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M E M O R A N D U M

DATE: September 30, 2004
TO: TechMIS Subscribers
FROM: Charles Blaschke
SUBJ: Special Reports on NCLB Proposed Amendments and Proposed FY 2005 Funding, Washington Update Items, and State Profile Updates

This TechMIS e-mail includes two Special Reports which were also sent earlier this month because of their timeliness. One summarizes the proposed funding levels for FY 2005 budget appropriations, including differences between the Senate and House versions. While the Senate would restore the major cuts by the House for Title II D E²T², the House and Senate would reduce to \$20 million or zero, respectively, the current \$297 million Title V block grant program. In both versions, Title I and IDEA would be winners. The other Special Report highlights “improvement amendments” to NCLB proposed by the Senate Democratic leadership led by Senator Kennedy. On one hand, the proposed legislation would impose new requirements on third-party SES providers (i.e., use of highly-qualified teachers) and would specifically authorize states to approve districts as SES providers. On the other hand, a related Washington Update item predicts an increase in the number of districts, even those approved to provide SES, that will be identified for improvement this year and, therefore, could not provide SES services; this could have serious implications for firms wishing to “partner” with districts who supply SES.

The Washington Update includes the following articles:

- The White House’s Chief Architect of No Child Left Behind, Sandy Kress, provided hints on NCLB changes and other priorities which can be expected during a second Bush Administration, during an Education Week Talk Back Live Webcast in September; on several occasions Kress emphasized the need for using technology to provide professional development and assessments.

- Key NCLB advocates and policy influencers recommend legislative changes based on lessons learned. Checkers Finn of Fordham Foundation and Frederick Hess, American Enterprise Institute, call for providing SES prior to having to offer parent choice transfer options and that choice options be mandated only for pupils in schools that are truly “horrendous” rather than those which fail to meet AYP by smaller margins. A similar group of recommendations to minimize unintended consequences of NCLB emanated from the Center on Education Policy’s Summit with “NCLB experts” earlier this summer.
- High school reform becomes a “front and center” priority in the campaigns of President Bush and Candidate Kerry. This could overshadow and deflect attention from “fixes” of NCLB at the elementary level. One of the President’s recommendations is to provide \$250 million to expand state assessments falling under NCLB sanctions at the 9th-12th grade level and to provide additional funding for the development of “individualized performance plans” for 8th grade students entering high school and, through the use of early “interventions,” to increase high school graduation rates.
- Continuing refusals by many states to adopt the American Board for Certification of Teacher Excellence (ABCTE) alternative certification approach could provide opportunities for distance learning vendors to partner with states or other state authorized entities to expand their online alternative route certification options. The Federally-subsidized ABCTE, which is scheduled to receive more than \$35 million over the next five years, is opposed by many teachers’ groups and associations representing colleges of teacher education; while more than 100,000 teachers have received certification through state-recognized alternative routes over the last two years, only 13 individuals have received certification through the use of the online ABCTE initiative.
- Strange political bedfellows ranging from the National School Boards Association to the National Catholic Education Association to The White House are forming a loosely-coupled coalition to pressure the House and Senate to restore major budget cuts for Title V for FY 2005. As the oldest education block grant program, Title V has become basically a “slush fund” used to make up for state and local budget shortfalls; much of the proposed cuts are likely to be restored.
- With the Senate recently appointing conferees and the House about to do so, the probability of IDEA reauthorization this year, during a lame duck session, has increased dramatically; lobbying efforts to provide greater flexibility regarding “prereferral interventions” (the House version would require that funds be used to purchase only interventions meeting the Reading First approval criteria) is likely to be successful.
- One of the most serious immediate issues confronting large urban school districts and education publishers is that many districts previously approved to provide SES services have now been “identified for improvement” and, according to

USED policy guidance, are not allowed to continue providing SES services. While third-party SES providers such as Catapult (previously Sylvan Learning) and Kaplan would benefit, any supplemental publisher who partners with previously approved SES provider districts could be hurt.

- During the first year under NCLB's "up to 50% transferability" provision, fewer than 1,500 school districts transferred slightly under \$30 million, mostly to Title V according to official SEA reports to USED. For a number of reasons the amount transferred during the second year is likely to be much more, with more funds being transferred into Title I and Title V to be used to make up for local and state budget shortfalls.
- A new GAO survey confirms growth in technology use by rural districts in implementing NCLB; small rural districts have increased use of technology in distance learning for staff development and instruction much more than their nonrural counterpart districts, and have used a combination of Title I, REAP, and E-Rate funding for such purchases.
- National Center for Education Statistics Releases Data on K-12 Revenues and Expenditures for School Year 2001-2002.

In this issue we have also included some state profile updates based upon our ongoing surveys of state Title I, state assessment, and accountability officials in areas related particularly to SES services and alternative state assessments. Also, for states included in the recent Center on Education Policy annual update on exit exams, we have included information related to exit exam test re-taking, remediation funding and requirements, and related opportunities. Where states have reported the numbers of schools identified for improvement, we have included them for several states. An affiliated group, Mailings Clearinghouse is currently updating its list of districts with schools identified for the first time (which have to earmark at least 10 percent for professional development) and schools identified for improvement for two or more years (which requires them to offer SES services). For more information, contact Mary English, 800/776-6373.