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MEMORANDUM

DATE: March 31, 2009
TO: TechMIS Subscribers
FROM: Charles Blaschke and Blair Curry
SUBJ: Stimulus Update; Secretary Duncan's Evolving Priorities and Policies; and State Profile Updates

In an attempt to keep TechMIS subscribers up-to-date on guidance related to the ARRA stimulus funding, during March we sent the following TechMIS Special Stimulus Funding Alerts:

- **March 10:**
 - Title I Recovery Stimulus Funding Update: USED Wave I Guidance Released With Some Unexpected Changes
 - IDEA Recovery Stimulus Funding Update: Wave I Guidance on Funds Allocation Schedule and Allowable Uses of Such Funds
 - Stabilization Recovery Stimulus Funding Update: Guidance on Fiscal Stabilization Funding (\$54 billion)
- **March 19:**
 - Stimulus Funding Alert: Uncertainty About the Use of Governors' Portion (\$48 billion) of Stabilization Funds Suggest Initial Focus Should Be Upon IDEA and Title I Followed By School Improvement Grants on Release of Guidance

We suggest that you archive all of the Special Stimulus Funding Alerts and Special Reports for future reference, as USED guidance is occurring on a rolling basis and will likely continue to do so over the next six months or so regarding the different stimulus funding pots and competitive grants.

Most of our reporting has focused on the Title I and IDEA stimulus funding, largely because districts can "count on" obtaining such funds in the immediate future. Regarding the \$650 million stimulus funding for State Technology Grants (E²T²), USED guidance has been minimal, and confusing at the least. In early March, USED released guidance indicating that the E²T² stimulus funding would not flow until the Fall and would be released upon receipt of further information from states to be requested in future

guidance. Other guidance had suggested some of these funds would be released in June and the remainder in September. There is also confusion about whether such funds have to be obligated or spent by September 30, 2010. As soon as coherent formal guidance is released, we will send out a Special Stimulus Funding Alert.

Also related to technology, the FY 2009 Appropriations Act included a temporary exemption through December 31, 2009 which exempts the E-Rate from the Anti-Deficiency Act which will minimize any E-Rate funding interruptions during this year. Guidance on School Improvement Grants, initially expected in June, will not likely be provided until later during the summer. Guidance for the competitive State Incentive Grants and Innovation Fund will also probably not be available until mid- to late summer. Additional guidance on the fiscal stabilization funds (\$48 billion) is expected during the first week in April. USED has also indicated that a ruling on the final Federal Title I regulations will be made available by the end of March. Obviously, Special Alerts will be provided shortly after such guidance is released and analyzed by TURNKEY staff.

Included in this issue is a Special Stimulus Funding Alert which references a March 24th presentation posted by USED. This presentation includes some of the highest priority items, such as uses of funds, that were listed in detailed guidance that was included in the March 10 TechMIS Special Stimulus Funding Alert. You may wish to use this presentation as a framework for presentations internal to your organization or to your customers. The following Washington Updates are also included:

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The President released, in late February, the proposed FY 2010 education budget for elementary and secondary education. The budget lacked details on programmatic funding, but reiterates priorities in the ARRA. In late March, the House and Senate began the budget resolution debate from which will evolve negotiated budget limits for large categories such as Labor, Education, and HHS (i.e., Function 500). Specific items will be determined by education appropriation committees beginning this summer.
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Comments by Federal Officials, Policy Influencers, and Key District Leaders Suggest Secretary Duncan's Priorities and Opportunities Under the AARA Stimulus Funding and \$5 Billion "Race to the Top" Incentive Fund and Other Competitive Grants.
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In mid-March, the SIIA held its Annual EdTech Government Forum in which high-level USED and association officials pointed to numerous opportunities under ARRA for software and related publishers.
- **Page 7**
A new Institute of Education Sciences practice guide addresses response-to-intervention and multi-tier interventions in primary grades. It suggests criteria

which should be used by district RTI teams to select instructional interventions.

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A new Senate Oversight Committee has called for greater details about how stimulus funding will be used and greater tracking of job creation and/or retention attributed directly to different stimulus funds. The Office of Management and Budget (OMB) will likely be providing continuing guidance on the use of funds, contractual and other instruments, and reporting on job creation/retention -- most likely below the district level.

The state profile updates include evolving information about how individual states, and in some cases districts are planning to use the various pots of stimulus funding. The use of funding for Title I and IDEA are predictable, while the governors' use of stabilization funding is up in the air. Additional items covered in the state profiles include ways states are dealing with budget shortfalls, raising the dropout age, and new charter schools.

Stimulus Funding Alert: USED Post AARA PowerPoint on Guidance Which Suggests Several High Priority Items

A Technology Monitoring and Information Service (TechMIS)
SPECIAL STIMULUS FUNDING ALERT

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March 31, 2009

On March 24, USED posted a PowerPoint presentation which highlights all of the education-related AARA Guidance, particularly focusing on Title I, IDEA, and fiscal stabilization stimulus funding. The presentation follows closely the detailed guidance in all three areas posted on USED's website on March 6th (see TechMIS Stimulus Funding Alerts dated March 10th). While the presentation does not include much "new information," it does reemphasize some of the priorities -- particularly related to allowable uses of such funds -- which are highlighted below. This posting could provide the basis of a PowerPoint presentation which TechMIS subscribers may wish to make to sales or other corporate staff in their own organizations.

The slide entitled "Significant Impact on High Needs Schools Budgets" is new, indicating a relatively large portion of funds under School Improvement Grants, IDEA, and Title I being devoted to turning around the lowest performing schools. Under "Title I School Improvement Grants," the presentation emphasizes that SIG funds should be used to serve the lowest achieving schools that demonstrate the greatest needs for such funds and that have a demonstrated commitment to use such funds to meet the goals of school improvement plans. While the new SIG guidance has yet to be published, it is likely that most of the SIG stimulus (FY 2009 regular Title I SIG funding) and the four percent SEA set-aside of regular Title I funds, totaling between \$4.5 and \$5 billion, will be targeted to about 3,500 schools whose districts will be applying for SIG and other funds to turn these schools around. It is also likely that the new guidance will reiterate the importance of using such funds for data-driven decision-making tools and systems to diagnose student needs, prescribe lessons, monitor student program and otherwise inform instruction, along with directly related professional development.

Under the slide entitled "IDEA Part B - AARA: Fiscal and Waiver Issues," the presentation emphasizes that, under certain conditions, LEAs may reduce state and local expenditures for special education up to 50 percent of the amount of the increase in their

IDEA allocation over the prior year, the so-called “local adjustment provision.” It also emphasizes that one activity for which freed-up local funds could be used is early intervening services. Then it reemphasizes that, under certain circumstances, up to 15 percent of IDEA funds can also be used for early intervening services. These two statements tend to point to a very high priority being placed on the use of IDEA and even Title I stimulus funding for early intervening services and response to intervention approaches.

For a copy of the AARA slideshow, go to:

www.ed.gov/policy/gen/leg/recovery/presentation/arra.pdf

Washington Update

Vol. 14, No. 4, March 31, 2009

President's Proposed FY 2010 Education Budget for Elementary and Secondary Education Lacks Details on Programmatic Funding, but Reiterates Priorities in the Stimulus Recovery Act

On February 26th, Secretary Duncan released a preliminary FY 2010 education budget which included some details only on Pell and other Federal student aid programs, but very little in terms of specific funding levels for K-12 programs. According to the Duncan statement, "The Department of Education will build upon the historic investment in education provided by the American Recovery and Reinvestment Act of 2009 to leverage significant improvements in early childhood education, more effective reform of elementary and secondary education, and expanded opportunities for students to enter and complete college education."

At first blush, the discretionary budget authority for the Department of Education would show only a \$500 million increase from \$46.2 billion to \$46.7 billion for FY 2010 over FY 2009. However, a footnote explains that the \$46.7 billion reflects the withdrawal of Pell Grant funds which, under the FY 2010 budget, would be changed from the discretionary budget authority to "mandatory," which would allow for a \$15 billion increase in non-Pell related discretionary authority in FY 2010. The exact amount of Pell Grants which would become mandatory and what increases in discretionary funding for other K-12

priorities would occur will become at least one major focus of the ensuing negotiations for the development of a detailed FY 2010 budget expected in April. It appears that, if Congress does not allow Pell Grants to become a mandatory budget item, then it may be even more difficult for increases in discretionary funding for some of the President's and Secretary Duncan's priorities mentioned below.

One of those priorities is early childhood programs for which the budget statement calls for additional resources in 2010 on top of those included in the stimulus package. Based on comments by Secretary Duncan during the Council of the Great City Schools meeting in mid-March, and subsequent ones by other policy makers, it appears that much of the early increase in Federal funding for early childhood programs would be designed to improve quality of programs and to streamline and facilitate the improved coordination of multiple early childhood programs currently funded by states. One logical assumption is that much of the actual increase in total early childhood education funding will come from state coffers, especially in some states which are currently placing a high priority on preK education.

Another priority area is assistance to states to develop and implement rigorous college-ready academic achievement standards and improved assessments for students with disabilities and English language learners. Strengthening the education workforce is another priority which includes improved systems and strategies for recruiting,

evaluating, and supporting teachers and incentives for rewarding effective teachers, especially encouraging them to teach in low-income high-minority schools.

Within the “state incentive grant” program included in the ARRA, the FY 2010 budget would “continue to use the Innovation Fund.... to identify and replicate successful models and strategies that raise student achievement,” including comprehensive approaches such as Promise Neighborhoods that aim to improve college-going rates by combining a rigorous K-12 education with a full network of neighborhood-based social services.” The Promise Neighborhoods are said to be based on the Harlem Children’s Zone initiative in New York City. Some of the Promise Neighborhood components could include early childhood programs, after-school programs and college counseling, counseling for students who could be college-bound which has been advocated by Professor Pedro Noguera and the Hope Street Group cited in speeches by Secretary Duncan and President Obama (HopeStreetGroup.org). The “innovation fund” would also support turning around high-need, low-performing schools by giving states additional resources to address the root causes of low performance.

During the press conference at which the FY 2010 budget statement was released, Secretary Duncan also emphasized that each program would be evaluated to determine its effectiveness and that those found not to be effective would be reduced or eliminated from the budget. In response to a question, one USED official noted that the Department had recently issued a report on a fourth- through eighth-grade mentoring program which was not found to be effective. Neither the questioner nor others, including myself, were aware of any

existing grade four through eight mentoring program for either students or teachers.

In late March, the FY 2010 budget resolution debate began. The House Budget Committee approved the FY 2010 budget resolution that includes nearly about \$88 billion in discretionary funding. The Democratically controlled Senate Budget Committee is currently considering a concurrent budget resolution which would reduce several of the increases in health-related activities proposed by the Administration. Senate Republicans have voiced serious opposition to the proposed overall increases in education and related budget categories, particularly because of their impact on increasing proposed budgets in the “out years.” Once the Senate budget resolution marks are reached, then the bill will go to the House which, in turn, will establish its budget resolution limits for broad categories, but not individual line items, in the education budget. This job will be left to the House and Senate education appropriations committees which will attempt to come up with line item budgets that fall within the bounds of the budget resolution marks.

Comments by Federal Officials, Policy Influencers, and Key District Leaders Suggest Secretary Duncan’s Priorities and Opportunities Under the AARA Stimulus Funding and \$5 Billion “Race to the Top” Incentive Fund and Other Competitive Grants

During March, a number of associations and other groups convened meetings in Washington D.C. at which time some officials and knowledgeable education

policy influencers suggested priorities and directions the new Administration will likely move in its overall policy. Additional conversations were held with key LEA officials -- particularly among large, urban districts -- regarding activities which Secretary Duncan will likely support. These included some “sidebar” comments that were made with the promise of anonymity.

During the Council of the Great City Schools Conference in mid-March, Secretary Duncan reiterated the four general “assurances” under the “fiscal stabilization” component that governors must include in their states’ requests and which will later become priorities for funding competitive grants under the “Race to the Top” initiative. The Secretary noted additional priorities:

- Emphasizing the priority of increasing the rigor of state standards, the Secretary and other officials have increasingly noted that such standards have to be tied to “international benchmarks”;
- Under the “pay for performance” rubric, Secretary Duncan also emphasized that student progress should to be tied to teacher performance, and teacher performance has to be tied to their colleges -- for which he received audience applause during the GGCS conference.
- Under the priority of turning around low-performing schools, the Secretary added a new priority which included not only dropout prevention, but also credit recovery, noting that stimulus funds could be used for such purposes.

In response to a question as to whether

SEAs constrain LEA flexibility, Secretary Duncan indicated he would use the “bully pulpit” and was willing to “embarrass” recalcitrant state and other officials. Moreover, in another session, knowledgeable observers pointed out that, under Section ARRA 807(a), the Secretary has authority to threaten the withholding of funds, in total or in part, from Governors under the stabilization funds. A number of LEA officials including the Superintendent of the Year, Betty Hall (Atlanta Public Schools), expressed concern that about half of the \$650 million innovation fund competitive grants would be used to support charter schools and related activities. Secretary Duncan recognized this concern, but reiterated he supported the type of “charter” schools that he instituted and supported while superintendent in Chicago Public Schools and felt that, in the long run, they can be very beneficial.

During the Council meeting, a number of LEA officials asked the Secretary whether or not his office would revise, nullify, or otherwise change the final Title I regulations which became official last November under the previous Administration. He indicated rules would be “loosened” to provide greater flexibility and referred to his experience in Chicago and the approach which was undertaken by the district, which included providing its own SES along with third-party SES providers. He indicated that rulings could be expected by the end of March. A number of high-level LEA officials from large districts expressed concern about what options they had if the state did not request a waiver to apply none, or only a small amount, of the 20 percent set-aside for SES to the \$10 billion Title I stimulus package. A couple of officials said their district Title I office was working with

the state Title I Committee of Practitioners to encourage SEAs to request waivers. Most of the officials, however, felt that a district itself would request such a waiver if the SEA didn't. One of the ten largest district's Federal program coordinator indicated that her district would object "not too strenuously" if the SEA did not request a waiver, but would allow districts identified for improvement to provide their own SES tutoring.

In a sidebar conversation, a large urban district superintendent talked about how, in a former job, he negotiated agreements with the local AFT chapter to become the largest provider of SES in that district. This district was one of four identified four years ago by the Secretary of Education as being exemplary SES models. The superintendent noted that the Secretary told him that the revised SES provisions would provide greater flexibility for districts to provide their own SES, including using teacher groups and would encourage cost-effective approaches to providing SES.

In another discussion of SES-related matters, researchers from the Council of the Great City Schools mentioned that some of the more recent data comparing the relative effectiveness of a limited number of its member district-operated SES programs compared to third-party provided has shown that neither types of SES have been relatively effective in improving student performance. One implication of this could be "complete overall of the SES concept." Another might be to provide additional funding for eligible students to extend SES tutoring hours. Based on his experience in Chicago, Secretary Duncan and other Chicago officials have stated that the minimum amount of tutoring required to

improve student performance is 40-45 hours per year.

In a related session, two legislative staffers who were directly involved in drafting the IDEA reauthorization, were asked to clarify and/or expand on the "local adjustment provision" under IDEA which would allow a district receiving an increase in IDEA funding this coming year over last year to use up to 50 percent of the increase to replace local funds used to pay for special education programs and use these freed up local funds for any purposes allowable under ESEA. Conceivably up to about \$6 billion of IDEA stimulus funds could be used in this manner. Other LEA officials questioned whether such "local adjustment allocations" would be at the expense of the 15 percent set-aside for early intervening services which the current regulations indicate would be the case. The consensus among the legislative aides and others was that these two issues would need further clarification in subsequent guidance. However, the intent of the "local adjustment provision," which was originally included in the 1997 IDEA regulations, was very clear; however, at that time the 15 percent set aside for early intervening services in districts with disproportionality did not exist. The implications here could be significant in that such future guidance could influence the amount of money freed up to be used in a very flexible manner versus the amount of remaining funds that could be used for early intervening services/RTI to serve at-risk students who are not yet placed in special education programs. (See related Stimulus Funding Alert)

Even though USED has indicated that it will not be able to provide preliminary district

Title I allocations for FY 2009 until mid-April, during the Council conference census poverty data on the 60-member districts was provided. The updated census data will constitute the major factor determining district Title I allocations for FY 2009. Based on the 2007 poverty data count (compared to the previous 2005 count), some major decreases in the number of poverty students for large districts included:

- Los Angeles...37,500 decline
- Miami...16,200 decline
- New Orleans...20,800 decline

On the other hand, other districts received increases of ten percent or more including:

- Memphis...4,700
- Denver...3,700

Such changes will be reflected in the FY 2009 district Title I allocations.

Highlights of the SIIA 2009 Ed Tech Government Forum

The annual SIIA Ed Tech Government Forum, held on March 17-18 at the National Press Club in Washington, D.C., addressed, "New Administration, New Ideas, New Opportunities." Highlights from several sessions are noted below, along with possible implications for most TechMIS subscribers.

Mary Kusler, Assistant Director for Government Relations at AASA, argued that the greatest opportunity for software and other publishers is the flexibility in a provision which AASA ensured was included in the 2004 IDEA reauthorization - namely, the "local adjustment provision." This provision, which was first included in

IDEA's 1997 regulations, and then in the Law by former education chairman Bill Goodling, allows a district to use up to 50 percent of its increase in IDEA funding this year over last year's level to "free up local resources" allocated to special education programs to meet the IDEA mandates. These local funds would be "freed up" as they are replaced by new IDEA funds and could be used for "any allowable use under ESEA." Few districts took advantage of this provision in the past because increases in annual IDEA appropriations have only been two to four percent. Now, under the \$12.2 billion IDEA stimulus component, in most districts IDEA funding will more than double, with up to \$6.1 billion nationwide potentially available to "free up" local resources. She also emphasized that the stimulus funding should be considered a one-time allocation whereby districts should spend the new money for investments which have long-term payoffs, such as professional development, upgrading curriculum, and other areas which will have low reoccurring costs.

Ilene Berman, Program Director Education Division Center for Best Practices at the National Governors Association (NGA), indicated that the overall stimulus package would not make up for all of the state funding shortfalls nationwide. She also said that NGA favors the development of "common core standards" developed by states and groups such as Achieve, but not by the Federal Government. Senator Mike Enzi's (R-WY) legislative assistant reaffirmed that the Senator supports the NGA and CCSSO in this area, but wants to ensure that the "feds take a behind the seat" position. Moreover, the standards must be based on international benchmarks. Berman also noted that most governors have not

decided what they will be spending their stabilization funds on, but generally will restore previous cuts to the extent possible, and then likely invest in practices that are proven to be effective in their states. She indicated that her review found that only one state -- Pennsylvania -- had posted on a website its plans and noted that most governors feel they are more obligated to spend money as their constituencies would want rather than the Federal desires.

Kusler also reiterated that most Title I stimulus funds have to be obligated by September 30, 2010, and the remainder by a year later and that, according to current Title I regulations, these funds have to be actually spent by December 30, 2011. This potential problem, as well as the impact on “maintenance of effort” or “supplement not supplant,” may require additional USED guidance over the next six to nine months on how to handle such funding, which has significant implications for most TechMIS subscribers in terms of contracts, multi-year leases, etc.

In another session, Dan Domenech, Executive Director AASA, emphasized that the stimulus funding requires immediate attention and that firms should “get ready now” as such funds will be “spent now.” He indicated that most superintendents are making final decisions on how Title I and IDEA stimulus funding will be allocated (e.g., RTI, turning around low-performing schools, extended summer school programs, intensive year-long professional development, etc.), not necessarily what specific products will be purchased.

During the session on professional development, Nancy Carey, Coordinator of Professional Development for the Maryland

Department of Education, indicated that in her state, professional development is a continuing effort especially in light of the fact that 70 percent of new Maryland teachers are “imported from outside the state” and require extensive professional development related to Maryland priorities, objectives, context standards, etc. Kathleen Fulton stated that an additional need for professional development is attributed to the fact that there are different groups of teachers entering teaching, ranging from alternative route participants to imported teachers to retired teachers reentering the workforce. Custom-designed professional development is required for these different groups. Alice Johnson Cain, House Education Committee Staff Member, emphasized that professional development and how it should be implemented is a priority, commonly-supported issue among Chairman Miller, Chairman Kennedy, President Obama, and Secretary Duncan which is likely to be reflected in the initial draft of NCLB reauthorization, perhaps this year.

During the final session, “Reading, Literacy and RTI: Where will this Federal policy go after Reading First?”, perception of several knowledgeable experts suggested several directions. Most were pleased with the Conference Report statement in the FY 2009 Appropriations Bill that a portion of the \$600 million increase in Title I funds could be used for Reading First activities, especially in light of the zero funding for the Reading First program proper. Rich Land, director of the National Association of State Title I Directors, operating under the International Reading Association umbrella, mentioned that over the past several years Title I funds have been used to expand Reading First programs and practices along

with the use of reading coaches. When I asked whether or not he felt the to be published guidance on School Improvement Grants (SIG) (totaling over \$5 billion) or whether State Title I directors would provide additional guidance as to how Title I funds under the FY 2009 appropriations could be used to continue funding Reading First activities, he stated, "Probably not." In most states, he noted, that the Reading First program had been operated separately from Title I office initially; however, in some states recently, programs were consolidating the two programs into one office. On the other hand, Angela Sangeorge, Director of the Reading First Technical Assistance Center operated by RMC Corporation, felt that some of the overarching principles of Reading First will be included in future SIGs and other guidance related to early intervening services/response-to-intervention approaches. When asked whether literacy would be a priority during his tenure in light of the cut in funding for Reading First in the FY 2009 appropriations, Secretary Duncan said, "Congress cut that out of the budget, we didn't." One inference from the Secretary's comment is that some of the principles and practices of Reading First programs at the state and district levels could be included in future USED guidance for School Improvement Grants as some of these principles are now encouraged as an allowable use in both Title I and IDEA stimulus funding guidance (see TechMIS Special Alert March 10, 2009).

New Institute of Education Sciences Practice Guide on Response-to-Intervention and Multi-Tier Interventions in Primary Grades Suggest Criteria Which Should be Used by District RTI Teams to Select Instructional Interventions

In the footsteps of the first IES practice guide on how to instruct limited English proficient students, the newest guide developed by the panel headed by Dr. Russell Gersten includes guidance in the form of a checklist to districts in implementing RTI, including criteria which should be used in selecting interventions for tier 2. The panel's recommendations for tier 2 are based on empirical studies which have met the high standards of quality research used by the What Works Clearinghouse.

The new IES practice guide also includes instructions on how to "carry out" its recommendations for establishing and implementing tier 2 interventions. In choosing an intervention program for tier 2, "administrators should look for programs -- either commercially available intervention curricula, commercially developed supplemental curricula, or intervention programs -- that are compatible with their school's core reading program and that provide intensive small group instruction in three to four foundation skills. Ideally, the intervention program has demonstrated its effectiveness through independent evaluations using rigorous experimental or quasi-experimental designs." In addition, the intervention curriculum should teach and build foundation skills to master and incorporate complex skills. The components may vary by grade level and reflect changing developmental emphasis

throughout different stages in reading. The IES guide then provides a table indicating what foundation skills should be taught in grades kindergarten, grade 1 and grade 2.

The intervention program should be implemented three to five times a week for approximately 20-40 minutes each using “explicit reading instruction” which involves a high level of teacher-student interaction.

Like the first IES practice guide developed by a team also lead by Russ Gersten on instruction for limited English proficient students, the recommendations of this panel will be widely accepted. Kathleen Whitmire, Director of the RTI Action Network, an organization funded by private foundations, said in Education Week (March 4th), “The panel for the guide represented a good balance of researchers and practitioners. The guide authors also did a good job in describing certain pitfalls of implementation and how they can be overcome,” she said.

For a copy of the 31-page guide go to:
http://ies.ed.gov/ncee/wwc/pdf/practiceguide/s/rti_reading_pg_021809.pdf

Senate Oversight Committee Calls for Greater Detail About How Stimulus Funding Was Used and Greater Tracking of Job Creation and/or Retention Attributed Directly to Different Stimulus Funds

On March 5th, the Senate stimulus funding oversight hearings were headed by Senator Lieberman (I-CT), with testimony provided by high officials from the Office of Management and Budget, the Government Accountability Office, and Inspectors

General in several departments. A number of Senators, particularly Senator Claire McCaskill (D-MO), one of Candidate Obama’s first and strongest supporters, called for greater details in reporting how stimulus funding buckets are used and how many jobs are created and/or retained. While the ARRA legislation calls for detailed reporting on expenditures down to the subgrantee level, Senator McCaskill, a former state auditor, called not only for greater transparency, but also for more detailed reporting even further down to the private contractor level.

If there is subsequent OMB guidance on district reporting on the uses of education and stabilization funding -- which is likely -- then districts will have to report in much greater detail and submit reports most likely on a quarterly and annual basis on how contracted funds were used. Publishers and other vendors who sell or license products and/or services to districts who use stimulus funds for such purchases should seriously consider expanding their own internal reporting capabilities to provide timely and accurate information to districts to assist them in developing district-level reports which will have to be much more detailed than current reporting for regular Title I and IDEA funding. Most TechMIS subscribers should also consider, where appropriate, the possibility of hiring part-time or even full-time staff who might provide certain types of support, training, and other services related to the sale of products as part of a job creation/retention tracking system. This would be looked upon favorably by districts who are anxious about having to release newly hired or assigned personnel when the stimulus funds run out. TechMIS subscribers should also be prepared to negotiate fixed-price contracts which will

likely be required for all purchases in order to minimize the possibility of cost overruns. In some cases, existing contracts or basic ordering agreements with districts may be used as a vehicle for expanding purchases or services. However, as OMB guidance has emphasized, information on the use of stimulus funding for such expanded purchasing must be reported separately, and in much greater detail, than under normal procurement reporting procedures.

Arizona Update

April 2009

As reported in the Arizona Daily Star, in January, the Arizona legislation cut \$130 million from the State's budget for K-12 schools. In addition, proposed cuts for next year include a ten percent lump-sum cut in basic State aid (to save \$220 million), elimination of State funding for all-day kindergarten (to save \$218 million), and phasing out funding based on teacher experience (to save \$7 million). The State is expecting to receive \$832 million for education from the Federal stimulus package.

A new study by the Arizona Auditor General has found that the percentage of money spent in the classroom is at the lowest level in eight years. Last year, the average Arizona school district allocated 57 percent of its expenditures to teacher salaries and classroom needs (the national average is 61 percent). Over recent years, more and more resources have been devoted to such special services as occupational therapy and other types of classroom support.

In April, the U.S. Supreme Court is expected to hear a case addressing the way Federal funding can factor into calculations for Arizona's court-ordered programs for limited-English-proficient students. As reported in Education Daily, the rapid growth in the number of English language learners, in combination with State and local budget cuts, has put a great strain on the issue of "supplement not supplant" requirements. The lawsuit, originally filled by parents of ELLs in 1992, argues that the State exits students from programs for ELLs after two years, not based upon any measure of proficiency and that the State uses Federal funds to replace State and local money. The outcome of the case has national implications for "allowable" uses of Title III funds.

Arkansas Update

April 2009

Education in Arkansas expects to receive a total of \$693 million over the next two years as part of the Federal stimulus package. The State's Title I program will get \$111 million while IDEA/Special Education will receive \$122 million, some of which could be used to recruit more special education teachers and to pay bonuses to teachers of high-performing classes. More than \$7 million will go for education technology, particularly for integrating technology into the curriculum and collecting /managing data to enhance teaching.

California Update

April 2009

Educational Data Systems has published The California Reading First Year 6 Evaluation Report which explores the impact of the Federal Reading First program on the performance of California students. The meta-analysis of achievement results since 2003 shows that Reading First has had a significant and meaningful impact on K-3 student reading achievement in California. Moreover, Reading First has had a significant “spillover” effect for students in grades 4 and 5, even though Reading First is a K-3 program, and the program’s effectiveness has been generalized to English language learners. The EDS report notes that principal participation and teacher program evaluations are the two strongest predictors of achievement gains. The report also found that most special education teachers use their district’s adopted reading/language arts curriculum and that most California schools have not yet begun to implement Response-to-Intervention (RTI) approaches. The full report is available at: www.eddata.com/resources/publications/RF_Evaluation_2007-08.pdf

According to the Education Commission of the States, California’s State Allocation Board has approved more than \$435 million for the construction or modernization of 115 schools and \$202 million -- plus \$10 million in State loans -- for 244 career technical education facilities.

Florida Update

April 2009

As reported in Education Week, Governor Charlie Crist has requested a budget for FY 2010 (beginning July 1) that includes \$21.5 billion for K-12 schools, \$1.5 billion of which will come from the Federal stimulus package. The Governor's plan would increase K-12 spending by about \$1 billion -- almost five percent -- over the current fiscal year. Per-pupil spending would go up by 2.7 percent to \$7,044. In his State of the State address, the Governor repeated his call for 70 percent of school districts' budgets to be spent "in the classroom."

Georgia Update

April 2009

According to the Education Commission of the States, Georgia's education budget for FY 2010 includes a number of significant changes from FY 2009, including:

- elimination of funding for the academic coach program;
- reduced funding for charter school planning and facility grants and elimination of funding for charter school implementation grants;
- continuation of money for middle school graduation coaches only in schools that feed high schools with graduation rates of less than 85 percent;
- reduced earmark funding for training of graduation coaches;
- elimination of funding for the virtual elementary foreign language program; and
- reduction of contracted services for SAT Prep and State-mandated testing.

The ECS also reports that Governor Sonny Perdue's budget recommendations for FY 2010 include a \$318 million school construction bond package and the reallocation of technology funds to support 1,500 more course enrollments in the Georgia Virtual school.

The Georgia legislature is considering a bill that would allow school districts to adjust the number of days in the school year -- currently 180 -- as long as they maintain the number of in-school hours each year. Schools, for example, could save money by scheduling four days a week with longer sessions each day. Or they could extend the number of hours in a five-day schedule and operate for fewer weeks. Kindergarten programs would have the same flexibility. They would operate for 810 hours which is equivalent to 180 4 ½-hour days in a traditional schedule.

Another bill that would offer State funds to parents to send their children to the school -- public or private -- of their choice; in effect, a Statewide voucher program. According to [The Atlanta Journal Constitution](#), opponents of the bill say such a program would divert money from already-struggling public schools. Proponents, even while arguing that the vouchers would force public schools to improve through competition, acknowledged that the measure is unlikely to be

approved this year.

The Georgia Senate has approved a bill that would enable the Governor to oust school board officials in failing districts. The measure is in response to the upheaval in the Clayton County school district which has had its accreditation removed amid political infighting and ethic troubles. The House is considering the bill which has the support of Governor Sonny Perdue.

Idaho Update

April 2009

The Idaho Statesman reports that, for the second straight year, Idaho will cut back on its standardized testing program -- the Idaho Standards Achievement Test (ISAT). Last year, the State eliminated the Fall tests, planning to reinstate the ninth grade assessments. Instead, in response to a complaint from the U.S. Department of Education, the State will use the funds to make the ISAT more accommodating to students with special needs. Some districts used their own money to administer their own tests.

Indiana Update

April 2009

In early February, Indiana's State School Board informed all educators in the State that they need not "utilize the standard form of social studies textbooks." The Board interpreted the term "textbook" to include computers; instructional software; Internet resources; interactive, magnetic and other media; and other "systematically organized material."

The Indianapolis Star reports that Indiana's new State school superintendent, Tony Bennett, has indicated that the State expects to be more aggressive with low-performing schools as part of his reorganization of the State's Department of Education. The State has the authority to take over schools that are chronically low-performing but has never done so in the past. Currently, there are 40 Indiana schools that have been an academic problem for at least three years. The State has established an office of school reform and is prepared to take over and operate individual schools or require the schools to implement specific recommendations.

The Indianapolis Star also reports that Governor Mitch Daniels wants to transform all Indiana high schools through the New Tech concept. In New Tech classes, students work in groups on projects, using technology rather than learning through lectures, to solve challenges. Grades are based on projects, presentations, and evaluation of teamwork. Six of Indiana's 350 public high schools, including two in Indianapolis, are already implementing New Tech. Local officials are waiting to see how these schools succeed before going ahead. It is estimated that it costs about \$500,000 per school to convert to New Tech.

Iowa Update

April 2009

The Des Moines Register reports that Iowa schools, under pressure to improve test scores, have pushed for more teacher professional development. The State has allocated \$28 million to pay teachers for professional development outside the school day; this provides only about one day for each school district. Budget restrictions make it difficult for districts to provide additional training time so, often, schools are using in-school time, thus taking class time from students. Teachers generally use the time to refine lessons and analyze student scores.

Also, as reported in the Des Moines Register, the plan to consolidate many of Iowa's 362 school districts has been put on hold pending a report due in January 2010. Enrollment is falling in 70 percent of the State's districts which have traditionally been assisted by a State budget guarantee. That guarantee will be phased out within five years. The plan to consolidate districts with fewer than 750 students could save a great deal of money.

Kentucky Update

April 2009

According to the Education Commission of the States, Kentucky plans to cut textbook grant funds to school districts by \$6.1 million -- a 28 percent cut -- as part of a mid-FY 2009 budget reduction. In addition, the education and workforce development cabinet will cut school supplies and equipment expenditures by two percent.

As reported in the [Louisville Courier-Journal](#), the Kentucky legislature is considering a bill that would raise the high school dropout age from 16 to 18 by 2011. Supporters of the measure say it will reduce the estimated five-percent dropout rate and sharply reduce the State's prison costs. A study by the State's Legislative Research Commission estimates the higher dropout age would cost the State \$15 million a year. Moreover, having students in school who don't want to be there could be disruptive to other students.

Louisiana Update

April 2009

Governor Bobby Jindal is planning an education agenda that would expand charter schools throughout Louisiana. Under the plan, traditional public schools could convert to charters with a majority vote of the faculty (rather than the current two-thirds vote). The Governor's plan will be presented to the legislature when it convenes in late April.

The disruption of the New Orleans school district caused by Hurricane Katrina in 2005 led to the expansion of the State-operated Recovery School District (RSD) which now oversees 66 schools, 33 of which are charter schools. By next year, the RSD is expected to convert four more under-performing traditional schools to charters. State officials consider the possibility that, some day, all New Orleans schools will be charter schools. The issue of charter schools has become a sensitive one for teachers in New Orleans' traditional schools.

Maine Update

April 2009

As reported in [eSchoolNews](#), Maine is planning to expand its school laptop program, despite the State's difficult financial situation. Starting in 2002, the State began providing laptop computers to every seventh- and eighth-grader in the State. Under the program expansion, all of Maine's 120 high schools and 241 middle schools will get new Apple MacBooks. The State is currently negotiating a four-year lease agreement with Apple at a cost of \$242 per computer per year.

Maryland Update

April 2009

As reported in The Washington Post, Governor Martin O'Malley has outlined a seven-point plan for improving Maryland's public schools. Among the Governor's proposals are:

- a greater focus on science, technology, engineering and math courses;
- more emphasis on teacher and principal recruitment and retention;
- a new program for tracking student performance from preK through college;
- extension of career and technical education; and
- greater use of Federal grants for new programs.

Michigan Update

April 2009

The Michigan Department of Education has proposed major changes to the State's system of evaluating schools. The Detroit Free Press reports that, instead of the current letter grades, schools will be identified as accredited, interim accredited, or unaccredited. Only four Michigan schools are currently unaccredited; had the proposed system been in place for the 2007-08 school year, 214 schools would have been so labeled. The accreditation status of schools would be largely dependent on the results of State assessment exams -- the MSAP for elementary and middle schools, the Michigan Merit Exam for high schools, and the MI-ACCESS for special education students. Under the proposed system, high schools could be penalized because the Merit Exam is given once, during the junior year, but there is no other test with which to compare it to determine improvement. Under the proposed system, unaccredited schools could face closure or State takeover.

The Michigan legislature, as reported in the Detroit Free Press, is considering a bill that would raise the high school dropout age to 18 from its current 16. Proponents of the measure argue that it would improve the State's graduation rate, but they acknowledge that it could be unenforceable. They say such initiatives as more investment in early education and career-oriented programs, as well as more truant officers, would be needed to keep students in school.

Minnesota Update

April 2009

As reported in Education Week, Minnesota Governor Tim Pawlenty has asked the State legislature to approve his plan to expand the four-year-old Q Comp teacher compensation program. Q Comp establishes career ladders and offers bonuses for teachers. Currently, 44 districts and 26 charter schools are participating. The Governor's new budget would allocate \$233 million over the next two years to make Q Comp mandatory for all school districts and charter schools. This money represents about \$300 per student -- a five percent increase. The teachers' union has expressed opposition to Q Comp, noting that only 44 of the 340 districts in the State have chosen to participate in the current voluntary program. Governor Pawlenty is also championing a new program called "Pay for Progress" and has asked for \$100 million over the next two years to reward districts that increase students' test scores. Minnesota has been approved by the U.S. Department of Education to use a growth model to determine whether schools are improving under NCLB standards.

The Minnesota legislature is considering a bill that would allow, for the next three years, high school seniors to graduate even if they fail the State's graduation tests. According to the Pioneer Press, seniors could get diplomas only if they failed at least two retests, got remediation, and met other graduation requirements. Educators have become concerned because only 35 percent of last year's juniors passed the math exam which was to be a graduation requirement for them. There is less concern about the reading test -- which 71 percent passed -- and the writing test (90 percent).

The Minnesota legislature, as reported in the Star Tribune, is also considering a measure that would require all Minnesota students to stay in school through age 18. The bill raising the mandatory school attendance age from the current 16 would, however, be expensive. Even proponents of the bill say that the State's existing budget shortfall means that such a plan will not be enacted soon.

Mississippi Update

April 2009

Mississippi has approved a plan which provides an additional \$3 million to the State Department of Education to cover the costs of State takeover of public school districts. According to the Hattiesburg American, two school districts -- Tate County and Indianola -- have lost accreditation and have been recommended for State takeover.

A recent report from the American Civil Liberties Union says that more and more black or special needs students in Mississippi are being referred to alternative schools. As reported in the Clarion Ledger, the ACLU argues that the alternative schools focus on punishing students rather than providing academic and behavioral support and that there is questionable accountability in the State's alternative schools.

Montana Update

April 2009

According to the Billings Gazette, the Montana legislature is considering a bill that would establish a new distance learning program that would allow Montana students virtual access to basic and advanced classes. The measure would allocate \$4.2 million -- including \$2.2 million in start-up costs -- to create the “virtual academy.” Taught by licensed teachers, the classes would cover grades K through 12.

New Hampshire Update

April 2009

In his State of the State address, Governor John Lynch promised to protect increases in school aid despite overall budget shortfalls. The Governor's two-year budget plan would give K-12 schools a \$246 million increase, bringing total biennial K-12 funding to \$2.09 billion. The increase in State education aid is part of a new school funding formula that was opposed by the Governor. The Governor's cost-cutting measures would include closing a State school for children with severe emotional and behavioral problems.

New Jersey Update

April 2009

Education in New Jersey will receive a large component of the State's share of the Federal stimulus package. The biggest part will be \$1.1 billion in stabilization funds for preventing layoffs and modernizing schools. Title I will receive \$253 million, IDEA/Special Education will get \$362 million, and education technology will get \$12.7 million. The money will be distributed over the next two years, although most of the funds will be made available sooner rather than later.

As part of New Jersey's new school funding formula, approved last year, virtually every school district in the State would be required to provide all-day programs for low-income three- and four-year-olds starting in the Fall. The State was to contribute \$350 million to cover some of the costs of the mandate. According to The New York Times, the economic crisis in New Jersey and the nation bring into question whether the plan can be implemented as scheduled. It is estimated that, next year, the first set of children in the plan would cost \$50-60 million.

New York Update

April 2009

As reported in Education Week, the New York City school district has implemented an academic diagnostic test specifically for English language learners who have missed years of school.

Known as the Academic Language and Literacy Diagnostic, the test was developed by linguists at the City College of New York to identify SIFEs -- students with interrupted formal education -
- when they enter the school system and to provide teachers with more information about the students.

North Carolina Update

April 2009

Governor Beverly Perdue, in her first State of the State address, vowed to increase per-pupil spending despite North Carolina's \$3.6 billion budget shortfall. In 2007-08, per-pupil spending was \$8,522 of which \$5,616 was the State's portion. According to The News & Observer, the Governor has called for a cut of \$160 million -- two percent -- of the State's K-12 education budget, but expects to use North Carolina's share of the Federal stimulus package to increase education spending. In addition, the State is projecting an enrollment decline of 11,700 students next school year due primarily to a State law changing the cutoff birth date for children entering kindergarten. With fewer students, per-pupil spending would go up even without an increase in total funding.

Oklahoma Update

April 2009

As reported in the Tulsa World, the Oklahoma legislature is considering a bill that would eliminate most State education mandates. The measure, known as Senate Bill 834, would allow schools not to comply with rules now waived for charter schools. Among the mandates districts could waive are all-day kindergarten, required Advanced Placement courses, class size limits, and limits on administrative spending. Schools would still have to comply with the Federal No Child Left Behind Act and would still have to meet minimum teacher salary schedules, provide health and retirement benefits, and perform criminal background checks.

Oregon Update

April 2009

The Oregon legislature is considering a number of adjustments in order to cut \$855 million from the current year's State budget. The State is expected to use about \$400 million from the Federal stimulus package to reduce some of the shortfall. One part of the cost-cutting plan would take \$106 million from schools, in addition to the \$61 million cut in December; per-pupil spending would be reduced by \$300. Among the possible approaches is a reduction in the number of days or weeks in the school year.

State data indicate that the number of Oregon students needing special education services has continued to grow, reaching nearly 73,000 this school year -- about 12 percent of the school-age population. The largest special education category is learning disabilities (about 28,000 students), followed by speech/language impairment (18,000). The largest increase was in students with attention disorders -- up 600 this year to 9,300. The State provides schools with funding for special education students which is about twice the \$6,000 it gives for regular students.

Pennsylvania Update

April 2009

According to a study by Pennsylvania State University, only 18 of Pennsylvania's 501 school districts are known to have tests and procedures in place to ensure that their high school seniors meet State graduation requirements. The State Department of Education is hoping to implement a set of State tests, but is being opposed by local school districts. The Penn State study is part of the State's campaign to show that the current system is not adequate to prepare students for higher education or the workplace.

The Pennsylvania School Boards Association is setting forth a package of legislative proposals called Focusing Resources in Educational Expenses (FREE). FREE is intended to relieve school districts from "state-imposed unfunded and underfunded mandates." Among the proposals in the package is one which would allow districts to lay off teachers for economic necessity; currently, teachers can be laid off only in the cases of reduced enrollments or program cuts. Another FREE proposal would increase State funding for special education by three percent.

The Philadelphia Inquirer reports that the two most successful operators of charter schools in Philadelphia -- KIPP and Mastery -- are interested in participating in the district's restructuring plan which calls for private operators to take over as many as 35 failing schools. KIPP (Knowledge Is Power Program), a nationwide network of charter schools, has never tried turning failing public schools into charters. Philadelphia-based Mastery has been named an exemplary charter operator by the U.S. Department of Education. Both operators require students to sign contracts pledging hard work, have longer school days, set forth high expectations for students and reward effort and good behavior.

Tennessee Update

April 2009

Governor Phil Bredesen, in his annual address to the legislature, highlighted Tennessee's new education formula, higher teacher salaries, and more rigorous high school graduation requirements. The Governor had planned to submit a FY 2010 budget including \$900 million in cuts in a budget of \$27 billion. He has said he will wait until the State is able to assimilate Tennessee's portion of the Federal stimulus package before finalizing the budget.

Texas Update

April 2009

The Texas legislature is considering school accountability legislation that would eliminate the Texas Assessment of Knowledge and Skills (TAKS) as the State assessment as of the 2011-12 school year. A recent study by the Texas Higher Education Coordinating Board has determined that more than 40 percent of Texas high school graduates were not college-ready in at least one subject. As reported in the Houston Chronicle, the legislative proposal would mean students in grades 3, 5, 8, and 11 would not have to pass the TAKS in order to be promoted to the next grade. The measure would provide for two levels of high school diploma: a “Texas diploma” for college-bound students and a “standard diploma” for others. The standard diploma would require three years of English and one year of algebra.

In 2005, Governor Rick Perry mandated that Texas schools spend at least 65 percent of their funds on classroom instruction. The Austin American-Statesman reports that the State legislature, led by the Governor’s fellow Republicans, is seeking to scrap the requirement. Opponents of the “65 percent solution” argue the standard is not feasible for districts that vary greatly in enrollment and geographic size.

Many Texas educators and lawmakers are urging a “technology push” in the use of electronic textbooks. As reported in The Dallas Morning News, a special legislative committee has warned that a continued reliance on printed classroom materials could leave the State stuck in the past due to the higher cost of printing, shipping, and storing books, as well as the fact that printed textbooks can be outdated before students get them. Textbook publishers argue that some districts do not have the computer infrastructure for digital textbooks. Some in the legislature say some school districts are more comfortable with regular printed textbooks.

Utah Update

April 2009

According to The Salt Lake Tribune, Utah will receive more than \$500 million for education programs over the next two years from the Federal stimulus package. The largest component of Utah's stimulus allocations will be \$389 million in stabilization funds intended to avoid layoffs and program cuts. Title I programs will get \$57 million which the State plans to use for new computer labs, writing software, software for English language learners, annual online writing assessments, and computer-adaptive tests. The State will also receive \$110 million for special education and \$4 million for Head Start.

Washington Update

April 2009

As reported in The Olympian, the Washington State legislature is considering a plan to overhaul the State's public education system. The House has passed a detailed bill that expands all-day kindergarten, requires more credits of high school students, and revises the K-12 funding system. The State Senate has passed a less detailed bill which must be reconciled with the House version before the legislature adjourns in late April. Critics of the plan say it does not clarify where the money will come from at a time when the State is facing an \$8 billion budget deficit. Whatever changes are approved will be phased in over a six-year period beginning in 2011-12.

The Olympian also reports that, this Spring will be the last time the Washington Assessment of Student Learning (WASL) will be used as the State assessment. Starting in the Spring of 2010, the WASL will be replaced by a shorter test that will fulfill graduation and Federal No Child Left Behind requirements. Some State officials are concerned that, because the WASL is being replaced, this year's students will not take it seriously. They emphasize that the WASL is still a graduation requirement for this year's seniors.

As reported in The Seattle Times, the Washington State Senate has approved a series of measures that would remove a number of "unfunded" State mandates, such as requiring AIDS-awareness education and providing exclusively nutritious food. Under the bills, the requirements would be repealed or suspended unless money is provided to cover their cost. Proponents of the package say it could free up funds for essential services. Others argue that the plan could cut programs like vision and hearing testing that poor children may not be able to get anywhere else.

West Virginia Update

April 2009

In his State-of-the-State address to the legislature, Governor Joe Manchin proposed a K-12 education budget for FY 2010 of \$1.89 billion, a small increase over the current year. The Governor also proposed a State policy that third-and eighth-grade students who fail to meet State standards would not be promoted to the next grade unless they attend after-school or summer school programs.

The Charleston Daily Mail reports that the West Virginia legislature is considering an initiative to develop a model for critical skills instructional support programs. Included in House Bill 2832 is accelerated reading and math instruction for struggling third- and eighth-grade students to be provided outside regular school hours or days. The State's proposed budget provides \$10 million for the program although the true cost will only be determined after the State decides on the learning model to be used and the number of students to be served. Among the models being considered is a mentoring program in Marion County in which high school math teachers work with middle school teachers on strategies for teaching prerequisite skills for algebra.

Also according to the Charleston Daily Mail, an outside curriculum expert has told the West Virginia Board of Education that the State's elementary math and science programs are confusing and unfocused. William Schmidt, co-director of the Education Policy Center, says that students should be taught math and science concepts successively.

Wisconsin Update

April 2009

The Superintendent of the Milwaukee School District has said he would like to use the district's share of the Federal stimulus package to "disrupt the status quo." The district expects to receive \$80 million over the next two years in Title I money and another \$30 million from IDEA/Special Education, as well as about \$147 million in loan money for renovating or improving facilities. Among the changes called for are lengthening the school day for students in grades K-8, switching to a year-round schedule, and improving teacher quality by providing more training and giving teachers more time for class preparation.