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M E M O R A N D U M

DATE: April 1, 2006
TO: TechMIS Subscribers
FROM: Charles Blaschke
SUBJ: Budget Update, Highlights of Conferences on SES, Title I, and State Profile Updates

In mid-March, the Senate passed a 2007 budget resolution which would increase discretionary funding for the Departments of Health and Human Services, Labor, and Education by \$7 billion over the President's proposed budget which would have cut the education budget by about \$3 billion. Of the \$7 billion, approximately \$1.5 billion would be allocated to USED which could restore many of the cuts for this coming school year that were included in the FY 2006 budget. The Senate vote on the so-called Specter-Harkin Amendment was passed by a 73 to 27 vote which included 28 moderate Republicans. The final Senate floor vote passed by a narrow 51 to 49 vote. The next action will be a similar House budget resolution for FY 2007. Already 22 moderate Republicans, including Subcommittee Chairman, Mike Castle (R-DE), have sent letters to Speaker Hastert proposing an increase similar to that included in the Specter-Harkin Senate amendment. If the House Budget committee passes a similar budget resolution, then there is a possibility that most education programs could be restored to this year's level (2005-2006 school year). Restoration of funds for the E²T² program to the \$496 million level are possible but, according to knowledgeable Senate staffers, would require the highest level of advocacy targeting Education Budget and Appropriation Committee members and their staffs.

For your convenience, we have also included the March 20 Special Report on district Title I allocations for districts with moderate increases in their Title I preliminary allocations, as well as a list of districts which are likely to receive 20 percent or greater increases next October-November about which they might not be currently aware.

During March, we attended a number of conferences at which the Secretary of Education and other USED officials spoke. These were attended by representatives of school

districts and various software and instructional materials publishers and focused on education technology and/or Federal programs including Title I:

- Mixed signals occurred during the recent Education Industry Association education summit. Discussions with key Congressional leaders and staff clearly point to the need for further changes in the NCLB supplemental educational services policy. However, most officials acknowledge that increasing the SES participation rate for eligible students beyond the current 12 percent will not occur without allowing more districts -- particularly large ones which have been identified for improvement -- to be allowed to operate their own SES programs.
- Highlights and major issues relating to technology use were discussed during the Software and Information Industry Association Fly-In and Congressional visits in March; panels addressed: recently proposed science, math, and technology literacy initiatives; proposed technology funding; and budget implications for school improvement under Title I.
- During the annual Council of Great City Schools Legislative Summit in mid-March, USED officials announced no new policy changes but hinted at several which are likely to occur in the immediate future. Urban district officials expressed anger and frustration with USED's "broken promises" and the need for USED quicker action to reduce unintended consequences which have arisen in implementing NCLB.
- During the annual conference of the National Association of Federal Education Program Administrators (NAFEPA), Jack Jennings, head of the Center on Education Policy (which just released its fourth annual report on NCLB impact), reported that the district mood toward NCLB consequences have changed from great anger to slight resignation over the last two years, with prospects for amendments no earlier than 2008. He did confirm the findings in the draft CEP report that third-party SES providers are increasingly unwilling to serve students with disabilities or English language learners and that moderate-sized suburban districts have to provide their own SES to these students. These factors could create partnering opportunities for firms with products for these subgroups.
- A new State Education Technology Directors Association (SETDA) report identifies trends on how E²T² Title II D funds are being used and what SEA priorities have been in the competitive grant process; even though E²T² funds for 2006-2007 have been cut by 50 percent, all of the remaining funds could be used by states for competitive grants rather than formula flow-through allocations.

In a late-breaking announcement, USED Assistant Secretary Henry Johnson announced, if Congress approves the proposed \$200 million for school improvement for state capacity purposes, USED would require SEAs to use diagnostic assessments in schools that repeatedly fail to make AYP. As Education Daily reporter Sarah Sparks noted in the March 30 issue, "Whereas the annual state tests to calculate progress under NCLB are

good for making policy decisions, they tell you nothing about instruction.’ Johnson said, ‘We want states to pay more attention to formative assessments.’ ” Johnson noted that North Carolina currently sends diagnostic teams to schools identified for improvement at a cost of between \$4 and \$6 million per year. During the Council of Great City Schools meeting, when USED’s Kerri Briggs noted that USED had approved only two state assessment plans one being South Carolina, someone commented that an increasing number of districts in the state were purchasing an adaptive test to be used for formative assessments because the state assessment did not provide any data that could be used to inform instruction. This apparent shift in USED policy could increase dramatically the growth of formative assessments under NCLB.

The State Profile Updates once again focus on proposed changes in state assessments, particularly exit exams required for graduation, including exceptions and/or accommodations for English language learners and special education students. As previously reported, the number of states proposing to create or increase funding for Pre-K programs continues to be on a “band wagon” with a high probability of significant increases once again in state funding. Discussions with numerous district-level officials responsible for NCLB implementation during three national conferences held in March also suggest that tensions between districts -- particularly urban districts -- and SEAs have reached their highest point as will tension between third-party SES providers and districts over the next year unless USED makes significant policy changes as noted in the Washington Update.

As always, please call if you have any questions.

*Washington Update*⁸

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Mixed Signals and Messages During the Recent Education Industry Association Education Summit and Discussions With Congressional Staff Point to the Need for Further Changes in NCLB Supplemental Educational Services Policy

During the recent Education Industry Association "Education Summit" in Washington, D.C., a number of mixed messages from speakers, participants, and key policy-makers strongly suggest that additional policy changes in SES implementation are very likely, especially if the current student participation rates in SES programs of 12 percent is to increase. In attendance were more than 50, mostly for-profit, firms which are involved in managing or operating schools, charter schools, and alternative schools, and, which provide both private and public school tutoring through SES programs. Many were members of the SES Coalition -- created last month (see last TechMIS issue) which plans to target specific states through the development of "grass roots" support and model state legislation to create an environment much more conducive to third-party providers of SES hoping to get their share of the growing SES set-aside in districts which have to earmark 20 percent for SES and parent choice transportation. According to Eduventures, last year, private providers

received about 30 percent of the billion dollar or more Title I set-aside for SES. In contrast to the Coalition's mission, the keynote speaker, Senator Lamar Alexander, former education secretary under the first Bush Administration who created an early childhood development management firm to establish education/care facilities, was asked by the current EIA president to share his experience and advice to firms which are currently operating education programs or plan to do so in the future, including SES programs; he provided the following advice: Don't enter into contracts "with government agencies" because they are "slow in paying bills" and have "bureaucratic inefficiencies" which interfere with firms' operations, and in many cases with new firms, will "put them out of business."

Discussions with several education firm attendees confirmed their resistance to getting into the SES arena. As noted in the last TechMIS Washington Update, several firms which provide one-on-one onsite tutoring are selling these portions of their enterprise or are increasingly wanting to "partner" with districts which operate their own SES programs.

Another keynote speaker at the dinner cosponsored with SIIA was Representative Buck McKeon, who was appointed last month to replace Chairman John Boehner as Chairman of the House Education and Workforce Committee. He contrasted his

experience in local education policy (having served as a school board member for more than ten years) with the national education legislative policy development which is a “convoluted process” often resulting in many unintended consequences as bills pass through the legislative process. After his presentation, I had a chance to visit with him in the hallway about the problems of increasing the percentage of eligible students participating in SES program in the immediate future from the current level of about 12 percent (according to USED officials). One such problem is that the FY 2006 budget will reduce the overall amount of funding from Title I allocated to districts, the Title I four percent state set-aside for school improvement and other funds which will have been reduced by \$500-\$600 million beginning in July. During the ten-minute discussion with him and his key committee staff person (who was asked to take notes), we agreed that one reasonable way to increase participation rates would be to allow a greater number of districts to operate their own SES programs, perhaps partnering with firms that have appropriate intervention programs, as well as training and support capabilities. He was reminded that the current USED policy of not allowing districts identified for improvement to continue providing their own SES programs is not in the Law or regulations, but rather specified in USED guidance. He appeared to be supportive of the notion of allowing teachers from a high-performing school operate afterschool programs, using different but appropriate interventions, with eligible students in schools in the district that have been identified for

improvement.

During his presentation Chairman McKeon indicated that his priorities were to reauthorize Head Start, the Vocational Education (Perkins) Act, and the Workforce Investment Act before turning to Subcommittee Chairman Mike Castle to conduct serious hearings on NCLB reauthorization, probably early next year. On the other hand, during both the EIA and SIIA conferences and during Congressional visits, I had a chance to talk with three key Senate and House committee staff members, one of whom was the principal drafter of NCLB. He indicated that a number of legislative proposals will likely be introduced in early April which would allow SES to be provided by schools identified for improvement for the first time before having to offer parents a transfer option as is the case in a pilot program in four districts in Virginia. Proposed amendments would allow even greater flexibility for districts identified for improvement to increase student participation rates in SES by allowing them, or “affiliated entities” such as teacher groups, to provide such services.

Highlights of Major Issues Related to Technology Use Discussed During the Software & Information Industry Association Fly-In and Congressional Visits, March 7-9

During the March 7-9 SIIA Fly-In and Congressional visits, a number of major issues of concern to software and related publishers were discussed by panelists

with different perspectives as highlighted below.

During the initial joint session entitled “Policy Update and Issue Briefing” SIIA and COSN attendees were told by Amanda Farris, majority staff of the House Education and Workforce Committee, that they must link scientifically-based research to the use of technology to improve student performance in reading and math. Other panelists, such as Joel Packer (NEA lobbyist), felt that technology could be used to improve working conditions for teachers and thereby increase retention rates; and a legislative assistant to Senator Ted Kennedy advised technology advocates to “quantify gains” and build a “portfolio of success” regarding technology use, taking into account non-achievement criteria such as increased student engagement, attendance, and other measures. Farris noted that Congress was anxiously awaiting reports from several USED-sponsored evaluations of technology interventions and the impact of E²T² funds. Several individuals familiar with preliminary results emanating from these surveys stated, in private, that USED was hesitant to release such reports because the first-year results of some of the “intervention” evaluations were very positive. An aide to a high-ranking Senator confirmed information leaked to his office.

In response to the Administration’s proposed FY 2007 budget, Congressional staff from both sides of the aisle generally agreed that most of the proposed high school initiatives and the elimination of certain education

programs were pretty much “dead on arrival.” An aide to a ranking Senator indicated that there would be a supplemental request for FY 2006 to restore some of the reductions in state Title I allocations (see related Special Report), noting that the final allocation for NCLB implementation was about \$550 million less than the previous year. In another session, Patty Sullivan, former Director of the Center on Education Policy, confirmed what we had reported in our last two TechMIS issues by stating, “There will be virtually no funds for school improvement next school year.” One reason is that the four-percent state set-aside will be eroded as districts with preliminary increases will have such increases reallocated by SEA to districts receiving cuts below the “hold harmless” threshold.

In another session focusing on the role of technology under the proposed science, technology, engineering, and mathematics (STEM) initiatives, Jodi Peterson, National Science Teachers Association and co-chair of the STEM Education Coalition, was asked a question regarding the relative priority Coalition members placed on technology as a means to deliver science and math instruction vs. technology as the “object of instruction” (e.g., technology literacy). She responded that the highest priority was technology literacy. Another question asked whether the proposed “math panel” membership would be more balanced than the National Reading Panel which designed the Reading First program, which did not include any technology advocates. She indicated that she “hoped it would

be more balanced.” Most panelists agreed that the science and math proposals, including the President’s Competitiveness Initiative and the Senate PACE version, sponsored by Senator Lamar Alexander, along with 66 other senators, would likely be passed in one form or another. Susan Traiman, Education Director of the Business Roundtable, indicated that there would be a lot of “robbing Peter to pay Paul” to fund such initiatives. Beginning with its TAP report, both panelists generally agreed that the Business Roundtable has played, and will continue to play, a major leadership role in the passage of one or more math and science initiatives this year.

Rather than focusing on new legislation, we asked, on two separate occasions, why Congress has been silent in exercising its oversight role in the implementation of existing legislation, particularly related to support for technology literacy under NCLB. In a question directed to Senator John Ensign, it was noted that a provision that all states report annually on progress being made to increase the number of students who are technology literate by the eighth grade was included in the legislation; yet it is not enforced because USED still does not require states to report in this area. He responded that he was not aware of the provision and USED policy and that finding out such information was a good reason “why we are in this meeting.” A similar question was posed to a panel of committee staffers. One of the House minority staff members responded that numerous letters had been written to Secretary Spellings on an increasing number of

implementation issues; however, she could not point to any actual changes which resulted.

In the most hotly debated panel discussion on the role of technology in the NCLB reauthorization, Joel Packer, Chief NEA lobbyist, and Michael Petrilli of the Fordham Foundation, and former Deputy Secretary in charge of SES and related policies within USED, expressed widely diverse opinions. Petrilli felt that technology should have a major role in building state and district capacity to implement provisions in the Law with only a moderate role in “professional program development.” Packer, on the other hand, felt that technology has a major role to play in professional development and improving working conditions for teachers. Packer also noted parenthetically that the AYP provisions under NCLB are dysfunctional and overly prescriptive forcing districts to “make the goal of AYP” rather than improving student performance. Petrilli noted that some of the problems with NCLB can be attributed to two schools of thought; those proponents of “what works,” the other proponents of “whatever works to get results.” He referred to efforts by publishers to get on the what works “list,” at which time Patty Sullivan responded, “so there is a USED list” of what works products for Reading First. After correcting himself, Petrilli was reminded that proponents of “whatever works” to get results must go one step further and include either incentives if “it works,” or sanctions if “it” doesn’t, which are missing in the current USED policy related to supplemental educational services. He did not respond

to the comment.

Highlights of Council of Great City Schools Legislative Summit Includes No New USED Policy Changes But Strongly Hints at Several Which Are Likely to Occur Shortly

During the Council of Great City Schools annual legislative summit in Washington, D.C., Secretary Spellings and Deputy Secretary Simon did not announce any policy changes; however, both hinted at new policy “flexibilities” which are very likely to occur shortly, including those affecting supplemental educational services, modified assessments, and the proposed Federal education budget.

Both Secretary Spellings and Deputy Secretary Simon acknowledged that the vast majority of education policy leaders and influencers agree that districts ought to be able provide supplemental educational services before offering the parent transportation option for schools identified for improvement for the first time. Both pointed to the pilot program being conducted in four Virginia districts which allow such changes this year and implied that, if student participation rates are significantly higher than the 12 percent national average, USED policy will likely to include many more districts or maybe a “blanket waiver” for all districts to allow the change. Deputy Secretary Simon also mentioned that USED would take into account the cost per participant in these pilot sites, which include district-

operated SES as well as at least two additional third-party service providers. The “ease of implementation” of both types of SES providers would also be taken into account; hence it is more likely that, once cost-per-participant and implementation issues are taken into account, this may pave the way for encouraging more district-operated SES programs. Both officials emphasized several times that the number one priority is to increase SES participation rates. During an offline discussion Deputy Secretary Simon acknowledged that district-operated SES programs are more likely to result in increased participation rates than other alternatives. However, during a Q&A session, the Federal liaison official from Los Angeles Unified School District asked Secretary Spellings why her office has not notified the district that it could continue to operate its own SES program using Title I funds noting that if LAUSD is not given the go ahead as waivers have been provided for Boston, New York, and Chicago, very soon they could not guarantee an increase in the SES participation rate because of late parent notifications. Secretary Spellings responded that she has “more to do.” It was evident that other large districts which had been identified for improvement had also requested waivers to continue operating their own SES programs. From the responses, one could infer that such flexibilities would be allowed in other districts shortly.

Discussions with urban district legislative liaisons indicated several areas of consensus regarding policy changes for supplemental educational services, including:

- allowing district-operated SES programs to be conducted during the regular school day through “in-class interventions”;
- targeting SES only on the subgroup that fails to make AYP targets rather than focusing on all students eligible for SES;
- allowing adjustments in high-performing schools’ AYP calculations when they receive large numbers of low-achieving students from schools identified for improvement; and
- providing greater flexibility for districts that are identified for improvement who are unable to find third-party SES providers willing to serve students with disabilities and/or English language learners.

Deputy Secretary Simon also pointed to the proposed regulations on “modified assessments” for students falling under the “two percent cap” as an example of trying to balance a “proper tension between accountability and flexibility.” Based on review of state comments submitted in February on the proposed regulations, Education Daily reporter Sarah Sparks noted that only one state -- Florida -- appeared to be in almost total agreement. Most states agreed that students with disabilities who exit special education programs should be allowed to have their test results included as part of the special education subgroup for two years after exiting the

program. On the other hand, many states felt that reducing the “N” size from high levels (e.g., 40-50 students as a minimum) to 30, would result in too much of an increase in the number of schools identified for improvement. Urban districts during the Council’s conference favored the use of uniform N sizes, but at the same time expressed concern about other aspects of the draft regulations, such as the increased burden placed upon them for diagnosing many more students with a modified test and providing alternative interventions for them. Deputy Secretary Simon acknowledged that the net result would be a better diagnostic and assessment system “with tailored instruction” for these “gap” students. In the March 22 issue of Education Daily, both state and district officials have questioned whether the proposed modified assessment regulations would create a significant conflict in the 17 states which use exit exams as part of the NCLB accountability assessment for determining AYP. For example, the proposed regulations would allow high school students who pass the modified assessment to graduate with a regular diploma even if the student fails the regular statewide exit exam. In the article, Judy Elliott, Assistant Superintendent in Long Beach (California) stated if the state’s exit exam is not modified, then IEP teams which identified students who could take the modified assessments would “face a backlash from parents and administrators if students don’t pass.” After a question posed to USED official, Kerri Briggs, as to how states took into account the one percent alternative assessment and two percent modified assessment in

proposing their respective growth models, she indicated that the two percent regulation is not yet “USED policy.” Deputy Secretary Simon also indicated that if states found the two percent modified assessments unworkable, they would not be required to use the modified assessments.

Kerri Briggs provided an update on the status of the process for selecting states which would be allowed to use growth models for calculating AYP, noting that the peer review process would begin shortly. Both she and Secretary Spellings emphasized they would rather pilot test five states with growth models which are likely to “work best” than ten states with growth model provisions which have not been carefully thought through. Several district officials, especially those from California, noted that they would like to form an urban consortium to apply for growth models. In the case of California, each of the districts had the required student tracking system, even though the state did not have a statewide student tracking system which was the reason why California did not apply. USED responses generally were that an urban coalition was an “interesting idea,” suggesting that it might be considered in the future.

Eric Fatemi, key minority staffer on the Senate Labor, Health, and Human Services, and Education Appropriations Subcommittee, praised the recent passage of the Specter-Harkin Amendment which would restore the Labor/Health/Education discretionary funding by \$7 billion, overriding the President’s proposed budget cuts. Later

on during the last week, the Senate passed the FY 2007 budget resolution which included the additional funds (\$1.5 billion for USED) by a vote of 51 to 49. Fatemi strongly encouraged district officials to lobby members of the House Budget Committee which is not likely to be as generous as the Senate in terms of increasing the House budget resolution much over the President’s proposal. He did indicate that, if the House passes a similar appropriations level in their budget resolution, there is no guarantee that every program which has been cut will have its funding restored. He particularly mentioned that Title II D E²T² and Drug Free Schools could once again be casualties.

In response to several questions, he acknowledged that many districts will receive even further cuts in their preliminary Title I allocations for this coming year and those with preliminary increases may lose money because of the “hold harmless” provisions and state “four percent set-aside.” Not unexpectedly, virtually all districts bemoaned the Administration’s FY 2007 proposal to set aside \$200 million for state capacity building and to allow the state to maintain more of the four percent set aside for school improvement, arguing that the proposed \$200 million would have “no positive impact upon urban districts.” Tensions between urban districts and SEAs have apparently reached unparalleled heights.

During a Q and A session, a district representative noted that the President’s budget proposal included a proposed reduction of \$615 million in the Medicaid funds from which districts can

file claims for reimbursements for related services for students with disabilities from low-income families and that the Department of HHS stated that they had the authority to reduce such Medicaid benefits without having to go to Congress. Secretary Spellings said she was meeting with Secretary Levitt of DHHS the following day and would “look into that.” Approximately \$1.5 billion is reimbursed to districts for such related services and the reimbursements to the districts can be used to purchase staff development, instructional software and materials, and other items or otherwise “free up” IDEA funds for such uses.

The Superintendent of the Houston (Texas) Independent School District sought clarification on the amount of per-pupil funds the district will actually receive for displaced Katrina students who have enrolled in HISD. Secretary Spellings confirmed that Houston and other similarly situated districts enrolling displaced students are likely to receive closer to \$4,000 per student rather than the \$6,000-\$7,500 Congress included in the Katrina relief supplemental budget. This would be particularly true for districts in which a relatively large number of new enrollees leave at mid-year to return to their home district.

District Mood Toward NCLB Consequences Changes From

Anger to Slight Resignation With Prospects for Amendments No Earlier Than 2008

During the annual National Association of Federal Education Program Administrators (NAFEPA) Conference in Washington, D.C., Jack Jennings, Executive Director of the Center on Education Policy (which just released its fourth annual report on NCLB impact), noted that district-level anger, especially with some of the unintended consequences of NCLB, is beginning to change from “anger” to a degree of “resignation” because they realize NCLB objectives will “be around for a time.” Without any major change in Congressional leadership in the November election, he predicted that, the reauthorization of NCLB will not occur until 2008, with implementation of changes one or two years later. CEP’s survey also found that most district and state respondents more and more supported the overall goals of NCLB but are still being challenged by many of the “mechanics,” which create unintended consequences and which have fostered backlashes in many quarters.

During this keynote speech, Jennings summarized four broad conclusions from the most recent survey and district-level case studies. First, NCLB is having a major impact on teaching and learning and districts are aligning instructional materials with state assessments and are using assessment data to inform instruction much more so than in the past. On the other hand, as reported in The New York Times (March 26), district curricula are becoming more

narrow with a greater focus on reading and mathematics at the expense of social studies and other courses largely because NCLB sanctions are based primarily on test scores in reading and math. Second, the report has found that test scores are, in fact, increasing largely because of local district policies and practices. On the other hand, parent choice and supplemental educational services are not felt to be contributing much to the increases in test scores. Third, some of the accountability numbers appear to be “topping out.” The percentage of eligible students participating in SES, the percentage of students transferring to high-performing schools, and the percentage of districts required to offer supplemental educational services all have remained about the same over the last couple of years. It is not clear whether this can be attributed to increases in the number of subgroups achieving proficiency or to flexibilities approved by USED for states, including confidence intervals, among others. However, Jennings noted that the percentage of schools required to offer supplemental services (within the 12 percent of districts with “identified” schools) had grown from 33 percent to 65 percent over the last two years. And last, while achievement gains in urban districts have been higher than the national average, the major burdens of NCLB mandates are occurring in urban districts largely because of diverse student populations resulting in as many as ten subgroups in certain urban districts. Also, 80 percent of district respondents indicated that the district had to absorb the cost of implementing unfunded NCLB mandates. He predicted that next year, when many

rural districts will be testing students in all grade levels 3-8, the number of rural schools failing to make AYP for the first time will increase significantly.

During the question-and-answer period, a local Federal program director expressed concern about the ever-increasing number of schools will be in corrective action and the need for 2-3 years of transition to assess the impact of major new interventions or governance structure. Jennings responded that the CEP case study of corrective action and restructuring in Michigan indicated that some of the well-planned interventions, such as the hiring of “turn-around coaches,” appear to work over a multi-year time frame such that many of the schools have exited from corrective action status. He also noted that the Secretary of Education could approve multi-year “transitions” beyond the one-year time frame included in non-regulatory guidance.

In response to a question regarding the proposed regulations for modified assessment for the “two percent gap” students, Jennings noted that most states have no modified assessments now and no new funds to develop such assessments. He also noted that, if USED includes the content of the draft regulations in the final regulations (most likely to be published this summer or early fall), the department will likely “close down shop” on this major issue.

The former head of the California NAFEPA affiliate predicted major problems with supplemental educational services, especially in light of budget cuts, and asked Jennings for his advice

as to what districts should do. Even though SEAs have the major oversight responsibility for SES, Jennings suggested that districts should “trust providers but keep a close check” on them, particularly in implementing the district’s administrative oversight role. Although the study found that most states are not judging the performance of current service providers on the basis of student scores on state assessments, he encouraged districts to push states in that direction and to monitor SES participants’ performance on district tests, not those used by the service provider. He acknowledged that, since the beginning, USED has provided much more flexibility for private providers vs. public schools to provide SES.

During the reception before the keynote address, several Title I directors from Florida districts were made aware of a bill introduced in the Florida legislature last week which would establish standards for SES. HB 1373 would also “take certain measures to increase access to supplemental educational services” and “increase opportunities for parents to enroll their child in supplemental educational services.” It would also establish a complaint process for parents, LEAs, and SES providers to determine whether the Florida Department of Education and districts are in compliance. The bill would prohibit districts from reallocating unused portions of the 20 percent SES earmark for other Title I purposes “unless the district ensures that a minimum of 50% of eligible students are being served....School districts that fall short of the 50% enrollment criteria despite reasonable efforts to comply with these

measures may request authorization from the DOE to redesignate unused SES funds for other Title I purposes....The bill allows the DOE to withhold Title I funds from school districts that fail to meet certain obligations pertaining to SES services.” As noted in a related [Washington Update](#) item, the Coalition for Quality Tutoring announced, earlier in February, that it has identified Florida -- as well as California and Ohio -- as high-priority targeted states to increase the number of students participating in SES provided by independent third-party providers. During the Coalition’s February meeting, former Deputy Secretary Hickok, who is a spokesman for the Coalition, suggested that states withhold 20 percent of a district’s Title I allocation until the 20 percent earmark is obligated by districts. Most of the Florida Title I directors who reviewed the proposed legislation online at the conference were, to say the least, upset, as most of the districts have been identified for improvement and cannot provide their own SES; moreover, more than 950 Florida schools will be entering corrective action next year compared to only 33 schools this year.

During an online conversation with Jack Jennings, I had a chance to confirm with him one significant finding in the CEP draft report available, which differs from USED and Education Industry Association’s recent reports (see [March Washington Update](#)). CEP found that 42 percent of districts reported that “none of their providers would serve students with disabilities and 51 percent of districts reported none of their providers would serve English language learners.

To fill the gap, districts sometimes stepped in to serve these students.” Almost 86 percent of medium-sized districts and 62 percent of suburban districts provided such services internally. As we have noted in the past, there appears to be an excellent opportunity for firms with products and services that are designed to increase student performance with one or both of these student subgroups to partner with districts to help them provide such services. It should be noted that, in some districts, where a student is served by Title I and is also enrolled in special education programs, the amount of funds that could be allocated is more than double that of a student who is only in Title I.

We plan to provide an in-depth analysis of the CEP report in the next TechMIS issue. For a copy of the draft report, go to: www.ctredpol.org/nclb/Year4/Press/.

New SETDA Report Identifies Trends on How E²T² Title II D Funds Are Being Used and SEA Priorities in Competitive Grants

The third annual State Education Technology Directors Association report on E²T² trends on how SEAs and districts are using E²T² funds and similar priorities across all states suggest the types of products and services which should be in high demand. Even though the FY 2006 budget was reduced by almost 50 percent from last year to \$272 million, SEAs are allowed to use up to 100 percent of the remaining E²T² funds for competitive grants. Last year, state

allocations to districts were evenly split between competitive grants and formula grants. Indeed, one of the findings across most states was that almost half of the formula grants were less than \$5,000 which likely had only a minor impact at the district level, while at the same time consuming a disproportionate amount of SEA administrative time and cost.

Related to how E²T² funds were used during Round 3 (the latest round of funding), the survey found:

- More than 40 states require LEAs who receive competitive grants to focus on reading or mathematics; while 25 percent of E²T² funds must be allocated for professional development, 43 states allocated more than 25 percent for such purposes totaling almost \$160 million during Round 3; moreover, SEA guidelines included more rigorous selection criteria and evidence supporting proposed approaches for staff development;
- 33 states had adopted student technology standards, while only seven report that testing is in place to assess those standards;
- The three “21st century skills” which received greatest attention were “technology literacy,” “information literacy,” and “higher order thinking/sound reasoning”; because USED does not require states to report

progress being made in increasing the number of eighth grade students with technology literacy skills as required in the Law, most states are placing a lower priority on assessing technology literacy and are reallocating time and dollars to other purposes (e.g., math and reading) more directly related to AYP;

- While the amount of transfer of other Federal Title funds into or out of E²T² has been minor over the last three years, the report noted that the highest level of “collaboration and coordination” at the SEA level has been with IDEA and Comprehensive School Reform, the latter of which has almost been eliminated in terms of new funding for next year;
- In 14 states (27 percent of respondents) there are no other state or Federal funds earmarked specifically for technology beyond E²T² funds and, in 43 percent of the states, E²T² is the primary source of education technology funding;
- In over 80 percent of the states, SEA priorities have been established to guide districts toward achieving NCLB Title II D goals as reflected in their competitive grant RFPs, including reading (45 percent), writing (27 percent),

mathematics (41 percent), science (17 percent).

The most recent survey also asked states to prioritize the eleven strategies specified in the Law for achieving the E²T² goals for Round 3. As the report notes, “While professional development and increasing academic achievement and technology literacy have been the top two priorities in all three rounds, the states continue to pay attention to acquiring technology, increasing access, and developing experts.” Because of the reduced funding between Round 2 and Round 3, SEA priorities on data management to inform decision-making appear to have been reduced the most, falling from 80 percent to 63 percent. In addition, SEA priorities on assessment have fallen from 82 percent to 65 percent of states between the second and third funding round. On the other hand, where the SEA has placed a high priority on using state and/or Federal E²T² funds for specific programs, E²T² funds continue to be allocated for these programs, of which 22 percent were data-driven decision making programs/initiatives and 14 percent were specific classroom intervention models with about 10 percent being laptop programs. Many of these state-specific programs/initiatives are described throughout the SETDA report along with evaluative data on their impact. For a copy of the SETDA report go to: <http://www.setda.org/resources/SETDA%20Nat%27I%20Trends%20Final%202006%2Epdf>.

Alabama Update - April 2006

According to Stateline.org, Governor Bob Riley has established a Teaching Quality Commission to explore the possibility of performance-based pay and other incentives that could induce better teachers to work in low-performing schools.

According to the Association Press, substitute teachers in Alabama are paid as little as \$37 per day, far below the national average of \$70 a day. The low pay rate has made it difficult for schools to find substitutes. The State legislature is considering a proposal that would increase base pay for substitutes to \$40 per day. The difficulty in finding substitutes has led some districts to contract with private agencies who may pay substitutes higher rates.

Arizona Update - April 2006

In 2005, Arizona used the Stanford English Language Proficiency Test (published by Harcourt Assessment) for the first time to measure whether a student was an English language learner. Based on that year's results, the number of students who passed the State test more than doubled from about 15,000 to more than 31,000 compared with the previous year when multiple measures were used. Teachers claim the increase occurred because the new test was too easy and that many students who pass are not ready for the regular classroom. State officials argue that the test was not easier, just more aligned with classroom instruction. In any event, the new results mean that many districts will receive less State funding for English language learners -- schools get \$358 additional for each English language learner in attendance for purchasing supplementary materials or specially training teachers. In the Phoenix Union School District, for example, the number of English language learners dropped by 765 students, costing the district about \$275,000.

As reported in Education Week, the State has finally broken the stalemate on the funding of programs for English language learners that has cost the State \$21 million in Court-assessed fines. Governor Janet Napolitano has reluctantly let a legislative bill become a law without her signature. A Federal judge has ruled that the \$21 million in fines collected against the State must be used to supplement State ELL programs. The bill that finally became law increased funding for ELL students from \$355 to \$432 per student. The judge also ruled that, against the wishes of the State, English language learners are exempted from having to pass the State assessment in order to graduate from high school.

Arkansas Update - April 2006

Beginning this Spring, high school course credits will be contingent on satisfactory performance on end-of-course exams in Algebra I, Geometry, and eleventh-grade literacy. Students must score at “proficient” or better on the exam or participate in a remedial program in the Fall. In 2004 (the last year with available data), 47 percent of Arkansas’ students scored at less than “proficient” levels in Algebra I, 53 percent did so in Geometry, and 55 percent failed to reach “proficient” in eleventh-grade literacy. The Arkansas Democrat Gazette reports that the State is considering development of a new end-of-course exam for Algebra II to determine if students are adequately prepared for college-level math. It is expected that the test will be developed in collaboration with other states.

As reported in the Arkansas Democrat Gazette, the number of children from low-income families enrolling in State-supported prekindergarten programs has increased by 140 percent from 2003-04 to the current school year. The State has a total pool of \$71 million to provide services to preschool children from families whose incomes are less than twice the poverty level. Although State-funded prekindergarten is available in all 75 Arkansas counties, nearly 15,000 eligible children do not have access to such programs. The legislature is considering adding another \$40 million to the pool in the 2007 legislative session.

Governor Mike Huckabee has said that he may call the State legislature into several special sessions in response to a State Supreme Court ruling on school funding deficiencies. According to the Court, the State has failed to increase the minimum per-student State funding to 2005-06 beyond the \$5,400 established in 2004. The Court also ruled that the school facilities fund -- potentially funded at \$2 billion -- has been underfunded by the \$120 million set aside for upgrades this year and next.

According to Education Week, Governor Mike Huckabee has proposed placing a cap on the percentage of funds school districts can pay administrators. Limiting administrators to seven percent of district budgets (while not capping salaries), the proposal is part of the Governor’s legislative package for the upcoming special legislative session called in response to a State

Supreme Court ruling that Arkansas' school finance system is unconstitutional.

California Update - April 2006

California is seeking applications under its \$13.2 million California Mathematics and Science Partnership grant program. The grants are expected to help develop “top quality teacher programs” and encourage “more math and science majors to consider teaching careers.” The application deadline was March 30, 2006; information on the program is available at: www.cde.ca.gov/pd/ca/ma/camspintrod.asp.

The Los Angeles Times reports that going before the voters in June is a ballot initiative -- known as Proposition 82 -- that would provide nearly \$23 billion over the next ten years to enroll nearly three-quarters of California’s four-year-olds in preschool programs. A recent survey indicated that two-thirds of the State’s voters support Proposition 82. However, the initiative is opposed by anti-tax groups and by some early childhood advocates who question whether the preschool programs should be operated by school districts that are performing poorly for their K-12 students.

The Contra Costa Times reports that the California State Board of Education has rejected alternatives to the State’s high school exit exam, arguing that students must master the skills needed for success in a career. As of the beginning of this school year, nearly 100,000 high school seniors had not passed the exam, despite being offered a chance to take the test up to six times. In late January, the State settled a lawsuit by granting a one-year exemption for special education students. A second class-action challenge, recently filed, argues that the State has failed to prepare students properly for the exam. Governor Schwarzenegger is seeking to close an existing loophole that allows junior colleges to issue high school diplomas to students even though they fail to pass the State’s exit exam.

As reported in the Contra Costa Times, California’s Academic Performance Index (API), the State’s rating of schools on a scale of 200-1,000, is showing steady improvement for students across grade levels. The percentage of high schools reaching an API of 800 (“excellent”) increased from seven percent in 2004 to 11.8 percent last Spring. Similarly, the percentage of elementary schools rating 800 has risen from 26.4 percent in 2004 to 31.6 percent last year.

State officials attribute the improvement, at least at the high school level, with the implementation of the State's high school exit exam. Critics of the system say the API is an unreliable means of academic performance.

In February, a bill was introduced in the State Assembly calling for a change in the definition of "proficiency" for adequate yearly progress (AYP) under NCLB so that it would be in alignment with the State definition. Nearly two-thirds of the students in the State are considered "not proficient" under the current NCLB definition. The proposed legislation also complains that NCLB creates conflicts with the State accountability system.

The San Diego Unified School District has been awarded a five-year, \$17.6 million grant from the Federal Striving Readers program. Known as Strategies for Literacy Independent Across the Curriculum, the program will support literacy interventions for as many as 6,000 students and 375 teachers in six schools with a focus on helping struggling readers pass the California High School Exit Exams in the tenth grade. Evaluation of the program will be conducted by the Berkeley Evaluation and Assessment Research Center.

The San Diego Union-Tribune reports that a San Diego County high school teacher is planning to establish an online charter school beginning this Fall. Called the Advanced Achievement Academy, the new school was approved last year by the Sweetwater Union High School District and is permitted by State law to recruit students from San Diego, Orange, Riverside, and Imperial Counties. It will be the fifth online charter school serving San Diego County. The Academy must enroll at least 80 students from the Sweetwater district to retain its charter. It plans to begin operation in the Fall with between 225 and 500 high schoolers from the four counties. The school will be providing a business curriculum to students who will not be going to college, high school dropouts or potential dropouts. The Academy has also filed charter petitions with the Oakland and Long Beach school boards which, if approved, would give it access to San Francisco and Los Angeles area counties.

The Los Angeles Daily News reports that, in Los Angeles Unified School District, middle and high schools performed slightly better this year on the State's Academic Performance Index

(API) but that elementary schools dropped slightly. About 26 percent of the district's high schools ranked in the top half of API ratings up from 21 percent in 2004. Similarly, 22 percent of middle schools were in the top half of the API compared with 17.5 percent the year before. However, only 31 percent of elementary schools were so ranked, down from 33 percent last year.

The Los Angeles Times reports that Los Angeles Mayor Antonio Villaraigasa has outlined a plan to wrest control over the City's school system from its current leadership. The Mayor hopes to follow the example of New York City's mayor who took control of the City's schools in 2002 and has reorganized the bureaucracy, eliminated social promotions, and introduced new reading and mathematics programs. In Los Angeles, the Mayor plans to retain the elected School Board in a reduced role and appoint the Superintendent and other district leaders. His plan has naturally met with opposition from some members of the current Board.

As reported by the Associated Press, two education advocacy groups have filed formal complaints against the Los Angeles and Compton school districts for violating a provision of the Federal No Child Left Behind Act that allows students to transfer out of poor-performing schools. The two groups -- the Coalition on Urban Renewal and Education and the Alliance for School Choice -- claim the districts have not explained the options to parents of children in failing schools.

Colorado Update - April 2006

Education Daily reports that, this year, the number of Colorado students taking online courses increased from less than 3,500 to more than 5,700, accompanied by a 66 percent increase -- from \$19.6 million to \$32.6 million -- in State funding for online students. As an example, the rural Vilas School District has a total of only 100 traditional students, but 2,000 students are enrolled in its online courses, resulting in an increase in State aid to the district from \$2.5 million last year to \$10.9 million this year.

Connecticut Update - April 2006

As part of Connecticut's lawsuit challenging the cost of the No Child Left Behind Act (NCLB), the State argues that the U.S. Department of Education (USED) is not willing to pay for the assessments required by NCLB. USED, on the other hand, contends that Connecticut's testing is too expensive and could be streamlined by limiting tests to multiple-choice formats. The State's Attorney General, as reported in the Hartford Courant, counters that even streamlined tests would cost the State \$4 million more than what is provided by NCLB. Specifically, this Spring's testing will cost about \$14.4 million -- only \$5.8 million will be provided by USED. A scaled-down test would still cost \$9.9 million, according to the Attorney General.

Delaware Update - April 2006

The News Journal reports that a broad-based steering committee has recommended a Statewide initiative to rebuild Delaware's public education system by 2015. Known as Vision 2015, the initiative is intended to create a new, "world class" education system rather than refine the existing structure. Vision 2005, supported by \$2 million from The Rodel Foundation and The Broad Foundation, will address a range of areas including: school system governance; instructional staff recruitment and retention; curricula and standards; assessment and accountability; school choice; school-community engagement; and longer school days and years.

District of Columbia Update - April 2006

According to the Afterschool Alliance, D.C. funded new 21st Century Community Learning Center programs with FY 2005 money. The State's total appropriation of nearly \$5 million would, based on current cost estimates, provide afterschool opportunities for 4,800 children.

According to the Washington Post, the District has proposed a plan by which five of its underperforming high schools would, by the Fall of 2008, be converted into specialty schools. These high schools would offer more specialized courses in humanities/foreign language (Eastern H.S.), construction trades (Spingarn), transportation/aeronautics (Cardozo), media/communications (Ballou), and health/medical sciences (Anacostia). The plan also calls for expansion of prekindergarten programs, more language immersion in middle schools, and more math and science in high schools. The package is expected to cost \$83 million in FY 2007 and \$90 million a year for the two subsequent years.

Florida Update - April 2006

As reported in The Orlando Sentinel, a 2004 survey of Florida schools has found a significant technology gap. Schools in wealthy neighborhoods tend to have the most up-to-date computer technology because the local PTA is able to raise funds readily. Poor schools tend to have funds for technology from a number of Federal and State programs. Middle class schools, however, have neither and often operate with outdated computers. The State guarantees equal per-pupil allocations for textbooks but not for computers. Moreover, the State has reduced school technology funding from \$26 per student in 2000 to \$18 this school year. The survey found that about 25 percent of school computers are obsolete and many schools have no Internet access. Many schools have available funds for upgrading their computers -- 1,500 schools received \$134 million in State school-recognition funds -- but often the money is spent for teacher bonuses rather than technology.

The South Florida Sun-Sentinel reports that Governor Jeb Bush has proposed a bill that would result in a more rigorous, career-oriented system. Currently being considered by the legislature, the bill would:

- prevent districts from assigning new teachers disproportionately to low-income or low-performing schools;
- require high schools with the lowest (F) ratings to post graduation rates by ethnicity;
- establish a uniform “individual education plan” for every student with a disability;
- give the Governor the authority to take over struggling schools.

The South Florida Sun-Sentinel also reports that a public uproar has arisen over the State’s plan to score the essay portions of the Florida Comprehensive Assessment Test (FCAT) using \$10 per hour temporary workers. Because FCAT scores determine high school graduation as well as whether a school meets Federal performance standards, teachers and parents have questioned whether the temporary workers are capable of accurate scoring. The scorers are to receive one week of training from the State Department of Education and CTB/McGraw Hill, the State’s testing contractor.

In January, the Florida legislature introduced a bill calling on the U.S. Congress to make changes in the No Child Left Behind Act (NCLB) including:

- hold harmless a state that is meeting NCLB standards;
- increase funding under NCLB to reflect actual costs of implementation;
- revise assessments for students with disabilities and English language learners;
- reform adequate yearly progress (AYP) to be a measure of student growth; and
- allow flexibility in calculating AYP for students who fall in multiple subgroups.

As reported in the Washington Post, the Florida State Board of Education has approved a performance-based pay program for the State's teachers. It is mandatory beginning next school year and ties salary increases and bonuses directly to student scores on the Florida Comprehensive Assessment Test (FCAT). The State teachers' union is appealing the new policy arguing that standardized tests alone do not measure student or teacher performance. Under the tentative plan, the top ten percent of teachers (based on improved scores on State tests) would receive bonuses of at least five percent of their salaries. The top ten percent of teachers in subjects not covered by State tests would also get bonuses based on measures not yet determined. As yet no State funds have been earmarked for the bonuses, but the State Education Department plans to ask for \$55 million to help districts pay the bonuses beginning next school year. The plan is opposed by teachers' unions who contend that the bonuses will cut into across-the-board raises for all teachers.

The Broward County school district has banned personal technology (laptop computers, iPods) from its schools unless students are directed by a teacher to use the device for schoolwork. Under the new code, such devices would be confiscated if brought to school.

Georgia Update - April 2006

The Georgia Department of Education has reached an agreement to use The Lexile Framework as a measure for the Georgia Criterion-Referenced Competency Tests (Grades 1-8) and the Enhanced Georgia High School Graduation Tests (Grade 11). The State will also co-host the Lexile National Reading Conference in Atlanta in June.

The Georgia legislature has enacted a law requiring that school districts spend 65 percent of their budgets in the classroom. If signed by the Governor (who proposed the bill), the law would become effective for the 2007-08 school year. The bill allows the State to grant exemptions from the "65 percent rule" for districts that have high scores on State exams or in the event of natural disaster or dramatic increases in fuel prices.

Education Technology News reports that Forsyth County has installed interactive learning technology -- including whiteboards, handheld computers, lesson plan development software, and sound/video equipment -- in all of its 1,500 classrooms. Much of the equipment has been provided by Promethean Corporation. The district's Technology Integration for Performance Standards (TIPS) program is intended to help teachers maximize the effective use of technology resources.

The Atlanta Journal-Constitution reports that the Cobb County school district is implementing a plan to purchase 7,500 laptop computers -- at a cost of \$10.8 million -- to be distributed to all of the district's classroom teachers. Distribution of the laptops is expected to begin this May and be completed (along with appropriate training) by the start of the next school year. The teacher laptops will be used to maintain grade records, prepare classroom presentations, and communicate with parents among other functions.

Hawaii Update - April 2006

Education Week reports that Governor Linda Lingle has proposed raising Hawaii's FY 2007 K-12 education budget by \$133 million above the current \$1.7 billion. Of the increase, \$90 million would be used for school construction and repair. The Governor also proposed that the State's charter schools be given their own school district so they would be able to receive Federal funds directly.

Governor Lingle has also proposed a plan by which highly qualified teachers could receive bonuses of up to \$10,000 for committing to work for three years in schools that do not meet State academic standards, as reported by Stateline.org.

A survey by State educators, as part of Hawaii's P-20 Initiative has found that too many students are "leaking" out of the State's educational pipeline before gaining the skills needed to become part of a well-educated workforce. As reported in the Honolulu Advertiser, the survey found that:

- large achievement gaps between high- and low-income students;
- only half of the State's children are adequately prepared when they enter kindergarten;
- the number of students in special education has more than doubled in the past decade;
- the number of students with limited English proficiency has increased by 44 percent in the past ten years; and
- the number of students receiving free or reduced-price lunches has grown by 59 percent in the past decade.

The Honolulu Star-Bulletin reports that Hawaii is not expected to meet the Federal requirement that all teachers be "highly qualified" by this summer. According to a State report, 86 percent of the State's teachers are highly qualified in their subjects, up from 76 percent in 2002-03. If Hawaii cannot meet the Federal standard, it must demonstrate a plan for doing so or risk losing a portion of its \$13.5 million in Federal funds. The percentage of the State's paraprofessionals who have Federally-required Associate degrees has risen to 80 percent from only 40 percent in

2003-04.

Illinois Update - April 2006

According to the Associated Press, the Illinois Department of Education has threatened to terminate the contract of its testing contractor, Harcourt Assessment, Inc., for failing to deliver test materials to schools in a timely manner. Harcourt has a five-year, \$44.5 million contract to revise the Illinois Standards Achievement Tests (ISAT) given to third- through eighth-graders to determine whether schools meet Federal performance standards. Under the contract, schools are supposed to receive appropriate test materials two weeks prior to the testing date so that faculty can properly prepare. But many schools report not receiving the materials as required.

The Chicago Public Schools has received a five-year \$24.5 million grant from the Federal Striving Readers program. Using *Achieving Maximum Potential*, developed at the University of Illinois (Chicago), Chicago's Striving Readers project will provide intensive professional development in reading instruction for teachers in 32 middle schools. The project aims to provide training that would allow for a "seamless, aligned approach to reading instruction across language arts, social studies, and math classes." The project's evaluation will be conducted in partnership with Learning Points Associates.

Indiana Update - April 2006

As reported in The Indianapolis Star, several of Governor Mitch Daniels' education proposals passed the legislature this year including a plan by which schools would "pool" resources to buy insurance, textbooks, and other supplies and an initiative that makes it more difficult for students to drop out of high school and provides alternative routes to a diploma for students who have left high school. The Indiana legislature has approved House Bill 1347 which would require public schools to counsel students at risk of dropping out and to report warning signs of potential dropouts (e.g., skipping class). It would also severely limit the reasons students under 18 could quit school. Some of the Governor's education agenda which failed to pass the legislature -- including full-day kindergarten -- could re-emerge because of improvement in the State's financial picture.

Iowa Update - April 2006

As reported in The Des Moines Register, Governor Tom Vilsack and State legislative leaders are developing a new education package that is expected to include:

- more funding for preschool programs;
- higher academic standards;
- a revised school calendar calling for more classroom time;
- methods of increasing parent participation; and
- incentives for districts to become more efficient by combining resources and revising financing.

The Governor has already expressed his intention to increase State spending by \$30 million over the next five years for the teacher quality improvement program and by \$15 million over five years to extend preschool to more four-year-olds.

Kentucky Update - April 2006

According to the Cincinnati Enquirer, a bill being considered in the Kentucky legislature -- SB 130 -- would require, by 2008, all high school juniors to take the ACT college admissions test or the Work Keys Assessment. Currently, most of the State's college-bound students already take the ACT, but many do so in the twelfth grade leaving little time for remediation in high school. As a result, almost a third of the freshmen in Kentucky's public universities are required to take remedial courses in English, reading, or mathematics at a cost to the State of more than \$13 million. It is hoped that the new requirement will reduce the need for college-level remediation.

The Danville School District has received a five-year, \$16.2 million grant from the Federal Striving Readers program. Known as the Kentucky Content Literacy Consortium (KCLC), the project will provide full-time reading coaches for 11 high schools and 12 middle schools in rural parts of the State. It will implement two literacy initiatives -- the *Content Literacy Model* and the *Kansas Learning Strategies Curriculum*. The project's evaluation will be conducted by the Collaboration for Literacy Development at the University of Kentucky.

Louisiana Update - April 2006

As reported in Education Technology News, Louisiana's Virtual School has seen enormous growth in enrollment since last Fall's hurricanes. Although designed to serve the State's rural school districts, the Virtual School is an option for hurricane-displaced students. The Bell South Foundation has provided a \$2.5 million grant to expand the Virtual School from 1,075 slots to 4,500 in the next few years.

The Louisiana legislature has passed a bill that calls on the U.S. Congress to amend the No Child Left Behind Act (NCLB) so that paraprofessionals working in Title I schools prior to NCLB are automatically considered "highly qualified." The law states that NCLB's requirements place a financial burden on paraprofessionals resulting in the loss of staff, particularly in rural areas.

According to The New Orleans Times-Picayune, the Jefferson Parish school system will be the beneficiary of \$20 million from Cisco Systems. About half the money will be cash grants with the remainder provided through in-kind contributions -- staff time and equipment. Starting next fall, eight schools, serving 5,200 students, will become part of a pilot program by which the schools will be equipped with high-tech equipment as well as upgraded curriculum materials and staff development. Among the types of equipment that could be installed are video cameras and projectors, video-conferencing capabilities, interactive devices, and improved Internet connections. Cisco hopes to expand the program in coming years to 20,000 students.

Maine Update - April 2006

Apple Computer Corporation has won the contract to provide computers for the next four years of Maine's laptop program. Apple was the provider for the first phase of the State's laptop program four years ago. Under the new contract, Apple will provide laptops for Maine's seventh and eighth-graders and their teachers at an annual cost of \$289 per unit (\$11 less per unit than the original contract four years ago). Included will be Apple iBook computers, upgraded wireless networks, warranties, and professional development for teachers in each of the State's middle schools.

Massachusetts Update - April 2006

As reported in the Boston Globe, Massachusetts has proposed a set of uniform guidelines for courses high school students should take in order to graduate. Although each school district can set its own graduation requirements, it is hoped that the State guidelines will make these requirements more consistent and reduce the number entering college students who need remediation. Currently, in order to receive a high school diploma, students must pass the English and math portions of the MCAS and take classes in physical education and civics. Based on 2001 data, about a quarter of the State's high schools require two years or less of math; a third require at least three years of science, and only a third require any foreign language. The State wants high school graduation requirements to match more closely the admission requirements of Massachusetts' public universities -- four years of English, three years of math (including at least Algebra II), three years of science, two years of history, and two years of a foreign language.

Stateline.org reports that Governor Mitt Romney has proposed that the State offer bonuses of up to \$15,000 to teachers based on student test scores and classroom observations.

Springfield Public Schools, in partnership with Chicopee Public Schools, has received a five-year, \$16.7 million grant from the Federal Striving Readers program to improve the reading and writing skills of more than 7,000 high school students. Relying on the Strategic Instruction Model (SIM) from the University of Kansas, the project will train ten literacy coaches and more than 500 teachers. It will also provide direct targeted interventions for struggling readers using *READ 180* and the *SIM Content Literacy Curriculum*. Brown University's Education Alliance will conduct the project's independent evaluation.

According to The Boston Globe, almost nine percent of the teachers in the Boston school district are not "highly qualified" under the Federal No Child Left Behind Act (NCLB). The Massachusetts definition of "highly qualified" calls for teachers to have a teaching license (which requires a Bachelor's degree) and to pass State subject matter tests. In total, 380 of Boston's 4,100 teachers do not meet standards. NCLB requires districts to demonstrate that 100 percent of their teachers are "highly qualified" by June 30, 2006. Rather than risk losing Federal

funds for failing to meet standards, the district is planning to dismiss 110 of the unqualified teachers and working with the remaining teachers to help them achieve the appropriate credentials.

The Boston Globe reports that, in 2004-05, 44 percent of Boston's special education students spent most of their school day only with other students with disabilities. This contrasts with a Statewide average of 16 percent and an average among other urban districts in Massachusetts of 28 percent. The State has warned the school district about the lack of mainstreaming and will conduct a review of the school system this Spring.

Michigan Update - April 2006

Results of the Michigan Educational Assessment Program (MEAP) show that, between third and seventh grades, the achievement gap between White and minority students in mathematics widens markedly, although proficiency drops for all students. White students have a proficiency rate of 92 percent in third-grade math, dropping to 72 percent by eighth grade. About 71 percent of Black third-graders were rated proficient in math but, by eighth grade, the percentage drops to 34 percent. Concerned about the 38 percent gap, State education officials are considering ways of addressing the issue.

Missouri Update - April 2006

Education Week reports that Missouri has lowered the standards for its State assessments so that more students will score at the “proficient” and “advanced” levels this school year. The new standards are meant to ensure that at least 40 percent of the students are scored as “proficient” or higher. Although approved by committees of educators and citizens, the new standards have been criticized by other educators for “dumbing down” the rigor of the State tests. State law requires the Missouri Assessment Program to be closely aligned with the National Assessment of Educational Progress.

The Kansas City Star reports that Missouri is considering adopting the ACT college admissions test as a high school graduation requirement by 2008. Currently, the State’s high school students take the Missouri Assessment Program (MAP) but often do not try hard on the exam because it has no individual consequences. State officials believe tying the State assessment to a college admissions exam will cause students -- 70 percent of whom take the ACT already -- to take the test more seriously. The issue will be addressed by the State Board of Education and in public forums over the next few months.

Like many school districts nationwide, the Kansas City (Missouri) district has had trouble delivering the free tutoring services required under the Federal No Child Left Behind Act. As reported in The Kansas City Star, more than half of the tutoring services on the State’s list for Kansas City have backed out. Through February, only about nine percent of the 14,152 students eligible for tutoring have been enrolled and, of the 1,305 enrolled students, 250 had not been assigned to an alternative program.

The St. Louis school district has teamed with Dell, Inc. to develop a technology high school containing the most advanced classroom technology. Located in Carnahan Middle School, the program plans to open next September with 125 ninth-graders. Dell will provide notebook computers, network servers, printers, wireless technology and other equipment to transform the school into technology-rich learning environment. Additional classes will be added each year until a full four-year high school is achieved and the initial freshman class graduates in 2010.

The St. Louis Post-Dispatch reports that the St. Louis school district has appointed Arlene Ackerman, former Superintendent in San Francisco, as a part-time advisor for raising student achievement and bringing district schools into compliance with the Federal No Child Left Behind Act. The appointment was controversial because of Ackerman's close ties to Superintendent Greg Williams.

New Hampshire Update - April 2006

In early March, a New Hampshire State Superior Court ruled that the State's method of funding public education was unconstitutional. The ruling came in response to a lawsuit filed by a coalition of small school districts which claimed the current funding formula allows wealthier districts to keep much of their tax revenues rather than act as "donor towns" for poorer districts. The State plans to appeal the ruling to the State Supreme Court.

As reported in Education Daily, the New Hampshire legislature is considering a plan that would require high school students to attend school through age 18, rather than the current 16. Proposed by Governor John Lynch, the bill would also provide alternative learning opportunities for at-risk students at least 16 years old.

New Jersey Update - April 2006

A recent report to Governor Jon Corzine has recommended abolishing the New Jersey Schools Construction Corporation, the agency that has been accused of mismanaging the building and renovation of schools in the State's poorest school districts. As reported in Education Daily, the troubled agency, despite spending \$3.1 billion to build 31 schools, says it doesn't have enough money to build the additional 59 schools, as it had expected, without at least \$300 million more.

Newark Public Schools have received a five-year, \$14 million grant from the Federal Striving Readers program. The Newark school system will implement *READ 180* as its intervention for struggling readers and will focus its Striving Readers effort on middle schools that have at least 75 percent of their enrollment eligible for free and reduced price lunch and that are identified as in need of improvement under the No Child Left Behind Act. The project's evaluation will be conducted by Westat.

New York Update - April 2006

Data from the New York State Education Department show that, Statewide, only 64 percent of all students who started ninth grade in 2001 graduated after four years in 2005. And 71 percent of students entering ninth grade in 2000 graduated within five years. The numbers were even lower for New York City with only 45 percent graduating on time in 2005.

As reported in The New York Times, a State Appeals Court has ordered the New York legislature to appropriate between \$4.7 billion and \$5.63 billion more for New York City schools. The exact amount is to be determined by the Governor and the legislature. The Court's ruling is the latest salvo in the decade-long battle over State aid for New York City schools.

North Carolina Update - April 2006

As reported in Education Week, a County Superior Court Judge -- who oversees a 12-year-old school finance lawsuit -- has threatened to close low-performing high schools if they do not meet achievement targets this Spring. The Judge would bar from opening next fall any high school that failed to show that at least 55 percent of its students score “proficient” on State tests for five consecutive years. The Judge also raised the question of why only ten of the 44 identified schools have been assigned “turnaround teams” as called for last August. A total of 17 schools are at risk of closure. Of the ten high schools served by “turnaround” teams (all in Charlotte-Mecklenburg), four are still at risk of being closed.

Ohio Update - April 2006

As reported in Education Week, Governor Bob Taft has proposed a plan by which all high school students in Ohio would be required to take more rigorous courses in science, mathematics, and foreign language. In his final State-of-the-State address, the Governor called for a four-year math requirement (rather than the current three), three years of science (the same as now except specifically requiring biology, physics, and chemistry), and two years of a foreign language (currently there is no language requirement).

As reported in The Columbus Dispatch, Ohio's Early Learning Initiative has fallen far short of its goal of enrolling 10,000 preschool children from low-income families. Intended to replace the State Head Start program, the Early Learning Initiative has only enrolled about 7,600 preschoolers, less than a third of the total enrolled in Head Start in 1999. The State uses welfare funds to pay for the program, requiring families to meet specific work and income requirements. Even though the requirements have been relaxed, more than 50,000 eligible children are not enrolled in either the Early Learning Initiative or the Federal Head Start program.

The Ohio Department of Youth Services has received a five-year, \$14 million grant from the Federal Striving Readers program. Partnering with the Ohio Department of Education; the Ohio Striving Readers project-- called STARR (Striving to Achieve Reading and Re-Entry) -- will "address the literacy needs of students in grades 6-12 within State juvenile corrections facilities." The program will include professional development in scientifically-based reading instruction for teachers, reading coaches, and implementation of *READ 180* as an intensive intervention for struggling readers. The project's evaluation will be conducted by the Center for Learning Excellence at Ohio State University.

Oregon Update - April 2006

Education Week reports that Governor Theodore Kulongoski, in his State-of-the-State address, has called for a ten percent increase in education spending over the next two fiscal years. If the Governor's proposal were to become law, K-12 funding for the 2008-09 biennium would increase to \$5.9 billion compared with \$5.3 billion in 2006-07 biennium. Because the Governor is up for reelection in November and the legislature will not meet again until January 2007, the Governor's plan will not be acted on for nearly a year, if then.

The Chronicle of Higher Education reports that Oregon is the first state to begin implementing an integrated K-16 education finance model. The Oregon Business Council conducted an analysis of 2002-03 State expenditures for K-12 schools and colleges and recommended that the State reform its system so that the budget would decide explicitly the level of per-pupil support for different services and the outcomes anticipated.

Oregon School District #1 (Multnomah County) has been awarded a five-year \$23.5 million grant from the Federal Striving Readers program. Partnering with the Center for Research of Learning (University of Kansas), the district will implement the Strategic Instruction Model (SIM) to provide targeted interventions for 1,700 struggling readers in grades 6-10 and to develop schoolwide strategies for embedding literacy in all content areas. Portland State University will provide literacy professional development and RMC Research will conduct the project's independent evaluation.

Rhode Island Update - April 2006

As part of his State-of-the-State address, Governor Donald Carcieri outlined a \$15 million plan to enhance the education of Rhode Island students in mathematics, science, and technology. Based on recommendations from the State's Science and Technology Advisory Council, the four-part plan calls for more rigorous math and science curricula and better training for teachers of math and science, particularly in elementary schools. The Governor's plan also recommended creation of a single Metropolitan School District -- to include Providence, Pawtucket, and Central Falls -- to improve performance and enhance efficiencies for the State's urban schools.

As reported in the Providence Journal, recent test scores show low scores Statewide. Only about half of the 72,000 students in third through eighth grade were rated proficient in mathematics and about 60 percent were proficient in reading. Scores from the State's urban areas were even more alarming; only 28 percent were proficient in math and 35 percent were proficient in reading. A business group -- The Rhode Island Public Expenditure Council -- professed concern that more than half of State aid goes to five urban school districts with such poor results.

Tennessee Update - April 2006

In his State-of-the-State address, Governor Phil Bredesen called for the goal of a 90 percent high school graduation rate and a 55 percent college graduation rate by 2012. The Governor also emphasized Tennessee's program to attract professionals from other fields into teaching mathematics and science.

Memphis City Schools has been awarded a five-year, \$16.1 million grant from the Federal Striving Readers program to test the efficacy of the Memphis Content Literacy Academy professional development model for improving reading achievement and literacy in high-need middle schools. The project will use *READ 180* as a targeted intervention for struggling readers in Grades 6-8 implemented by the University of Memphis. Research for Better Schools will conduct the project's independent evaluation.

Texas Update - April 2006

The Dallas Morning News reports that Governor Rick Perry's executive order calling for Texas schools to spend 65 percent of their resources on instruction will cause shifts totaling close to \$500 million in school budgets. The TEA is currently developing definitions by which the "65 percent rule" will be implemented and it is expected that districts will be given three years to meet the requirement. It is likely that some districts will be required to eliminate non-instructional positions -- administrators, librarians, counselors -- and to hire more teachers or to buy new instructional materials and equipment including computers. Dallas, for example, currently spends 63 percent of its funds on instruction; \$16.8 million have to be shifted into the instruction budget. Fort Worth, with only 59 percent currently devoted to instruction, would have to shift more than \$30 million.

The Texas High School Project is the conduit for \$71 million in grant funds to establish, in 35 high schools, academics focusing on mathematics, science, technology, and engineering. Funding for the program comes from the Texas Education Agency and the Communities Foundation of Texas, as well as from the Bill and Melinda Gates Foundation and the Michael and Susan Dell Foundation.

The San Antonio Express-News reports that Texas education officials are looking at ways to make public high schools accountable for their students' performance in college. It has estimated that, last year, half of the students entering Texas' public colleges and universities required at least one remedial course in reading, writing, or mathematics, despite tougher high school academic requirements. Under a proposed plan, students who need remediation in college would negatively affect their high school's ranking under the State's accountability system.

As reported in Education Daily, Governor Rick Perry has called the Texas State legislature back into a special session in April to deal with the issue of school finances. The Texas Supreme Court has determined the State's cap on property tax rates to be unconstitutional and set June 1 as the deadline for establishing a new method of financing public schools.

Education Week reports that Diane Patrick, an education professor at the University of Texas at Arlington has won a Republican primary election for the State legislature over Kent Grusendorf, the veteran chairman of the House public education committee who proposed to open up State textbook funds for technology purchases. Education advocates have hailed Patrick's victory as a rejection of school vouchers and the anti-public school agenda of conservatives.

The Associated Press reports that refugees from the Gulf Coast hurricanes now living in Texas have scored markedly lower than other students on the State assessment. On the Texas Assessment of Knowledge and Skills (TAKS) only 58 percent of evacuees in third grade passed the reading portion of the TAKS compared with 89 percent of all students. Similarly, at the fifth-grade level, 46 percent of evacuees passed reading compared with 80 percent of all students. State officials attribute the low scores to the trauma of having to move and the poor quality of the New Orleans school system.

As reported in the Houston Chronicle, the Houston school district is implementing a short-term plan to provide \$9.6 million in subsidies to small schools that have higher per-pupil overhead than larger schools. The plan would also increase the fund for per-pupil funding at the middle and high school levels by more than \$2 million. Funding for the plan would come from the General Fund (\$6.3 million), a school emergency fund (\$3.8 million), and by cutting Project GRAD, a program designed to help low-income students attend college (\$2 million). The plan is a short-term fix until the district develops a long-term plan to close or consolidate a number of small schools.

Virginia Update - April 2006

The Washington Post reports that the Virginia legislature is considering a bill that would provide State funds to be used to pay private school tuition for students with disabilities. The bill, similar to one that died in the State Senate last month, would allow parents of 175,000 students with disabilities to move their children to private schools and have the State pay \$2,800 in tuition costs. To be eligible students must be enrolled in Virginia public schools for at least one year and parents would have to certify that they are unhappy with the students' progress in public schools. Opponents of the bill argue that it is a voucher program that will take funds from public schools.

Virginia, like seven other states, uses the Stanford English Language proficiency Test to measure whether an English learner is ready for the regular classroom. Districts, however, are allowed, if they choose, to use another State-approved test and includes a student's scores on other standardized tests in the decision process. Last year, nearly a third of students identified as English language learners moved to the regular classroom. Such students are required to take the reading and writing portions of the Stanford test once a year for two years after leaving the English learner program as a way to monitor their progress.

Wyoming Update - April 2006

The increase in gas and oil prices over the past four years has resulted in Wyoming taking in a great deal more in energy tax revenues than in previous years. As reported in The New York Times, the new funds have been used for a number of purposes including a \$2.1 billion increase - - 24 percent -- in K-12 funding over the next two years. Moreover, the State is planning on establishing an endowment fund, interest from which could provide a nearly free college education for Wyoming high school graduates who take the most rigorous courses.

An analysis by the Alliance for Excellent Education indicates that Wyoming's 2,218 high school dropouts in 2004 could cost the State more than \$550 million in lost wages, taxes, and productivity over their lifetimes. The State is exploring ways to keep students in school, including career planning in the eighth grade and available scholarships for post-secondary education or training. The Alliance places the State's graduation rate at 72.4 percent in 2004, while the State measured its rate in 2004 at 79.2 percent. Wyoming's high school graduation rate -- using State data -- has improved from 75.9 percent in 2001 to 81.5 percent in 2005.

A recent study by the Wyoming Department of Employment has found that workers with basic job skills will be more in demand in Wyoming than those with more advanced skills. The State's primary industries -- mining and construction -- generally do not require higher education but rather operation and control skills typically developed by on-the-job training. The study also indicated that the State's "brain drain" of college graduates will continue because most of the in-State jobs do not require higher education.