpretation of the current language will allow a district to transfer up to 50 percent of the technology allocation for non-technology purposes under other reauthorized ESEA programs. One of the areas in which there will be strong pressure to reallocate such funds is for special education programs which did receive an increase in Federal IDEA funds. While Congress voted down amendments which would make special education “mandatory” rather than its current “discretionary status,” this issue is likely to be voted upon once again when IDEA is reauthorized beginning this year. While key Congressional leaders involved in reauthorization (such as Chairman Boehner), argued that such technology funds cannot be transferred to local special education program funding, in Title I schoolwide programs (which will increase significantly in number due to lowering of the poverty threshold for eligibility from 50 percent to 40 percent) schools can allocate such funds for any purposes they choose and, according to a new provision, do not have to account for them separately.

In some states, legislatures will also attempt to reappropriate Federal funds to make up for cuts in state earmarked technology funds which are most likely to occur in some Southeastern states which are facing mid-year K-12 budget pressures. Most states have recently developed or will be in the process of finalized state technology plans to meet new E-Rate requirements. These documents, many of which are posted on state websites, should be reviewed for potential updates on these two issues.

### **Pork Barrel Earmarks**

Increased “earmarks” for technology and other purposes generally come out of would-be dedicated technology funding; this will also have a negative impact. In late February and March 2001, some school districts in combination with hired lobbyists, began pressuring their Representatives and Senators (as well as others with whom lobbyists have connections), to indicate the amounts of funds they wanted the appropriations committee to earmark for them. Although President Bush, earlier this year in his proposed FY 2002 budget and other documents,

promised to reduce the \$400 million plus “pork barrel” earmarks that were included in FY 2001 education and other budgets, for FY 2002, pork barrel earmarks in the education budget alone are about \$400 million. While it is difficult to determine exactly how much of such funds will be used for technology purposes (based upon one sentence descriptions in the Minority Staff Report on the pork barrel amendments; [www.house.gov/appropriations\\_democrats/LaborHpart2.pdf](http://www.house.gov/appropriations_democrats/LaborHpart2.pdf)), at least \$100 million appears to be earmarked for technology enhancements and related purposes. Most of these funds come out of the technology block grant while others come out of other programs such as FIPSE, the OERI, and special education. The pure political nature of such earmarks is reflected by the following: (a) \$50 billion is earmarked for the Iowa Department of Education to expand its Demonstration School Construction Program, which Appropriations Chairman Harkin supports; (b) \$20 million is earmarked for USED Under Secretary Hickok’s State of Pennsylvania to turn around the ten plus failing school districts, including Philadelphia, ostensibly using advanced technology approaches where appropriate; and (c) \$18 million is earmarked for expansion of school reform efforts in Secretary Paige’s former Houston Independent School District. Most of the technology earmarks are for districts which intend to purchase specific technology vendors’ products and services in the half million to two million dollar range. One \$9 million earmark, however, continues historical earmarks for I Can Learn which sells Federally-subsidized technology-based math configurations to districts. The magnitude of the earmarks is reflected by the fact that the Funds For Improvement of Education ESEA Title X.A budget was approximately \$338 million last year and is \$832 million for FY 2002 with somewhere in the neighborhood of \$350-\$400 million in earmarked pork barrel projects. Another important earmark contributor was the Technology Innovation Challenge Grant Program which is now part of the Core Technology Block Grant.

## **Increased Opportunities in Niche Markets**

### **Title I**

The increase from \$9.9 million to \$12.3 million for Title I looks very promising. However, the opportunities are in very specific areas. For the first time the education Title I budget includes slightly over \$1 billion for “targeted grants” and almost \$800 million additional funds for “incentive grants.” The “basic grant” funding level which all Title I districts receive and the “concentration grants” which only districts with 15 percent or higher enrollments of poverty

students receive, remain about the same. The bottom line is under this new “targeted” and “incentive” grants is new increased funding for large districts. While the estimates are not consistent from various sources because of lack of clarity and some confusion related to the formula, most of the districts such as New York, Chicago, Los Angeles, etc. will receive an increase between 25 percent and 35 percent in overall Title I funding next year. As noted in the December Washington Update, these districts will likely increase the number of eligible schools with between 50 percent and 70 percent poverty enrollments to participate in Title I for the first time. Hence, these are districts to target, beginning even now, as new local Title I budgets will be prepared in the early spring.

Within Title I another group of school districts and schools which should be considered a top priority target in the immediate future are those districts with schools which have been designated as low-performing or “targeted for improvement” under the previous Title I guidelines for two or more years. These schools will receive up to five percent more of a school district’s Title I funding to pay for supplemental education services and may use an additional 10 percent for supplemental services such as tutoring or public school of choice transportation and related costs. While there is no official national count, a good estimate is approximately 5,000 schools that are in a new category entitled “currently identified as needing improvement or in corrective action.” Most of the states have these schools posted on the state website; however, for political reasons, updating such lists is not a high state priority.

Another target of opportunity will be those states which will be receiving relatively large amounts of Reading First funds; slightly over 30 states over the last three years have received Reading Excellence funding.

The new Reading First provisions include professional development for K-3 teachers and all essential components of reading instruction in using screening, diagnostic and classroom reading assessments to determine students at risk of reading failure. It promotes expanded access to engaging reading materials providing reading instruction based upon scientifically-based research and essential components of reading instruction. One of the high priorities of this Administration under this initiative is to identify reading difficulties early and remediate them so

that the number of students placed in special education programs can be reduced over time by almost 30 percent. The specific state allocation procedures, priorities, etc. are currently being developed and will be likely announced in the near future on USED's website.

Another Title I program component funded for the first time including Early Reading First funded at \$75 million which is a priority of the First Lady; improving literacy through school literacy which is designed to provide funds for equipping school library media centers with technology which was authorized at \$250 million but received only \$12.5 million; the new drop-out prevention program funded at \$10 million.

While the Title I formula programs have increased, the amount of "advanced funding" remains the same or might be increased, which means 75 percent or more of Title I funds will not be allocated until next October-November 2002 time frame with a significantly lesser amount allocated in July.

### **Special Education**

While the appropriation conference committee voted down making IDEA funding a mandatory budget item which would have generated momentum for annual increases, it finally did increase the overall state grants about \$1.2 billion which was less than the \$1.5 to \$1.8 that was expected. In addition to this increase, an additional \$1 billion of reimbursements from Medicaid and the Child Health Insurance Program for related costs will thereby free-up more IDEA funds for purchasing instructional products and services. The amount per pupil expended next year for hardware, software, and related staff development per special education students served will likely exceed \$100 compared to about \$50 for K-12 per pupil expenditures (estimated by QED). A recent TURNKEY survey of technology expenditures and use in special education, projects well over a 25 percent increase in hardware and two digit growth in software and staff development expenditures, the vast majority of which are paid for using IDEA Federal funds and freed up IDEA funds under the Medicaid reimbursement program, which has also increased to over \$1.5 billion. The downside of the increase in IDEA funds is, however, a large percentage, similar to Title I, is "advanced funded." Hence, the bulk of such funds will not be in the hands of districts until mid- to late Fall next year.

While the funding increases in these current programs as well as the new ones, such as Reading First, is a major reason for targeting recipients of these funds, other perhaps even more important reasons in certain states are: (a) with minor exceptions funds which are targeted to be used to serve special education programs have to be so used; (b) where greater flexibility is provided for Title I, such flexibility exists primarily in schoolwide programs and in “schools targeted for improvement,” which are relatively easy to identify; (c) even though the bulk of the funds allocation will not be until next Fall, districts know approximately the level of the increases that they will be receiving and will be planning Title I configurations late Winter or early Spring for next year; and (d) nonregulatory guidance for Title I and Reading First will likely come out quicker than for other programs such as Title II Teacher Quality and Title III Bilingual Education Reform. For a list of projects which have been earmarked and could provide opportunities for vendors of certain products, go to the website for the Minority Staff report referenced above. For more information about developing market strategies and sales tips for niche markets, go to our website at [www.edturnkey.com](http://www.edturnkey.com).

# **ESEA Title I Part B Student Reading Skills Improvement Grant**

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As a component of ESEA Title I, the new Reading First and Early Reading First programs provide good opportunities for vendors of products, training, and related services which are designed for the preK-3 niche area. These programs replace the Reading Excellence Act initiated during the Clinton Administration. Below we discuss the allowable uses of the funds, likely purchasing cycles, types for districts and schools to target and how to approach decision-makers.

The Reading Excellence Act, now in its third year, has been funded at between \$250 and \$300 million annually over the last three years and was designed to improve the reading skills of students in grades K-3. Since 1999, between ten and thirteen states each year have been awarded grants which in turn are awarded to eligible districts and schools on a competitive grant basis (see Attachment A). Only those districts and, in turn, schools with the highest percent of students from low-income families were eligible to apply for and receive grants. In many states, the number of eligible schools has been between 20 and 40; up to 50 percent of those who applied received grants. Because these eligible schools were usually listed on SEA websites before notices of grant applications were posted, vendors could target those schools in an attempt to have the grant include the firm's products and services, with the high likelihood that they would be funded on a multiyear basis. The average school grant was between \$400,000 and \$800,000 each year for several years. While the types of eligible products and reading approaches were not specified by the REA, those selected were supposed to have been "research-based with a proven track record." As with many similar provisions included in Title I over the

last eight years, the USED -- and hence states -- did not enforce many of these accountability provisions.

### **New Reading First Goals**

Perhaps the most important stated objective of the Reading First components is to provide assistance to states and LEAs to help them establish “scientific, research-based reading programs” for all children in pre-K through grade 3. Another stated goal is to provide the necessary professional development and staff support to help teachers identify children at risk for reading failure through the use of “sound diagnostic instruments” and then to provide early intervention strategies to overcome specific barriers to reading. A not-so-often stated objective, but one reflecting the Administration’s rationale for this program, is to reduce the number of students who will be placed in special education programs in the future by removing these problems through the development of reading skills. The legislation mandates that states give priority to eligible local LEAs that were eligible to receive Title I Concentration funds (i.e., have at least 15 percent or 6,500 students from low-income families). The SEA must also notify all local districts that are eligible for grants. Eligible schools are those with the highest percentages or numbers of students in K-3 who are reading below grade level, those that have been targeted for improvement, or those with the highest percentages of students from low-income families.

### **Allowable Activities and Products and Services which Can Be Purchased Using Reading First Funding**

Several activities are encouraged through various provisions in this new Title I component. One important set of activities includes the use of assessment instruments and supported training which is designed to identify students who have reading problems and provide such students with “scientifically-based reading instruction.” During a recent conference, many state Title I directors who were involved in the implementation of the Reading Excellence Act felt that the new Reading First Initiative would be implemented in much the same way as the REA had been in the 30 plus states (as noted in Title I Reports November 2001). This Administration is likely to have much more specific criteria for what constitutes a “scientifically-based reading program or approach” and will likely include more accountability teeth and guidelines that were



incorporated into the Reading Excellence Act. The definition of scientifically-based reading in the new law is as follows:

- “(A) applies rigorous, systematic, and objective procedures to obtain valid knowledge relevant to reading development, reading instruction, and reading difficulties; and
- (B) includes research that --
- (i) employs systematic, empirical methods that draw on observation or experiment;
  - (ii) involves rigorous data analyses that are adequate to test the stated hypotheses and justify the general conclusions drawn;
  - (iii) relies on measurements or observational methods that provide valid data across evaluators and observers and across multiple measurements and observations; and
  - (iv) has been accepted by a peer-reviewed journal or approved by a panel of independent experts through a comparably rigorous, objective, and scientific review.”

The set of staff development activities will also likely be much more targeted than under the Reading Excellence Act. This will focus primarily on preparing pre-K-3 teachers (and K-12 special education teachers) to concentrate on the essential components of reading and the use of screening diagnostic and reading assessments to identify students, (particularly those being considered for placement in special education programs), and to provide early intervention reading instruction strategies.

Local Reading First funds may be used to:

- select and administer screening, diagnostic, and instructional reading assessments;
- select and implement a learning system or program of reading instruction which is scientifically-based research, which are included as central components of reading instruction, and which can be used with K-3 students at risk of being referred to special education and/or have been evaluated under IDEA for possible placement in special education;
- provide professional development for K-3 teachers generally and K-12 special education teachers on such topics as instructional materials, program strategies, and approaches based on scientifically-based research, including intervention, classroom reading materials, and remedial programs and approaches.

The program also allows funds to be used for: (a) humanities-based family literacy programs; and (b) providing training in reading instruction to parents and volunteers who wish to tutor students.

The Early Reading First initiative is designed to help children ages 3-5 develop verbal skills, phonemic awareness, and pre-reading skills; it will also provide professional development to help teachers develop skills to implement evidence-based strategies of instruction.

Funded at \$75 million, the Early Reading First Initiative will also likely be much more prescriptive in terms of the components being included and overall curriculum guidelines. This component is a priority of the First Lady who supported similar projects in Texas over the last decade, including the Cone Head Start Program in Dallas which several officials have stated will become the model for designing an overall curriculum that will be used in all 16,000 Head Start centers and pre-K programs that are funded under this initiative.

According to a USED publication entitled Community Update (April 2001), an evaluation of Cone Center student performance found that average scores on the ITBS kindergarten version increased from 20 to 30 percentiles in 1991-92 to 60 to 70 percentiles in 1994-1995. At the center of the model curriculum, which will be developed by USED in consultation with the Head Start office in DHHS, is the Language Enrichment Activities Program (LEAP) which focuses on building cognitive and language skills in young children. It involves training teachers and parents to bolster success in kindergarten and beyond. The 20-week lesson plan uses small groups of students throughout the day and includes six areas --- stories, words, sounds, letters, ideas, and pre-writing motor skills. It is designed so children who complete the curriculum by the time they reach kindergarten are able to name letters of the alphabet, tell a story in their own words, and speak in complete sentences, among other skills.

The implementation of the Early Reading First initiative will be funded through pilot and demonstration sites under the \$75 million USED competitive grant program and through the use of Head Start and Early Head Start funds, which have increased this school year by almost 18 percent to over \$6 billion.

Throughout the various provisions that address the use of Reading First funds for professional development are parenthetical references to special education teachers in K-12, particularly related to training in diagnostic and related assessment skills and the selection of research-based approaches for intervention strategies.

### **Funds Allocation**

States must apply for state grants as under a process similar to that used under the REA. However, up to 20 percent of a state's allocation may be used at the state level to provide the following: (a) a statewide system of professional development for K-3 grade teachers; (b) technical assistance to help districts implement both the Reading First and the Early Reading First components; (c) identification of eligible providers of alternative reading instruction that may be available to students as selected by parents; and (d) funds for program administration and annual reports to USED regarding how the Reading First initiative is being implemented.

Eighty percent or more of each state's allocation is to be provided to districts through competitive grants, with the state giving the highest priority to high-poverty areas with the highest percentages of students in grades K-3 who are below grade level. Districts, in turn, must provide funds to schools with high percentages of poverty students or that have the highest percent of students reading below grade level, such as "schools targeted for improvement" under Title I. States must place a priority on providing Early Reading First funds to districts which are current recipients of Concentration funding, which means the district must have 6,500 or more students from low-income families or such students must represent at least 15 percent of the total district enrollment.

# **ESEA Title II Part A - Improving Teacher Quality**

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Improving Teacher Quality State Grants consolidates the Eisenhower professional development state grants and Class Size Reduction programs into a block grant program that addresses preparing and recruiting high quality teachers. Title II also includes some additional, but relatively small, discretionary grant programs several of which are noted below.

## **Background and Purpose**

Class Size Reduction, funded at \$1.3 billion in FY 2000 and at \$1.6 billion in FY 2001, was initially intended to allow districts to hire new teachers to reduce class size. The portion of such funds that could be used for professional development increased from 15 percent to 25 percent for the second year (school year 2001-2002); in districts with ten percent or more non-certified teachers all such funds could be used for staff development.

Title II/Eisenhower Professional Development initially was funded to support professional development through high-quality and sustained training for mathematics and science teachers. Over time, through waivers and as funding increased, an increased portion was used to support professional development in other content areas. In the mid-1990s, USED ruled that Title II funds could be used to purchase professional development services from for-profit organizations.

As the HR 1 Conference Report states, “The purpose of Title II(a) is to provide grants to SEAs, LEAs, state agencies for higher education and eligible partnerships to: (1) increase student achievement through such strategies as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools; (2) hold LEAs and schools accountable for improvement in

student academic achievement; and (3) hold LEAs and schools accountable so that all teachers teaching core academic subjects in public elementary and secondary schools are highly qualified.”

While SEAs and LEAs have significantly more flexibility under this new consolidated program than under the Eisenhower and Class Size Reduction antecedent programs, there are several accountability provisions under this Title which are designed to ensure effective implementation. These include: (a) if the SEA determines that an LEA is not meeting measurable objectives included in the LEA’s plan to ensure that all teachers “are highly qualified” by 2005, the LEA must revise its plan and the SEA can provide assistance to LEAs and schools directly; (b) if, after three years, the LEA fails to meet measurable objectives and has failed to make Title I adequate yearly progress (AYP) for three consecutive years, the LEA must agree to develop professional development strategies; and (c) after three years of poor performance, SEAs can provide additional funds directly to schools to enable teachers to choose what staff development activities they would like to participate in. In addition to the provisions calling for all teachers to be “highly qualified” by 2005 and district Title I programs to meet AYP requirements, another provision “driving” this program and its priorities stipulates that, over time, the number of highly-qualified teachers in Title I high poverty schools must increase, and that between 5 and 10 percent of a Title I targeted school’s budget to be used for professional development.

### **Allowable Uses of Funds by SEAs and LEAs**

Up to 2.5 percent of funds a state receives may be used for state planning activities while 95 percent of funds are provided in the form of subgrants to LEAs for local activities, and 2.5 percent go to states for partnership projects with institutions of higher education.

Some of the authorized uses of the SEA level of funds through grants or contracts with for-profit or non-profit entities include:

- developing mechanisms to help LEAs recruit and retain highly qualified teachers and principals, including specialists in core academic subjects, implementing teacher testing for subject matter knowledge; and implementing teacher testing for state certification or licensing;

- developing systems to evaluate professional development programs and strategies to document student academic gains or increases in teachers' mastery of subjects;
- developing, or assisting LEAs in the utilization of, proven, innovative strategies to deliver intensive, yet cost-effective and accessible, professional development programs;
- supporting teacher training to integrate technology effectively into curricula;
- supporting efforts to ensure teachers use state academic content standards, as well as academic achievement standards and assessments, to increase student academic achievement.

Allowable usage at the LEA level includes:

- professional development activities for teachers, principals and where appropriate, paraprofessionals;
- initiatives to recruit and retain highly-qualified teachers and principals within high-poverty schools, including mentoring for novice teachers and principals;
- professional development programs that train teachers and principals to integrate technology into curriculum and instruction to improve teaching and learning;
- professional development on how to teach children with different learning styles, particularly those with disabilities and other special learning needs;
- staff development programs on methods of improving student behavior in classrooms.

While the antecedent ESEA Title II and Class Size Reduction funds were more restrictive with regard to uses of funds, a 1997-1998 USED survey of a sample of teachers in schools which were recipients of Title II funding found:

- most professional development focused on math or science content areas;
- about 60 percent of teachers indicated that they received some training in integrating technology into instruction and developing skills to use technology;
- the average amount of professional development per year was 50 hours of which about 20 percent was technology-related with a higher percentage in technology-related staff development applied to teachers in Title I and high-poverty schools.

During the first year of the Class Size Reduction program (School Year 2000-2001), USED reported that slightly under 10 percent of funds were allocated for staff development. However, a survey conducted by the Council of Great City Schools reported that its 58 large school districts were planning to use 20 percent of such funds for staff development. For the 2001-02 school year (the last year of the separate Class Size Reduction initiative), the amount allocated for professional development could be as high as 40-50 percent.

### **Estimated Market Size**

The total amount of expenditures for staff development during School Year 2001-2002, is between \$3.0 and \$3.5 billion. Based upon the 1997-1998 USED survey, about one-third of professional development fund activities would be funded under Federal programs such as Title II, with about 40-50 percent coming from local funds and the remainder from state, categorical and other sources. Since then, the proportion from Federal funds has increased significantly to well over a third. State funding, including foundation support (e.g., Gates Foundations for administrative training on technology use), is well over \$200 million. For this school year, approximately \$550 million of CSR funds will be used for technology-related professional development, with an additional \$200-\$300 million spent for “content” and related training. While almost \$500 million per school year will be allocated mostly for math and science content-related staff development under Title II, about \$80 million will be used for technology-related training. Included is technology-related training under the PT<sup>3</sup> program. As noted elsewhere, approximately \$160 million of Technology Literacy Challenge Funds will also be used for technology integration training. The total estimated Federal contribution to staff development this school year is over \$1 billion.

### **Funds Allocation Process**

Because the funding level and allocation process will change next year under the block grant, for this school year the entire amount of \$485 million for Title II/Eisenhower Professional Development was allocated during the Summer 2001. Only a third of the \$1.6 billion under Class Size Reduction was so allocated at that time with the remainder not being received by districts until mid-October. Such funds have to be encumbered by September 30, 2002. Under a new formula, each state’s allocation is based 65 percent on poverty and 35 percent on student

population; it is more targeted upon high-poverty schools and states than the previous 50-50 percent formula. Under the new consolidated program which is funded at \$2.85 billion, approximately \$1.7 billion will be allocated in July 2002 to states with the remaining \$1.1 billion not allocated until after October 1. Under a “hold harmless” provision, no states will receive less than their FY 2001 allocations under the separate Title II and CSR programs. In turn, states will allocate subgrants to districts under a formula in which 80 percent is based upon the level of poverty in the district and 20 percent based on student population.

### **Purchasing Cycle**

As with funds allocation processes, the purchasing cycles will differ for the remainder of this school year for the two separate programs and also for the new block grant. Funds for Title II were allocated in the Summer or early Fall and the likelihood is high that local staff development plans are underway and funds are already committed. On the other hand, because of “advanced funding” and the withholding of almost two-thirds of the Class Size Reduction funds until after October 15 and after it became clear (in November-December) that Class Size Reduction would be included as part of the block grant without any limits on professional development, many districts have been reallocating funds to staff development, recruitment, and related purposes, as opposed to hiring new teachers. Opportunities exist from January through March 2002 for purchases of staff development services for teachers, particularly in districts in which ten percent or more teachers are not certified. As with in Title II, such funds must be encumbered by September 30, 2002. Hence, another purchasing cycle should occur in August-September for any unencumbered funds. The purchasing cycles for FY 2002 Title II(a) block grant funds, particularly for staff development, will likely be in July-August, with another purchasing cycle beginning the end of October through January.

### **Key Decision-Makers and How to Approach Them**

Most decisions regarding the use of Title II/Eisenhower funds were made by principals and key teachers in consultation with the district’s Director of Federal Programs or the district’s Math or Science Supervisors. The use of Class Size Reduction funds was usually decided by principals of eligible elementary schools (the priority focus was training K-3 teachers) or, in large districts, a district-level official responsible for staff development. Under the new block grant, through



which districts will likely receive similar amounts of funds under the separate programs, some districts will create a district-level office responsible for staff development or may assign that office to the district level Title I program, because many of the Title II accountability criteria relate directly to student performance in Title I schools. The requirement that all teachers be “highly qualified” (i.e., have a state license or four years of college) by 2005, will justify the creation of a district-level office which is at least responsible for activities designed to achieve this goal.

The types of districts to target are generally those priority districts and schools which have been targeted for improvement for at least two consecutive years by September 2002. For professional development which addresses content or subject matter areas, districts which have a large percentage of noncertified teachers or teachers teaching out-of-field would appear to be a high priority -- i.e., bilingual education, special education, science, and middle school math.

# **Revised ESEA Safe and Drug Free and 21<sup>st</sup> Century Community Learning Center Programs**

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## **Title IV, Part A, Safe and Drug Free Schools and Communities**

### **Introduction**

During the reauthorization process, a serious attempt was made to consolidate the Safe and Drug Free Schools and Communities program (Title IV), with the relatively new separate program, 21<sup>st</sup> Century Community Learning Centers (21<sup>st</sup> CCLC). In the end, however, Congress reauthorized both programs and funded them separately rather than under one block grant.

### **Background and Purpose**

The Title IV program, which has been funded at the \$550-\$650 million level in recent years, has evolved primarily into a state grant program rather than a national competition. For FY 2002, it is funded at \$644 million, the same as the previous three years. Approximately three-quarters of the Title IV state grant programs have been “advanced funded” with approximately \$330 million allocated to states in October 2001 for the current school year. Under the state formula, 50 percent is based on school age population and 50 percent on Title I concentration grants. Over time, usually in response to school violence events or other phenomena (e.g., increases in substance abuse reported), the program has emphasized the following:

- a supplemental funding source for Title I with which the funds were the first to be commingled in Title I schoolwide programs in the mid-1990s;
- the creation of competitive grant programs which were jointly funded with the Department of Justice; and

- increasing pressures to fund only programs and approaches that met the criteria under “principles of effectiveness.”

According to the most current USED interpretation of what constitute “principles of effectiveness,” if programs are to be funded, they must be: (1) “based on assessments of objective data about drug and violence problems in the schools and community to be served; (2) based on performance measures aimed at ensuring these schools and community have a safe, orderly, and drug free learning environment; (3) grounded in scientifically-based research that provides evidence that the program to be used will reduce violence and illegal drug use; (4) based upon an analysis of the prevalence of ‘risk factors, protective factors, buffers, assets, and other variables’ identified through scientifically-based research that exist in the schools and communities in the state; (5) implemented in consultation with parents; and (6) evaluated periodically against local, selected performance measures and modified over time to refine, improve, and strengthen the program.”

### **Allowable Uses of Funds**

Under the reauthorized Title IV, Part A, state grants are distributed to each state based upon a formula in which 50 percent is based upon school age population and 50 percent based on Title I concentration grants; it also has a “hold harmless” to the FY 2001 funding level. The Governor’s Office is allowed to reserve up to 20 percent for competitive grants to LEAs, community-based organizations and other public entities and private groups, which has a priority to serve those not normally served; it has also placed a special priority on programs incorporating school-based mental health services. The remaining amount is distributed to LEAs based on a formula in which 60 percent is based on Title I formula (basic and concentration) and 40 percent on student enrollment. Funds may be used for a number of activities, many of which were previously in place, including:

- developmentally-appropriate drug and violence prevention programs and services,
- drug and violence prevention information dissemination;
- drug and violence prevention professional development and community training;
- expanding and improving mental health services;

- alternative education for violent or drug-abusing students;
- programs and services regarding truancies, suspensions, and expulsions;
- character education programs;
- youth suicide warning training.

The reauthorized Title IV, Part A provides other changes which affect program operations; it:

- requires LEAs to establish student conduct standards and to help teachers maintain classroom control during classroom instruction for all students;
- requires that LEAs must make reasonable efforts to inform parents about the nature of all programs and must allow students to withdraw from a Title IV-funded activity if the parent provides written notification;
- encourages involvement of community-based organizations and private organizations for early involvement in planning local programs and allows them to apply for direct grants under the Governor's 20 percent set aside;
- allows students who attend a school which has persistently dangerous situations or who becomes a crime victim to transfer to a safe school;
- doubles the funding cap from 20 to 40 percent that may be used to hire and train school security personnel.

## **ESEA Title IV Part B 21<sup>st</sup> Century Community Learning Centers**

### **Introduction**

Now in its fourth year of operation, the 21<sup>st</sup> Century Community Learning Centers initiative -- to be funded in FY 2002 at \$1 billion -- will be converted to a state (from a Federal) discretionary grant program which targets funds to schools with greatest need and requires centers to provide academic enrichment activities. For the first time community-based organizations, including faith-based organizations, can apply for funds directly from the state.

## **Background**

Growing from \$40 million in FY 1998 to \$1 billion in FY 2002, 21<sup>st</sup> Century will see 2002 as a “transition year.” That the next round of FY 2001 funding will likely be made under the old guidelines, while FY 2002 funding will likely be under the new rules. Because this program grew so quickly and has become so popular, numerous studies and evaluations of the last three years of this program provide a wealth of information which can be used in targeting before- and after-school programs and positioning products. Highlights include:

- virtually all after-school programs provide enrichment courses in reading, math, and science, most of which is correlated to state content standards;
- 72 percent provide art and music enrichment programs;
- 70 percent engage in technology-related activities;
- 64 percent offer social studies support activities;
- 80 percent of centers operate on a daily or semi-daily basis.

A 2001 study of After-School Programs (ASP) which were funded under 21<sup>st</sup> Century Community Learning Centers as well as under state and local resources, found the ASPs that include literacy, reading enrichment, math, science, and computer and technology instruction are those in high-poverty schools, which have had programs in operation for less than three years, are larger programs serving more than 50 students and focus primarily on serving 5<sup>th</sup> through 8<sup>th</sup> grade students. Approximately 72 percent of these types of ASPs have computers and over 50 percent provide Internet access. As with 21<sup>st</sup> Century grantees, virtually all of which are located in “empowerment zones” or “enterprise communities,” over 70 percent of high-poverty schools have some type of extended learning programs which, on the average, provide approximately 115 hours of additional instructional time annually for participating students. In the 2001 survey, conducted by the National Association of Elementary School Principals, 80 percent of principals reported they directed the design and planning of their ASP and 40 percent of principals were responsible for creating and administering the program; 25 percent of the programs are directed by specifically designated individuals hired by the district. An increasing number of students, mostly in high-poverty Title I schools, are provided intervention and remediation in after-school programs; these generally include less drill-and-practice and more hands-on project-oriented

activities reflecting a constructivist approach. A list of grantees, primary contacts, amount of funding, and telephone numbers are available at [www.ed.gov/21stcclc](http://www.ed.gov/21stcclc).

Under the newly-authorized Title IV, Part B program, provisions are very clear that the priority service provided by centers must relate to “academic enrichment which will improve student academic performance.” When the program was initially passed, many districts looked upon 21<sup>st</sup> Century as an opportunity to provide a “safe haven” for students in supervised after-school programs, as well as to provide remedial and related instruction. Also, the new law requires local grantees to purchase, develop, or select programs that meet the specified “principles of effectiveness” which are similar to those under the Safe and Drug Free School Programs. Unlike the antecedent national discretionary grant program, the new law provides funds to states under a formula based upon their share of Title I funds; then, the states make competitive awards to eligible groups who apply for such funding. While priority was given under the old program to districts and schools located in “empowerment zones” and “enterprise communities,” priorities now will target funds to “schools identified for improvement” under Title I, especially when the LEA jointly proposes an after school program with outside groups, including faith-based organizations.

### **Reliable Uses of Funds**

Under the new law, a number of activities that advance student academic achievement are allowable, including:

- remediation, education and academic enrichment activities;
- math, science, art, music, entrepreneurial and technology education activities;
- tutoring and mentoring, including mentoring by senior citizen services;
- telecommunication and technology education programs;
- expanded library service hours;
- programs which promote parental involvement;
- programs for limited-English-proficient students that emphasize language skills and academic achievement;

- programs for truant, suspended, or expelled students; and
- programs or initiatives that improve academic achievement.

New accountability measures include the requirement that programs and approaches must meet the specified principles of effectiveness, unless there is a waiver for innovative programs with a high likelihood of success, and that grantees must evaluate and report on the progress being made on academic enrichment.

### **Key Decision-Makers and Influencers**

Depending upon the primary funding source and the organization of after-school programs in a district, the most likely decision-makers will be: (a) principals who are involved in the design and administration of the after-school program; (b) individuals designated as being responsible for after-school programs at the district level; and (c) district-level Title I directors, particularly if after-school programs are a priority in schools that have been targeted for improvement.

**SLD Begins to Send Funding Commitment Letters to Applicants Who Were Found to Have Meritorious Appeals for Funding Years 1-3 and Out-of-the-Window Applicants Which Could Provide Opportunities for Vendors of Non-E-Rate Eligible Products and Services Where the BEAR Process Will be Used by Applicants**

*A Technology Monitoring and Information Service (TechMIS)*  
**SPECIAL REPORT**

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Several hundred million dollars are in the process of being allocated to E-Rate applicants who have been notified by Funding Commitment Letters that their appeals from previous Funding Years 1-3 and “out-of-the-window” applications have been approved. Many of these districts and library applicants will have already purchased the eligible E-Rate products and services paying the prediscount price; hence, most will use the BEAR process (i.e. completing Form 472) and request that they receive checks rather than credits for the discount amounts. If they do so, they have the flexibility to purchase non-E-Rate eligible products and services -- such as computers to be used by teachers and students, software, technology-related staff development or other technology services -- or they may use the dollars to purchase other items or to return the dollars to the school district’s general fund.

The best way to qualify a district is to gather information about the following questions.

- 1. What office at the district level is responsible for E-Rate applications and is most likely to receive the Funding Commitment Letters?*

The probability is greater that such funds will be used for some software, staff development, etc., if the responsible office is the District Instructional Technology Office; a lower probability, if that office is the district-level IT or Management Information Systems office; and even less, if that office is responsible for building renovation and construction.



2. *If the BEAR process is used and the applicant wishes to receive a check for the discounted amount, for what will these funds be used to purchase?*

As noted three years ago in a TechMIS special report on E-Rate, finding answers to this question without raising political sensitivities is no mean task. If a potential customer wishes to purchase a vendor's product, one good approach is to have that school staff person (e.g., principal, reading specialist, etc.) contact the E-Rate office and obtain such information. Principals can be very effective in arguing that the poverty rate in their schools was a major factor in determining the amount of refund the district received and that the principal/school should receive a portion of those funds.

For the first time, the SLD, which administers the E-Rate program, is making enough information public so that we have been able to combine searches of several SLD data sets to identify districts and other applicants which, since October 1, have been receiving Funding Commitment Letters for appeals which have been found to be "meritorious." Attached is a list of districts which were sent, last quarter, Funding Commitment Letters for \$100,000 or more which are likely to be allocated shortly. If the applicant has already purchased the product at the full price and will be requesting BEAR refunds, then this district could be a ripe candidate. If you have any questions, please contact me or Blair Curry directly.