DATE: September 4, 2006

TO: TechMIS Subscribers

FROM: Charles Blaschke

SUBJ: Special Report on District Allocations Per Title I Eligible Student and What Works Clearinghouse Clarification

Attached is a special report which we have prepared and submitted to TechMIS subscribers in August during the last three years which provides the USED determination of district Title I “final” allocations per eligible Title I student which is supposed to be used to determine the “cap” for students participating in SES services. It follows USED’s policy to “inflate” the actual district allocation per eligible Title I student after SEA adjustments which benefits third-party SES providers. However, the allocation per eligible Title I student does indicate a significant range from as low as $7-800 per eligible Title I student in some districts to a high of almost $3,000 per eligible Title I student in Laramie, Wyoming.

In our last TechMIS report dated August 28th, we included highlights of a What Works Clearinghouse (WWC) review of beginning reading programs. The WWC reported that only 51 studies of 24 interventions met the WWC study design evidence standards. We also reported that the WWC Topic Report (August 13, 2007) included a table which “lists the programs for which there were no studies meeting WWC evidence screens.” In our report, we listed some of the products/interventions published by some TechMIS subscribers which WWC evidently found that the studies that were submitted on the effectiveness of these products did not have a rigorous enough study design to be considered. At least one of our subscribers was not aware that WWC
was reviewing studies conducted by others of their intervention and had not been contacted by WWC that a study conducted by some other group was being reviewed. On numerous occasions in presentations before AEP, SIIA and other public forums, WWC officials stated that publishers with products under review would be contacted. If any of your interventions were included in Table 2 in the August 13th WWC topic report and you were not aware of one or more studies about effectiveness of your product/intervention was being reviewed, I strongly suggest you contact Phoebe Cottingham who directs the WWC. This is only the latest of WWC’s “heavy-handed” treatment of education publishers and disregard of the unintended consequences of the public’s perception of some of its reviews. Contact me if you have any questions.
USED has released its annual report which identifies the amount of Federal Title I allocations (before state adjustments) per eligible Title I student in each district, which is supposed to establish the maximum amount of funds districts should allocate per student participating in choice and supplemental educational services (i.e., the 20% set-aside). In combination with other recently compiled data, this Special Report should assist firms in determining what states to target and which districts within states will probably set aside earmarks for SES and for staff development. The maximum per eligible Title I pupil SES expenditures ceiling (identified in the last column in Exhibit A), does not take into account a number of adjustments SEAs will make in the final installment to districts after October 1, when the amount of “advanced” Federal Title I funding is to be released to states.

In Exhibit A, we have included districts in our Special Report (dated August 21, 2007) that are receiving at least a $200,000 increase (before SEA adjustments) in Federal Title I allocations for next year. Districts that received a $200,000 or greater increase last year have asterisks and those districts that are shaded reportedly have five or more schools identified for improvement which means they have to set aside at least 20 percent initially for SES and parent choice transportation. (More schools will be identified for improvement as SEAs report test data and notify districts in September-October.) The purchasing power of districts based upon the maximum per-pupil SES expenditure ceiling ranges from less than $1,000 in several districts to almost $3,000 in Laramie, Wyoming.

As we emphasized in our March 30th Special Report and the updated August 21st Special Report, some of the districts’ increases in Title I allocations will be significantly reduced, if not “wiped out,” largely because of two major adjustments which will be made by the SEAs: (a) one adjustment due to “hold harmless” provisions in the Title I formula which will reallocate Title I funds from “gaining” districts to districts losing ten percent or more, and (b) additional reductions in Title I funds from the “gaining” districts in order for the SEA to set aside four percent of the state’s total Title I allocation for school improvement grants. Districts with schools in “corrective action” or “restructuring” will likely receive some of these Title I funds back later on during the year and could also receive a portion of the new $125 million in a separate school improvement grant which goes to the SEAs for the first time this year. As we
noted in the August 21st Special Report, districts receiving increases in the USED final allocations, even after the state sets aside four percent for school improvement and to meet the “hold harmless” requirement, will continue to maintain portions of that increase if they are located in the following “safest” states: Connecticut, Illinois, Indiana, Kansas, Maryland, New Hampshire, Ohio and Wisconsin. A second group of states are “relatively safe” to the extent that gaining districts will generally retain, after SEA adjustments, a smaller portion of their increases include: Pennsylvania, North Carolina, South Carolina, Nevada, Missouri, Iowa, Kansas, Michigan, Minnesota, Rhode Island and Utah. In this second tier of “relatively safe” states, a variety of other SEA adjustments described in our March 30th Special Report could result in other reductions in gaining districts.

As mentioned in our August 21st updated district allocation special report, by posting the Federal Title I allocations before SEA adjustments, USED, perhaps intentionally, will be creating negotiating problems between third-party SES providers and the districts. In many cases, the actual final Title I per-pupil allocation to the district will be significantly lower than the maximum; this could become a bone of contention during negotiations.