

*Washington Update*⁸

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New Report Describes How Title II D/Enhancing Education Through Technology State Grants Were Used During the First Year of Implementation

The results of a survey last Fall by the Metiri Group for the State Education Technology Directors Association (SETDA) describes how states and, in turn, consortia or individual districts, used Title II D E²T² funds during the 2002-03 school year. The most common use of funds -- both “formula” grant and “discretionary competitive” grant components -- were:

- “Professional development - professional development that provides school teachers, principals, and administrators with the capacity to integrate technology effectively into curriculum and instruction aligned with challenging state academic content and student academic achievement standards, through such means as high-quality professional development programs;
- Increased achievement in technology literacy - adapt or expand existing and new applications of technology to enable teachers to increase student academic achievement, including technology literacy.”

Generally, the formula component funding (i.e., up to 50 percent of a total state allocation was based upon a formula which favors districts with high rates of poverty and large enrollments) was used to provide continuing maintenance and support for existing programs, included acquiring technology and support services and providing increased access through expanded networking and infrastructure. Interestingly, the formula funds were much more likely than competitive grants to be used to acquire connectivity resources and services for librarians, media specialists, counselors, and other school media center staff. On the other hand, the competitive grants reflected individual state priorities and funds were more likely to be used to develop “experts” or “coaches,” including providing bonuses for technology leaders and acquiring proven and effective courses and curriculum. SEAs were much more likely to have used national and state standards and frameworks to guide their grantees’ implementation of programs under Title II D, including state standards and ISTE NETS for students, teachers, and administrators.

For the discretionary component, state priorities included: middle school mathematics in Washington; wireless laptops for sixth graders in Michigan; reading and writing in Delaware; grades 3-5 multimedia learning in Missouri; language arts and literacy in New Jersey;

and classroom models or inquiry based student access in Utah.

As expected, slightly over 80 percent of the 13,185 formula grants were \$20,000 or less for individual districts and/or consortia. According to the report, approximately six percent of eligible LEAs refused awards or did not apply because “the amount of funding was insufficient to warrant the effort.” The total number of competitive grant awards during the first year of implementation was slightly over 1,600, which included 376 consortium grants. In about half of the states, one-year grants were awarded, while in ten states, three-year grants were awarded. Approximately 440 LEAs received first-year grants of \$100,000 or more.

During the first year of E²T² implementation, approximately \$1.9 million reportedly was transferred out of Title II D to other programs under the 50 percent transferability provision, while \$4.2 million was transferred into Title II D from other programs, representing a net gain of \$2.3 million. Most of the Title II D funds transferred to other programs went to Title I, most likely because Title I schoolwide programs don’t have to report how the money is spent. Funds from Title II A Teacher Quality and Title V Innovation Strategies (the ESEA block grant) were transferred into Title II D. One of the possible reasons why so little Title II D funds were transferred during the first year is that districts had to report the amount of funds transferred to the SEA using a statewide reporting system. At the beginning of the 2002 school year, no SEA had such a capability in place.

One of the three goals of Title II D is to ensure that every student is technologically literate by the time he or she finishes the eighth grade. Under USED Guidance, states completing their consolidated application in order to receive funding were told that they would not have to report annually on the number of eighth grade students that would be technologically illiterate. As the report found, only nine states indicated they were collecting data on student technology proficiency; this could result in Congressional funding decreases in the future.

The report also found that almost half of the responding states indicated that they would be making moderate to significant changes in the administration of the competitive grants program in the future. Most states indicated that the lack of guidance from USED on evaluation and the enormous amount of time for administering the two programs (i.e., the formula and discretionary components) resulted in low if any priority placed upon evaluation, especially during the first year of implementation of E²T². For a copy of the report go to www.sedta.org.

Secretary Paige Points to Recent Regulatory Changes Allowed Under “Newly Found” Flexibility in NCLB Provisions Suggesting Other Policy Changes in the Future

During the annual legislative conference of the Council of Great City Schools, Secretary Paige pointed to recent policy

changes -- reflected in regulations or nonregulatory guidance from USED -- to reduce problems districts are having in several areas as reported to him by USED staff. Over the last few months, USED staff who were former "practitioners" (including himself), along with USED legislative staffs and councils, have been able to identify areas of flexibility in numerous NCLB provisions to allow such changes.

The problem areas identified by staff related to special education and LEP students taking regular state assessments, participation rates in test taking (i.e., the 95% minimum) and various problems rural districts were having in meeting the highly-qualified teacher requirements. As reported in the January (or February) TechMIS issue, certain special education students are allowed to take alternative tests with alternative standards and up to one percent of these students who achieve proficiency can be counted toward AYP. Based on comments made by USED officials during the National Title I Conference in February, one might anticipate additional guidance related to "assigning strategically" the scores of students beyond the one percent cap who are proficient in such a way as to minimize the number of schools that become identified for improvement. States would also, under certain conditions, be able to allow districts to receive an exemption on the one percent cap.

On February 19, USED also announced policy changes relating to assessment of LEP students. For example, LEP students, during their first year of

enrollment, do not have to take the state's reading/language arts assessment but must take an English language proficiency assessment in order to be counted as part of the 95 percent participation rate. While they must take the math assessment, districts do not have to count their scores for AYP, but they can be counted as participants in meeting the 95 percent assessment participation requirement. Also LEP students who "exit" from English language acquisition classes can be counted as part of the LEP subgroup for up to two years after exiting the program. In some states such as California, USED has allowed these students to be counted as part of the LEP subgroup for three years after exiting.

In mid-March, USED extended the time for existing and newly-hired teachers in rural districts to meet highly-qualified teacher requirements. States are also allowed greater flexibility in certifying science teachers to meet NCLB requirements although mathematic teachers must continue to meet the current NCLB provisions. States also are allowed to use the "high objective uniform state standard of evaluation (HOUSSE)" requirements to help current teachers meet the highly-qualified requirements using a single process rather than having to go through multiple subject matter processes.

Speaking to many former colleagues and a generally supportive audience, the Secretary emphasized that, unlike the previous reauthorization of ESEA in 1994, there is no authority provided to the Secretary to issue "waivers." Within this context, he addressed, as an

additional problem identified by USED staff, the 95 percent student participation rate in state assessments, implying that many schools have been identified for improvement or did not meet AYP because less than 95 percent of subgroup students participated. He admitted that USED was having trouble discovering flexibility under No Child Left Behind in this area. However, one could infer that from the nature of this comment that he recognized that high student mobility in many large urban districts was beyond the control of local education officials and that USED would continue to attempt to identify flexibility in this requirement.

Eventually USED officials were successful in identifying additional flexibility in the Law regarding test-taking participation. On March 29, during the National School Boards Association annual convention, Secretary Paige announced that districts would be able to average test-taking participation rates over two or three years. For example, if a district or school test participation rate for a subgroup was 94 percent one year and during the next year it was 96 percent, the average would be 95 percent which would meet the 95 percent participation rate standard.

The Secretary noted that, during the first two years of NCLB implementation, a priority was placed upon negotiating accountability and assessment plans with each state to ensure that all states would be fully or conditionally approved by June 10, 2003. In other speeches and press releases this year, the Secretary and USED officials suggested that many

states would be renegotiating or amending their state plans regarding AYP “cutoffs” and the minimum number of students in a school subgroup in order not to have to report on AYP for that subgroup. It is very likely that the minimum number for certain subgroups, such as special education and English language learners, will be increased in many of these states in order to reduce the number of schools that are identified for improvement. On the other hand, this could increase significantly the number of LEAs that are identified for improvement or that otherwise fail to meet AYP which this year was close to 40 percent.

The Secretary applauded the Council for taking the initiative in conducting an annual report on achievement levels among its membership. Released during the conference, this year’s report shows that, in 61 urban districts, fourth grade reading achievement increased 4.9 percent while math achievement increased 6.8 percent over last year’s. As the former coach emphasized, “Only student performance data goes on the scoreboard,” once again, emphasizing USED’s almost sole focus on assessment scores.

During the question-and-answer period and during the first day of the conference, it became apparent that many urban districts have specific immediate or future concerns. Districts which have been, or are likely to be, identified for improvement were very troubled that the district itself might not be able to provide supplemental education services to schools identified for improvement for two consecutive

years and that much of the up-to-20 percent earmarked for transportation and SES could flow from the district to outside providers. Many other district officials in attendance felt that the regulations should be changed to reflect the statutory requirement that only up-to-five percent be earmarked for supplemental education services. While these and other problems can be attributed directly to regulations which conflict with NCLB revisions, many district officials also attribute many of their problems to SEA interpretations or negotiated components of the USED-approved state accountability and assessment plans.

Following Sunday's luncheon speech by Secretary Paige, during the Monday luncheon, Senator Ted Kennedy echoed many of the issues and concerns expressed by urban district officials including: "The Administration has failed to provide the funds promised to implement the reforms, and school budgets are in no position to close the gap....Schools have been struggling to carry out the provisions on accountability, teacher training, school choice, and other reforms without adequate funds and without adequate guidance and rules....Accountability guidelines for children with special needs and English-language learners were announced by the Department two years after the law was enacted....They've (USED officials) ignored standards for supplemental service providers....But when the Administration finally released its guidance on the issue, they actually prohibit states from requiring high standards for these private

providers....The Administration's guidance lets private providers off the hook. They don't have to make the modifications needed to serve children with special needs or English language learners."

The tone of Senator Kennedy's remarks suggest that he may be more willing today than two months ago to consider some technical amendments rather than relying only on USED's regulatory process to facilitate necessary changes. While there are obvious and blatant differences between the Secretary and Senator Kennedy, on one point they agree. Secretary Paige reminded the attendees that "we are at the epicenter of a revolution" or in Senator Kennedy's words, "Today, we are at an important crossroads in education."

What Works Clearinghouse Officials Argue that the Primary WWC Mission is to Rate the Quality of Research and Evaluation Studies Rather Than to Identify the Most Effective Instructional "Interventions"

During the SIIA teleconference webcast on March 15, WWC Commissioner Phoebe Cottingham and Steve Fleishman argued that the primary mission of the WWC is to identify and rate the quality of research studies rather than rate the education "effect size" of specific interventions. The moderator asked how the WWC would respond to a school district official, for example, who wanted to know what interventions had

the greatest effect sizes. Officials stated that the mechanism in WWC website currently was not designed to respond to that question; but it could readily answer questions as to what research studies had the highest rated designs in addressing the use of specific interventions. The highest rated research studies would be considered the "gold standard" of "randomized control trials (RCT)"; the next highly-rated would be comparisons using regression continuity; and the lowest rating would be placed upon other studies and not-well-implemented designs of the higher categories.

Even more important than in the past will be the identification and selection of studies. As Fleishman noted, the WWC will make a "best effort" to identify and collect such evidence-based reports. However, the WWC could not make a "heroic effort" to obtain very specific reports with certain findings since that would reduce the integrity of the overall WWC design. Indeed, during the Education Week talkback on February 27, a question addressed to IES Director Russ Whitehurst noted that critics of the National Reading Panel's (NRP) recommendations in 2000 supporting the use of phonics was "biased" because of the composition of the panel and selection of studies (most addressed "phonics only" rather than whole language study interventions). Whitehurst's response was, "I was not involved in the National Reading Panel but since it was formed in 1997 and issued its report in 2000 there would seem to be a temporal problem in linking its composition to the current Administration."

During the Education Week webcast, a director of a math materials publisher directed a related question to Whitehurst, "Given the recent criticism from a dozen of Nobel laureates of the Bush Administration's proclivity for distorting and censoring scientific input for policymakers in ways that further its own political agenda, why should parents, teachers, administrators, and other education stakeholders trust that the definitions of 'scientific research' and 'rigorous evidence' used to evaluate theory and practice will be any less politicized when it comes to education." Whitehurst's response, "The relationship between research and practice or research and public policy is frequently uneasy and sometimes discordant. This is nothing new....Our activities are required by statute to be objective and free of partisan political influence. I and the committed staff of career civil servants and excepted service employees at IES work very hard to carry out that obligation." According to Education Daily (March 12), during a meeting of the Progressive Policy Institutes on March 11, in response to a similar question, Whitehurst added that the Institute for Education Sciences is manned by career staff who are "more likely to vote Democratic than Republican just because they are academics."

As Fleishman noted, an "heroic" approach by the WWC to identify and select for review RCT designs where the intervention reflected a political bias would undoubtedly affect the evidence to be reported. What happens when developers of interventions which are evaluated do not wish or can't submit to

such reports to the WWC? Whitehurst's response was noted in a recent interview conducted by Therese Mageau for THE Journal (August 2003) when she asked, "If a vendor claims that their products meets SBR standards, how does a school district know if that is true?" Whitehurst: "They go to the What Works Clearinghouse, click on that product and find out what the study report says." THE: "And if there is none?" Whitehurst: "Then the vendor is lying."

Discussions with several publishers indicate that numerous randomized controlled trials or quasi-experimental evaluations are underway testing their interventions and, therefore, were not completed in time to meet the required submission dates for the seven intervention categories last Fall. The WWC officials, during the SIIA webcast, indicated that six or seven hundred reports had been submitted, but only a very "small number" would have been included in the first "study reports" and "evidence" reports addressing middle school math and peer tutoring intervention. These will be available from the WWC "soon." For the remainder of the interventions, studies are characterized as "works in progress."

As one listens to the WWC officials during the SIIA conference, it appears that the primary mission of WWC is to identify studies, including both study reports and evidence reports, that are of the highest quality and meet the gold standard rather than rating the effect size or other effectiveness measures of interventions addressed in these studies. One legitimate question is whether this

apparent refocus can be attributed to the limited number of studies which have been identified thus far. As numerous Federally-funded, as well as publisher-funded, studies become available and are identified by WWC officials, one can speculate whether the focus will expand to rating the effectiveness of specific interventions. Once again, selection of those studies which meet WWC standards will become critical. Noting that the Center for Education Policy's second year assessment of NCLB implementation found that states, and to a lesser extent districts, are placing a low to very low priority on implementing scientifically-based research (SBR) provisions and that many teachers feel that is a "trick" to push phonics, Center Director Jack Jennings observed that unless NCLB is implemented in a "fair and consistent manner you might as well just forget about it and get the words (SBR) out of the law," according to Education Daily (March 12). The first study reports and possibly evidence reports are scheduled to be released in a matter of "months" according to WWC staff and will address middle school mathematics and peer tutoring interventions.

For a copy of the Education Week "Talkback Live" transcript (February 26) go to http://www.edweek.org/ew/tb/tblive/transcript_02-26-2004.htm

Update on Title I Funds Allocation and Adjustment Process

The funds allocation and adjustment process will have an impact on when Title I funds are received by districts and how much Title I funds they will receive in the end. Sales staff who understand the processes, particularly the adjustment process, and can communicate this information to district Title I coordinators whose final allocation will be slightly less than the USED preliminary allocations (e.g., those enclosed in the March 2004 TechMIS Special Reports) will establish a “comfort level” and engender a better professional working relationship with Title I directors than those unfamiliar with the somewhat new process.

The FY 2004 Title I funds allocation process officially begins in July 2004 when approximately \$7 billion of the total \$14.8 billion will be allocated to states and, in turn, states will allocate to districts their portions as estimated by USED district allocations minus approximately five percent. As described below, four percent of Title I funds allocated for districts will be “set aside” for school improvement and one percent for SEA administration at the state level. Some districts will receive less than they anticipated in July because of the withholding of the five percent and the fact that the Title I basic grant component for FY 2004 was actually cut by over \$150 million. Shortly after October 1, the remaining Title I funds, which includes all of the increases totaling approximately \$650 million,

will be allocated to states. In turn, the SEAs will make additional adjustments as noted below and begin allocating such funds to districts. Those states in which the district and the county (e.g., Florida, Maryland) are the same and those with few charter schools serving Title I-eligible students will likely receive final allocations in late October through November. However, for those districts which are only one of several in a county, the state may require additional time to make census data adjustments. They will likely receive their final Title I allocations in November through February 2005.

The adjustments to be made by SEAs will be more complex and different from such processes used in the past as a result of the FY 2004 appropriations act. One major difference is that NCLB requires that the most current census data be used for determining district allocations. Last year, the 1999 census data set was used while this year the 2000 census data set is being used. Because eleven states are receiving less based on the use of the 2000 census data set, more than 20 Senators have requested that USED not use the 2000 census data set because they allege the data are “inaccurate” and not “reliable.” USED’s response thus far has been that the Law requires them to use the 2000 census data, although some changes may be made in the future.

Another major change is that the two percent of a state’s Title I allocation that was earmarked for school improvement last year has been doubled to four percent for FY 2004, totaling over \$250 million. This four percent set aside, plus

the one percent administration set aside at the SEA level, will come most likely from the districts with the largest percentage or absolute increases based on USED preliminary district allocations. Once the SEA identifies the number of schools and/or districts which have been identified for improvement based upon 2003-04 test results, then it will decide how to allocate such school improvement earmarks. In many instances, the districts that received a large increase in preliminary Title I allocations, but experienced a reduced amount due to the SEA earmark, will have the opportunity to regain a portion of the earmarked funds through the state's distribution process because these districts most likely will have a large number of schools which have been identified for improvement. However, generally such districts will not recoup the total amount of the initial reduction.

During a recent teleconference between USED and state Title I directors, USED indicated that the four percent set aside for school improvement could be used to make other adjustment allocations to those districts who received significant reductions (i.e., between five and fifteen percent) for this coming year. These adjustments are possible because of "hold harmless" provisions in the appropriations act that no eligible district can receive less than 85 percent of the amount it did the prior year. This reallocation is likely to be at the expense of districts receiving increases. Or, the SEA will use a large portion of the four percent set aside (ostensibly for school improvement) to increase Title I funding in districts which fall under the 85 percent "hold harmless" level. This is

likely to occur in those eleven states which are estimated to receive statewide cuts for this coming year (this was confirmed for Pennsylvania). During the recent Council of Great City Schools meeting, on numerous occasions it was stated that no district will receive less than what it received this past year; however, recent communications from the USED official responsible for preliminary allocations stated, "A state that receives an overall increase cannot redistribute the allocations within the state to ensure that no district loses funds."

Another adjustment to the allocation that the SEA will make, most likely in September/October, is to allocate funds to school districts or directly to charter schools which have been designated as LEAs that serve Title I-eligible students. Another adjustment in some states, such as California, will have a certain small allocation of Title I funds taken from districts and allocated to county systems that provide certain Title I services.

The bottom line is that many of the districts shown in the March Special Reports as receiving increases of \$400,000 or more or 20 percent or more, will receive some reductions when the final allocations are determined by their SEA. In an attempt to identify which districts are likely to receive the greatest reductions in funding increases, we have identified only thirteen districts of the 296 on the March lists that are located in the eleven states that either received overall state reductions in Title I funds thus far or received increases of two percent or less. These districts, however, may still be forced to spend

carryover Title I funds from last year but with a five percent maximum they can carryover without state waivers for this coming year only five percent. In the March report of districts receiving a 20 percent or greater increase, many were in Arizona. Because there are over 400 charter schools in Arizona, it is likely that some of these districts' percentage increase will be reduced as the result of charter school adjustments. This is also true of states such as Pennsylvania, Michigan and possibly California which have large numbers of charter schools. If you have any questions, contact Charles Blaschke directly.

New Study Shows Career Academies Increase Earnings of Participants

A new study by the Manpower Demonstration Research Corporation (MDRC) provides strong evidence that career academies -- vocation-oriented subcommunities within large high schools -- can markedly improve the earning potential of their students. As reported in Education Daily, the average monthly earnings of male graduates of career academies, four years after graduation, was 18 percent (\$212) higher than similar students who did not participate in such academies. MDRC emphasized that this differential is significantly larger than the differential "between young workers with a high school diploma and those with one or two years of postsecondary education."

Issued in mid-March, the report's conclusions are based on longitudinal

data from more than 1,400 students who attended career academies located in nine high schools across the country. Approximately 85 percent of the enrollees studied were either African-American or Hispanic.

The study's author, James Kemple, indicated that transition programs such as career academies do not de-emphasize rigorous academics to the detriment of students opportunities for postsecondary education. Indeed, he stated that "...the high rates of enrollment in postsecondary education programs and the sustained impacts on employment and earnings suggest that such tradeoffs need not occur."

The study was able to find little or no discernable impact of career academies on young women.

During the SIIA Fly-In on March 30, IES Director Whitehurst reiterated that, while initial studies of the impact of career academies on student achievement scores looked good, further analysis of the research and evaluation designs that were used found that there were exogenous factors which flawed the integrity of the studies. When the results of the MDRC studies were mentioned, he indicated that he was aware of the MDRC findings on the impact on future earnings but once again reiterated that the studies alleging increases in student achievement were flawed.

For a number of reasons, including over \$200 million of funding from the Gates Foundation, the number of career academies have increased significantly

and appear to be on a major growth trajectory. They represent unique opportunities for firms with very specific niche-oriented instructional and assessment programs related to the field of studies included in the respective academies.

The report -- "Career Academies: Impacts on Labor Market Outcomes and Educational Attainment" -- can be found at www.mdrc.org.

New Study Highlights the Needs of Most Intensive Student Technology Users

A recent survey, conducted by the non-profit NetDay, explored the views of students with regard to the importance of educational technology. Entitled "Voices & Views from Today's Tech-Savvy Students," the survey questioned more than 200,000 students in grades K-12 from all across the country.

As reported in [eSchool News](#), the survey found that most students are fairly sophisticated users of technology. This appears to be true across racial and demographic lines and holds even if there is no computer in the home. Students will find technology, if not at home, then in school, at the library, or in some other organization. Students' use of technology goes well beyond schoolwork; they use it as a tool for communications and research. Nearly 80 percent of all students in grades 7-12 use e-mail to communicate with friends and 29 percent have their own e-mail accounts.

These young people have become intensive users of Instant Messaging (IM), unlike older users who tend to use conventional e-mail. Students prefer instantaneous dialogue of IM and often use it in place of telephone conversations. The survey found that 70 percent of all students in grades 7-12 have at least one IM screen name and 18 percent have five or more screen names. More than half of the 7-12 grade students are more familiar with their friends' screen names than with their home telephone numbers.

The survey also showed a keen interest on the part of students to integrate their personal online activities into their education environments. In fact, survey respondents rely on technology for far more than social interaction. They use IM and e-mail, outside of school, to work on group school projects and discuss homework assignments. The students question why these technologies, which they use daily, are subject to restrictions during school hours. Of the students in the survey, 74 percent of the K-6 students said technology helps them complete their school assignments; 91 percent of students in grades 7-12 said the same. Nearly 60 percent of K-6 students and 70 percent of 7-12 students indicated that they use technology more at home than in school. The Internet has drastically altered the manner by which students do school research and write school reports.

During the recent Miami Institute for International Research conference for software publishers and investment groups, Peter Grunwald of Grunwald

Associates released some of the results of the most recent survey of children, parents, and educators related to Internet use. His findings corroborated findings in the NetDay survey. For example, among 13- and 17-year olds, more time is spent per day using digital media than watching television. In terms of what kids want out of the Net, almost 75 percent of nine-to 17-year olds reported wanting to use the net to learn more and learn better. This report will be available from COSN in the near future.

Among the suggestions of students regarding the improvement of technology use in schools were the following:

- expenditure priorities, across all grades, should be more computers and better student software;
- wireless access to the Internet should be available throughout the school; and
- computer labs should remain open after school hours and on weekends.

Overall, students in the survey believe that, if technology were more readily available in school, student performance would increase in the form of higher test scores, better projects, and a more enjoyable environment.

The NetDay survey report can be found online at:

www.netday.org/speakupday2003_report.htm.

Major Challenges Confronting Supplemental Education Service Providers Discussed During Education Industry Association Conference

During the March 31 Education Industry Association conference, both USED officials and major education service providers identified numerous problems and challenges, some of which have been purposely created by districts. Nina Rees, Deputy Undersecretary, noted that her discussions with local school district officials indicate that “LEAs are not happy about supplemental education services.” One of the weakest links between districts and service providers has been transportation costs and the hesitancy on the part of parents to want their student transported to SES providers’ facilities. Rather, many parents prefer taking advantage of LEA alternatives such as district-operated afterschool programs. Rees also identified rural areas as having the most difficulties in implementing SES service providers; and moderator Siobhan Gorman, National Journal writer, indicated that, while online tutoring is an alternative, the effectiveness of such approaches has yet to be proven. Indeed Deputy Undersecretary Reese indicated that there is a need for better “models” for implementing the SES provisions and that there still exist questions about what in the SES process states specifically should monitor. She indicated that, in the near future, guidelines would be made available for superintendents to assist them in implementing SES provisions. Also, the American

Institutes for Research was recently awarded a contract from her office to provide a website to answer questions about supplemental education services; it will open in April (go to www.tutorforkids.org). In closing, she expressed hope that SES providers would “join hands” with staff at the local district level.

Tim Thompson of Sylvan Education Solutions, which provides SES services to more than 25,000 students, identified several particular challenges thus far, including: (1) making parents aware of such services about which he noted that district notifications have not been clear; (2) next step actions to be taken on the part of parents; and (3) overcoming the major hurdle posted by the multi-step processes used by districts to help parents select SES providers. He also noted that, in many cases, districts place additional requirements on SES providers -- such as negotiations and limitations on SES providers hiring interested existing LEA teachers -- which limit the amount of student “time on task.” Another impediment is the inconsistent expectations among district and school officials about what effectiveness and success is achieved through SES providers. Thompson did note that, while some districts continue to oppose the use of independent SES providers, an increasing number of principals are expressing their desire to use such providers. He added that progress had been made over the last two years with about 44 states currently having lists of over 1,000 service providers up from about 500 during the first year of implementation.

An official from Platform Inc. which serves approximately 15,000 students under SES provisions, noted similar and additional problems relating to parent awareness and direct marketing to parents. To ease the process, he recommended that districts make parent sign-up easier and that SES providers market their services by having “shoes on the street.” Another impediment is that districts typically do not have good student attendance record keeping and reporting, which is critical because most service providers are paid based upon student attendance, even though the Law requires that payment be based at least partially on student progress made on assessments selected by the SES provider and parents. Noting the importance of the SES provisions, he indicated that the tutoring market generally is about \$4.5 billion and that SES could contribute between \$500 million to over \$2 billion more, if and when fully implemented.

Nancy Van Meter of the American Federation of Teachers noted the results of an informal survey conducted before preparing her presentation -- namely that a local AFT leader in one large urban area said that “SES is a big yawn”; he suggested that it is a major concern only to politicians and the media. She indicated that the AFT had several concerns such as:

- the need for USED to provide guidance to SEAs on how to evaluate the effectiveness of SES; without such guidance, she noted, California has conducted three time-consuming reviews of

- several SES providers initially put on the state list;
- the AFT feels the need for a “level playing field,” noting that the SBR requirements and the high-quality teacher requirements should be placed upon SES providers, just as they are currently placed upon districts and their teachers; in this vein, she expressed disappointment that USED turned down several state accountability and assessment plans that would have “leveled the playing field.”

In response to a comment from the audience that the Law specifically did not require SES providers to use scientifically-based approaches that have been proven to be effective, Nina Rees noted that this is true because there would not be enough entities out there with proven practices to provide enough choice options for parents.

During the question-and-answer period, panelists were asked to comment on a trend observed by a performance-based pay proponent; As more and more schools and districts are identified for improvement, district push-back to the use of independent service providers may increase because of the magnitude of Title I funds flowing out of the district. Moreover, more and more large districts in which this will likely incur most, will decide to follow the Law and earmark only five percent of services for SES, not the 20 percent in USED guidance. This could have a major impact on the potential size of the market for SES services, reducing the

potential from approximately \$2 billion to around \$500 million. The only panelist to comment was Tim Thompson from Sylvan who indicated that this indeed could happen. However, he noted a number of SES providers have formed a “coalition” which ostensibly would attempt to minimize the negative effects on the market for SES services, provided by outside vendors. To the extent that an increasing number of districts were identified for improvement under the current regulations, they would not be allowed to provide such services. One obvious partial solution would be to reduce the pressure on districts by implementing some of the recent changes related to the one percent provision relating to alternative assessments and the 95 percent rule for assessment by making these provisions retroactive; this would allow states to reduce the number of schools and districts which have failed because less than 95 percent of students within subgroups took tests (see related item).

New Study Shows Influence of No Child Left Behind on Liberal Arts Subjects

A recent study by a prominent national organization shows that the emphasis on basic skills inherent in the No Child Left Behind Act is causing significant reductions in the exposure of students to such liberal arts subjects as geography, civics, social studies, foreign languages, and the arts. Conducted by the Council for Basic Education (CBE) with funding from the Carnegie Corporation, the study found that this shift away from liberal

arts subjects is most in evidence at the elementary level and in schools with the largest minority populations.

Entitled “Academic Atrophy: The Condition of the Liberal Arts in America’s Public Schools,” the study is based on data collected from more than 1,000 public school principals in four states (Indiana, Maryland, New Mexico, and New York) that are considered diverse in their geographical, political, and socio-economic characteristics.

The survey found that three-quarters of all principals surveyed say that instructional time devoted to reading, writing, and mathematics is increasing. A similar majority indicated that teacher professional development time in these basic skills areas is also increasing. Nearly half of the principals reported that instructional time for science is increasing and will continue to increase over the next two years. Not surprisingly, other subjects are being squeezed out of the academic day. Nearly a third of the elementary principals surveyed reported decreases in instructional time for social studies. A quarter of all principals indicated decreases in arts instruction with even more (a third) saying that art instruction will see even more decreases in the coming year.

This trend was most evident in schools with large minority populations. Almost half of the principals in these elementary schools reported decreased time devoted to social studies; 40 percent anticipated decreases in arts instruction; and 30 percent expected to see decreases in foreign language instructional time. The

author of the report expressed concern about NCLB creating another kind of gap between poor and non-poor students, stating, “In our effort to close achievement gaps in literacy and math, we risk substituting one form of educational inequity for another, denying our most vulnerable students the kind of curriculum available to the wealthy.”

On the brighter side, principals in middle and high schools say that more time is being spent on social studies, civics, and geography instruction, largely as a consequence of activities in the world over the past three years.

In its conclusion to the report, the CBE recommends that states integrate liberal arts subjects into their systems for accountability and standards.

The report can be seen at: www.c-be.org/PDF/cbe_principal_Report.pdf.

School Board Members and Superintendents Advise NSBA Exhibitors to Form Partnerships with Districts in Solving Challenges Created by No Child Left Behind

During the Exhibitors Workshop at the National School Boards Association annual conference in Orlando, March 29, a panel of school board members and superintendents strongly urged exhibitors to form partnerships with districts to implement solutions to challenges and problems created by No Child Left Behind. Indeed, one panelist,

Superintendent David Benson from Blue Valley (Kansas), noted that his district had negotiated an agreement with a vendor of curriculum services which bases part of the fee paid to the company on the degree to which students achieve their instructional objectives on student test scores. He viewed the company as a partner helping him to achieve the performance objectives assigned to him by his school board; this has resulted in all parties focusing upon mutually beneficial objectives and “marching on concert together.”

The panelists were almost unanimous in advising exhibitors to “get to know your territory,” which includes how school boards and superintendents in specific districts work together and what types of decisions are delegated to each group. In response to an exhibitors’ comment that superintendents often advise companies not to go around them to approach board members individually, one panelist indicated that such “mind sets” are dissipating and board member superintendent teams are increasingly surfacing in the desire to meet the challenges of No Child Left Behind. The panelists, whose experience included policy making in large urban districts as well as in smaller rural districts, emphasized that who you approach differs in small rural versus large urban districts. The nature of the product or service being offered also determines who you approach and what the “point of entry” into a district should be. Over the last decade, as Public Agenda and other surveys have reported, the panelists agreed that superintendents and, in many cases, school board members have become much more

involved in the instructional process, often taking the leadership role. Indeed, a survey conducted by the American Association of Publishers and the National Education Association over a year ago found that school board members were much more influential in deciding what supplemental materials are to be used in high-poverty schools -- three times more influential than teachers.

A board member from Prince George’s County (Maryland) Public Schools advised vendors to expect a lengthy procurement process in large districts because of the contractual obligations imposed upon districts by states and mayors -- such as minority set-asides, minimum wage levels for contractor employees and other factors for which an enormous amount of due diligence time is expended. She also noted that more and more large procurements include a two-phase process, adding that some urban districts have formed regional entities to reduce marketing costs for firms. For example, in the Washington, D.C. area the D.C. Council of Governments issues RFPs on behalf of the 20+ participating large districts; the winning contractor must agree to provide the products or services to other districts within the Metropolitan Council of Governments under the same price, terms, and conditions. This process was used recently when Prince William County, Virginia, issued an RFP for the development of an automated system for facilitating documentation and filing with Medicaid for reimbursements for related services provided to special education students.

During the panel discussion, it also became clear that urban district actions are often constrained by state-level decisions or state inaction. One school board member from Cincinnati advised firms to “push the state departments of education” to expedite the identification of approved supplemental education service providers in order that districts have adequate choice options.

And finally, panelists all agreed that “consultative relationship selling” is critical to the formation of partnerships and firms should be keenly aware of the problems and challenges of a specific district and must be prepared to show specifically how their product or solution addresses the district’s problem. Moreover, companies should be prepared to assist in the development of creative financing plans using Federal and other funds.

USED Officials and NCLB Advocates Address Implementation Issues Before Education Industry Investment Group

On March 23-25 USED officials and the Education Leaders Council’s Chief Executive Officer Lisa Graham Keegan, carried the NCLB message to education industry companies and investment groups. Keegan concluded the conference on March 25 by addressing at least four major issues and concerns that have been surfacing during the NCLB implementation process at both the state and district levels. She noted that NCLB provisions such as supplemental

education services and their assessments and parental choice options were included in the 1994 reauthorization of ESEA, but were not enforced by the previous Administration. Only eleven state accountability and assessment plans had been approved by USED at the end of the Clinton Administration, even though the Law called for all state plans to be approved.

She suggested that the most fully implemented provisions related to the development of state content standards and activities to ensure that instructional materials and state assessments were aligned to such standards. She indicated that such alignment tools would continue to be in demand at all levels, including use by teachers. She also argued that the wide differences in standards during the 1900s among states had dissipated and that many of the standards among states are identical or very similar, even though each state claims to have a unique set of standards. She also argued that many states that attempted to develop new state assessments, primarily of a criterion-referenced nature, were “off target” and a great deal of resources and money was wasted. In most cases, states have moved toward using modified norm-referenced tests; where coverage gaps existed, items were added to ensure greater alignment with state standards. Provisions related to the release of test scores by schools have been successfully implemented. Indeed, as lawsuits are filed by parents and advocacy groups requiring states to publish state assessment instruments, the need for huge databases of valid and reliable test items is greatly increased. She also told the group that, in addition to teacher

alignment tools, there is a great demand for tools which can display student scores and provide key analysis for individual teachers in order to prescribe instruction.

While many states are re-negotiating their accountability and assessment plans and modifying their AYP criteria and cutoffs, she argued that most states and districts should use growth or gain scores or value-added approaches rather than continuing with absolute score cutoffs for determining whether schools meet AYP. Recently CCSO in 14 states sent a letter to Secretary Paige urging USED to allow such alternatives.

Calling supplemental education service provisions the highest priority among the ELC and most supporters of NCLB, Keegan indicated that, during its first year, only \$40 million was actually spent on supplemental education services even though the total amount she indicated that should have been allocated and spent on such services was close to \$2 billion. This was based on the assumption that 20 percent of districts' budgets should be earmarked for such purposes. As noted in a related Washington Update item, the statute calls for a cap of five percent to be dedicated for supplemental education services, with an additional ten percent to be so allocated at the discretion of the district. She indicated that the major obstacle was a "push-back from districts" which want to have such earmarks unspent so at the end of the school year, they could be "rolled over to operational budgets." This suggests that Title I funds can be used to supplant other state and Federal funds, which is

not consistent with the regulations or the statute. She indicated that SES services with outside tutoring groups will likely increase as more and more firms are targeting their advertising directly to the parents, which "we are happy about that."

The ELC has created a coalition of supplemental education service providers with which it had two meetings (see September 2003 Washington Update). During her session, she pointed to the "alternative certification route" opportunities for teachers to become highly-qualified under NCLB provisions. Specifically, she cited the American Board for Certification of Teachers in Education (which is affiliated with ELC) which has received a five-year, \$40 million grant several years ago to provide online professional development for individuals who wish to use alternative routes for certification. When asked, she confirmed that more than 40 percent of teachers currently enrolled in the ABCTE certification process have masters degrees or higher. She also noted that there has been extreme opposition from teachers colleges, especially in the two states that have tentatively adopted the ABCTE approach for certification. These two states, Idaho and Pennsylvania, are reconsidering their initial decisions because of opposition from various quarters. However, she said other states, such as Texas and California, are seriously considering joining the effort.

During the Q and A period, she was asked a question related to the recent slow movement on the part of the USED

to address many of the unintended consequences related to special education students and teachers, and limited English proficient students, and whether she was concerned that this slow action on the part of the Department could result in the “NCLB baby being thrown out with the bathwater,” as one of her ELC associates, Commissioner Cheri Yeckl of Minnesota recently feared. Her general response was that the Law should not be changed at the present time, although more changes may be required in dealing with special education students, implying that the small, one percent cap on alternative assessments may have to be increased.

In another session Susan Patrick, who replaced John Bailey as USED’s Director of the Office of Education Technology, provided an update on the development of the National Education Technology Plan, indicating that there still remain opportunities for individuals and groups to comment on issues that will be addressed in the Plan. She also mentioned that USED, through its contractors, are making some progress in implementing the \$15 million evaluation of approximately 16 interventions which will be assessed through Random Control Treatment (RCT) evaluation designs to determine their impact on student reading and math achievement. Several attendees expressed concerns that the process for matching company’s interventions with districts’ experimental or treatment groups have yet to be initiated, in certain cases, and are certainly not completed, and that pretesting is scheduled to begin in August 2004, only five months from

now. One can legitimately question whether the results will reflect an accurate assessment of the use of these interventions unless well-implemented vendor rules are followed.

In response to the moderator’s question as to whether or not some of the efforts underway within the Department of Education appear to be competing unfairly with the private sector, Ron Tamalis, who served as Secretary for Elementary and Secondary education (which was responsible for Title I), indicated that he felt this Administration was more “open to competition” than other Administrations. One project conducted by the ELC, referred to as Follow the Leaders, is being subsidized by over \$10 million in Federal funds in 420 districts who use products from firms such as Achievement Technologies. Tamalis noted that “supplemental education services” created many opportunities for the private sector. He remarked that one of the weakest areas of implementation is in pre-service training, indicating that NCLB has created a demand for teachers who are well-trained in content areas. He also predicted that NCLB will create an increased demand for technology-based delivery systems that focus on the individual child and his or her progress. He felt the approach that should be taken by technology vendors would be a partnership to help local districts “get the job done” regarding NCLB implementation. To do so the technology solutions must address specific problems.

Highlights of SIIA Washington Fly-In, Which Have Implications for Many TechMIS Subscribers

On March 30-31, the Software and Information Industry Association held its annual Washington Fly-In, inviting Capitol Hill policymakers and USED officials to provide updates and answer questions regarding issues of significant concern to education software publishers. Below are important highlights, many of which have implications for TechMIS subscribers.

During a session on the reauthorization of IDEA, which conceivably could occur this year, Deborah Zeigler of the Council for Exceptional Children, stated that, "Most of the IDEA reauthorization has already occurred with the passage of several NCLB provisions and regulations, especially regarding assessment of special education students." She noted that the remaining task is to ensure that the remaining IDEA reauthorization provisions build around NCLB provisions and are consistent. Jane West of Washington Partners LLC felt that the most important changes that will occur under the IDEA reauthorization are: (1) enforcement of alternative assessment provisions which were included in the 1997 reauthorization; (2) a general push for "universal design" to facilitate access to the regular curriculum through the use of technology by students with certain disabilities; and (3) a push to have states include more special education students take the National Assessment for Education Progress. Recent reports indicate that there is such a push by the

NAEP Governing Board which is actively urging states to include more special education students. Some states include only ten percent of special education students in their NAEP assessment, while others include as many as 60 percent of their special education students in such tests. A low rate of inclusion of special education student scores has the net effect, in many cases, of showing higher student performance on NAEP scores than on state assessments. It has become a political problem because the requirement to use the NAEP every two years as a benchmark has "watered down" state assessments and will continue to do so as long as most special education students do not take the NAEP.

The panel, when asked to comment on the "prereferral intervention provisions" in both the House and Senate versions of IDEA, noted that the House version would benefit publishers whose products have been approved for Reading First as having the five "essential elements," while the Senate version would more likely be a level playing field for both textbook publishers and supplemental publishers (December TechMIS Special Report). The panel agreed that the "prereferral intervention" provision was one of the most important changes in the Law and agreed that, during the first year of implementation, it could result in a significant loss of state funds to some districts. The House version would not allow a borderline student to be placed in special education in grades K-3 until a "prereferral intervention" is used which may preclude placing the child in special education before the December count on

which state allocations are based. Patty Ralabate of the NEA emphasized that her organization recognized this problem early and has suggested that a special fund be established to pay for such interventions rather than having up to 15 percent of districts' IDEA allocations being used for "regular education" services. She also emphasized that another "shell game" that could be played involves the provision that up to eight percent of IDEA appropriations above the \$4.1 billion plateau could be used by districts as a "local block grant." In both of these instances, both she and Deborah Ziegler argued the game of "robbing Peter to pay Paul" is occurring where IDEA/special education funds could be reallocated for regular education functions. This is one of the reasons, however, Republicans have supported increases in special education funding; because, in a real sense, a larger portion each year of these IDEA funds can be used for regular education purposes. The panelists agreed that, if and when the "prereferral intervention" provisions take effect, very important questions will surface, such as: (a) how can districts "scale up" immediately to meet the requirements of the provision, which is similar to the "scaling up" problem during the first year of implementation of Reading First; (b) who will be the final arbitrator in terms of deciding when a student's reading or other problem is actually remediated by one or more interventions; and (c) what will be the criteria for determining whether an intervention is proven on hard scientific research? All agree that there is a major need for a database on what works as intervention strategies with students that have certain types of

reading or other problems and the conditions under which they work effectively.

Ralabate noted that the two IDEA reauthorization versions do include the development of a national IEP format. She indicated that the NEA has been working for over two years in designing a model IEP program that also links to other important provisions ranging from prereferral intervention strategies to communicating with parents regarding placement or other decisions required of parents. She indicated that one of the six amendments that will likely be made on the Senate floor will relate to a requirement to reduce significantly the paperwork associated with IEP and other procedural safeguards through the use of technology. The panelists also noted that technology can be used for teleconferencing with parents, no longer requiring face-to-face IEP meetings.

During another session related to the What Works Clearinghouse, a representative from a large textbook publishing company noted that, in a recent SIIA-sponsored webcast, officials from the What Works Clearinghouse office and the contractor which is assisting in its implementation indicated that the first reports will focus on evaluations and evidence-based reports that have been screened and have been rated highly in terms of acceptable evaluation designs. They noted during the webcast that a lower priority would be on developing specific reports identifying interventions which had the highest effect size in terms of student performance gains in math and/or reading. The question addressed to IES

Director Whitehurst was whether the emphasis is on identifying high-quality studies or effective interventions. His reply was unclear, noting that “by inference” the high-quality study which includes an intervention which has proven to be effective allows the reader to surmise that the intervention was effective. As we noted in the Washington Update, there appear to be differing opinions between WWC staffs’ perception of the most important mission they have and those of Whitehurst.

During the SIIA Fly-In, briefings by USED and Congressional staff, and subsequent meetings with key Congressmen and Senators or their staffs, one of the major issues raised regarding the regulatory or non-regulatory guidance changes noted above was whether or not they will be retroactive. A letter is being circulated in the House by Congressman George Miller, the ranking Democrat on the House Education and Workforce Committee listing bipartisan support to make all of the above changes retroactive. A similar letter is likely to be circulated in the Senate. By making retroactive these changes made by USED over two years after the Law was passed, the number of schools failing AYP this last year would likely be reduced from 26,000 to 10-12,000. On the other hand, additional changes would likely have to be made to reduce the significant number of school districts that will be identified for improvement by the end of this year. For example, approximately 100 of the 115 districts in North Carolina will likely be identified for improvement and have to set aside fifteen percent of their Title I allocations

for transportation and staff development. To the extent these changes are made retroactive, one can anticipate many districts continuing to set-aside up to 20 percent for SES and transportation where appropriate. On the other hand, if districts see an increasing amount of funds leaving the district under SES, because districts that have been identified for improvement cannot provide SES services, they are likely to reduce the 20 percent supplemental education services earmark to five percent which is the cap in the Law.

Committee for Economic Development Report Highlights School Funding Policies That Can Lead to Improved Student Performance

The non-partisan Committee for Economic Development has recently published a report entitled “Investing in Learning: School Funding Policies to Foster High Performance.” In its report the CED presents a series of strong recommendations that could yield improvement in the performance of students and have implications for education publishers and state strategies.

One area particularly highlighted in the report is the effective allocation of resources. The CED argues that a decentralized, business-type model is the most efficient way to manage school resources. Despite some efforts to the contrary, most schools operate through centralized, top-down management according to the CED. Principals are being held accountable for their

students' performance but have little control over the way their schools' resources are being spent. In recent years, many school districts have claimed to have "site-based management"; but these districts have not given school staff "meaningful control over their financial resources" nor have they included clear performance incentives. The CED stresses that devolving spending authority to the schools cannot be accomplished overnight. Careful consideration must be given to a range of issues including financial tracking systems, school staff training in new systems, and adjusting funding levels to account for changing enrollments. The recommendations could swing the pendulum back toward site-based management with direct implications for sales strategies.

The CED also recommended that:

- Decentralized financial authority be matched with student-based budgets to give principals the greatest flexibility;
- School-level funding be determined by actual -- rather than average -- staff salaries;
- Educational researchers incorporate cost determinations into their studies and educators use cost as an element of their decision-making.

The CED cited Cincinnati, Houston, Milwaukee, Sacramento, and Seattle as school districts that have given

principals effective control over their budgets.

Another major component of the CED study involved the use of financial incentives to improve educational outcomes. Specifically, the CED expressed strong support for linkages between at least a portion of teacher pay and student performance. The report recognizes the difficulties associated with implementing "performance pay" plans. The report outlined group awards, knowledge and skills-based pay, and individual performance bonuses as promising ways of providing incentives as part of teacher compensation systems. Cincinnati and Denver were cited as having well-implemented performance pay systems.

The CED strongly supported the concept of charter schools and encouraged state-level policymakers to establish policies that would allow these schools to compete fairly.

For a copy of the study, go to www.ced.org/docs/report/report_educfinance.pdf.