# Education TURNKEY Electronic Distribution, Inc.

256 North Washington Street
Falls Church, Virginia 22046-4549
(703) 536-2310
Fax (703) 536-3225

## MEMORANDUM

**DATE:** August 31, 2011

**TO:** TechMIS Subscribers

**FROM:** Charles Blaschke and Blair Curry

**SUBJ:** Likely Scenario for State Waiver Plan B; Latest RTI Adoption Survey Findings; Update RTTT Early Challenge Grants; Funding Flexibility to Expand RTI; Unobligated ARRA Funds; and State Profile Updates

Unusual for an August TechMIS report, this one includes a much larger number of important Special Reports and Washington Update items which could have implications for many TechMIS subscribers. One Special Report outlines the most likely scenario for Secretary Duncan's Plan B for regulatory relief through state waivers which should be initiated in September. Noted former Congressional Research Service official Wayne Riddle feels that regulatory relief will occur through "Non-Regulatory Guidance" rather than official "regulation changes," in order to have the most immediate impact. We feel details will be influenced by what "voluntary reforms" states propose in order to receive waiver approvals for certain NCLB requirements, such as SES set-asides.

Another Special Report addresses recommendations from the Title I/IDEA Working Group which, through the waiver process, could provide much greater flexibility for using both Title I and IDEA set-aside funds to increase funding opportunities for RTI expansion generally and the use of Level I/Primary core interventions in Title I schoolwide programs.

A third Special Report provides an analysis of the 2011 survey on RTI adoption. We estimate that approximately a third of $4-5 billion for RTI will be spent over the next year on professional development/coaching and another third for supplemental interventions/screening/formative assessment tools. Opportunities for firms with specific intervention programs and tools which will likely be in high demand are identified.

The <u>Washington Update</u> includes:

- **Page 1**
  A USED letter to SEAs reminds them to ensure various ARRA funding pots are "obligated" by September 30; if not, it could mean a return of such funds to the Federal Treasury and a justification for Congress to reduce future Title I appropriations.

- **Page 4**
  The most recent Government Accountability Office (GAO) report explains why slow state implementation of School Improvement Grants has occurred at the district level, which the creation of the new School Turnaround Office at USED is supposed to address.

- **Page 6**
  For the first time, Texas has conducted a state adoption for "supplemental digital science" products which could establish a precedent for future adoptions of "textbooks" in Texas and more than 20 other textbook adoption states. The demand for intervention type science and other products/services most likely will be in high demand over the next several months.

- **Page 7**
  The latest report from the Center on Budget and Policy Priorities identifies states with budget cuts in preK-12 education during this school year and funding policies, some of which CBPP argues are "unnecessarily harmful," such as "rainy day funds" which remain unused. Projected cuts in 23 states are identified.

- **Page 9**
  Proposed cuts from the debt ceiling agreement and action by the Congressionally-appointed Super Committee could have an impact on budgets for IDEA during the "out years." However, experts believe some states and districts may suffer IDEA funding cuts this year because maintenance of effort levels are not being met.

- **Page 10**
  New USED website includes a searchable database of every state's 21st Century Community Learning Center projects which could help in marketing and promotion of firms' products and services.

- **Page 11**
  A number of important miscellaneous items are also highlighted, including:
    a) A recent USED letter to Chief State School Officers announcing the availability of state waivers to delay meeting the teacher/principal evaluation requirements under SIG turnaround models; this could suggest other SIG "flexibilities" that might be forthcoming.
    b) Highlights of an analysis of Federal K-12 budget situation; the status remains unclear due to different interpretations of the debt ceiling agreement funding cut amounts.

c) USED releases "final priorities and criteria" to be used to provide $500 million to states to implement Race to the Top Early Childhood grants. Analyses from several experts note the changes from the draft "priorities" and "selection criteria" identified in our June TechMIS Washington Update; one report identifies more than ten states which are most likely "top contenders" based on their existing commitments to meeting priority criteria and reforms; and the database compiled by the Early Learning Initiative is a useful source for firms identifying states in which demand for certain types of products may increase.
d) The most recent ACT report "The Condition of College- and Career-Readiness: 2011," found about 25 percent of ACT-tested 2011 high school graduates met or surpassed all of the four ACT college-readiness benchmarks, up one percent from last year, with over 40 percent not college-ready.
e) The most recent Phi Delta Kappa/Gallup Poll reports that public support for greater investments in computer technology for instructional use has declined over the last decade, but the public's perception of specific technology needs by school varies. According to the survey, "the jury is still out" on the public perception of the use of online versus in-person instructional delivery.
f) An announcement by the FCC that slightly more than $800 million of last year's unused E-Rate discounts had been rolled over to this year. Allocations for approved applications continue and recent awards of more than $100 million to states to expand broadband Internet in rural areas have been made to 16 states.
g) A new Issue Brief from the National Governors Association (NGA) which recommends the use of online and other technologies to implement dropout recovery initiatives among states, identifying states with exemplary initiatives currently underway.

The state profile updates include reports in several states on second-round funding of School Improvement Grants to districts/schools and cover a number of other areas including: individual state NCLB waiver requests, state funding, state assessment results, and online learning.

Call us directly if you have any questions.

# Special Report: Noted Authority Outlines Most Probable Scenario for Secretary Duncan's Plan B for Regulatory Relief through State Waivers and Likely ESEA Requirements for Which Waivers Can be Requested by States Beginning Shortly

***A Technology Monitoring and Information Service (TechMIS)***
***SPECIAL REPORT***

***Prepared by:***
***Education TURNKEY Systems, Inc.***
***256 North Washington Street***
***Falls Church, Virginia 22046-4549***
***(703) 536-2310 / (703) 536-3225 FAX***

*August 31, 2011*

A likely scenario of for implementation of Secretary Duncan's Plan B waiver request initiative was recently prepared for the Center on Education Policy by noted authority Wayne Riddle, who for several decades has been widely recognized as the most notable authority on the Elementary and Secondary Education Act while he directed his team at the Congressional Research Service (CRS) on Capitol Hill. He has been one of the key CRS staff with whom we have consulted for more than three decades prior to his recent retirement. Riddle's most likely scenario, with which we generally agree, could have significant implications for TechMIS subscribers as we have noted in TechMIS reports over the last six months or so. The most relevant issues for TechMIS clients addressed in the CEP publication "Frequently Asked Questions Regarding the Secretary of Education's Authority to Waive ESEA Requirements" are highlighted below.

In terms of background, Riddle notes how various education Secretaries have used the waiver authority under ESEA "Section 9401," even before it was codified in the 1994 ESEA reauthorization. It has been used on a case-by-case basis to provide states with EdFlex waivers, flexibilities in schoolwide programs, transferability authority, use of growth models, differentiated state accountability models, and allowing districts to be SES providers. Between 2002-2008, an average of 35 waivers were provided per year; that increased to 351 in 2009 with most waivers focusing on loosening requirements related to the use of ARRA funds, particularly related to SES and Title I funds carryover limits.

As we have noted in previous reports, the Secretary has the authority under Section 9401 to waive requirements in order to "increase the quality of instruction for students"; and "improve the academic achievement of students" as specified in the statute. Chairman John Kline (R-MN) of the House Education and Workforce Committee has questioned whether the Secretary can specify conditions or "reforms" necessary for waiver approval by USED. Noting that previous examples of waivers that were generally a combination of strict interpretations or new requirements closely-related to the flexibility being requested, Riddle notes, "Nevertheless, the authority of the Secretary to apply requirements, especially any new requirements that are not currently in ESEA, is not unlimited. The waiver authority relates much more directly to waiving statutory requirements than to creating new requirements. It is, admittedly, very difficult to define a boundary between creating new requirements vs. re-interpreting statutory language in new policy guidance or implementing the requirement that the waiver request include 'specific measurable educational goals…and the methods to be used to measure annually such progress from meeting such goals and outcomes.' He then notes that if the new requirements are "voluntary" it will be much more difficult to determine if the Secretary has exceeded his authority. One caution, however, could be legal action "if some state officials feel that the Secretary is asking 'too much' of states in return for increased flexibility or that the requested reforms are insufficiently related to the ESEA statute." At least one state, California, recently has raised this question (see California State Profile Update).

Based on his review of waiver requests, both formal and informal, thus far from approximately 15 states -- as noted in CEP's *NCLB Waiver Watch* (http://www.cep-dc.org/page.cfm?FloatingPageID=21) and requirements that have been waived or more flexibility has been provided over the last decade, one can expect requests from virtually all states (which could include over 44 states that have joined the CCSSO consortium -- see July 7 TechMIS Special Report) to focus on the requirement that Annual Measurable Objectives (AMOs) reach 100 percent proficiency by 2014 and that sanctions be applied for failing to make AYP. The expected round of waiver requests, beginning after the Secretary's "guidance" is formally released in September, according to Riddle, will likely focus on "the specific requirements that corrective action plans must include school choice and supplemental educational services options for students, and that local school districts must reserve a specified portion of their Title I grants for these services; the current limitations on growth models that can be used for AYP determinations under the ESEA; and the requirement to identify for improvement all schools that fail to make AYP for 2 consecutive years or more, for whatever reason and to whatever degree, as opposed to focusing improvement efforts on schools that are most in need of improvement."

While the Secretary has provided only general indicators of what will be included in the September "guidance," Riddle speculates that the most expeditious means of maximizing the impact in the 2011-12 school year will be used and predicts, "Thus, it is probable that ED will publish one or more 'non-regulatory policy guidance' documents indicating the types of ESEA requirements that the Secretary will consider waiving, the requirements that states will have to meet in order to qualify for a waiver, the procedures through which waiver requests will be considered, and a prospective schedule for this activity. The main advantage of such policy guidance, as opposed to regulations, is that it can be implemented with minimum delay." As an example, he notes that, in 2005, former Secretary Spellings was able to implement a pilot program waiver that allowed states to utilize growth models using a similar procedure in a little more than two and a half months after the initial announcement.

We agree with Riddle's prediction that the non-regulatory guidance route will likely be followed; however, under that procedure, details may differ with respect to specific "voluntary" reforms proposed by individual states, including the types of requested flexibilities regarding the SES/parent choice 20 percent set-aside, which is of interest to many TechMIS subscribers.

Within the allowability parameters in the guidance, states could request waivers for different approaches which could have different implications. For example, following the waiver request from Tennessee, a large number of states will likely propose to be able to allow districts the option of using some of the 20 percent set aside for SES and parent choice for extended learning and/or after-school programs which was encouraged during the last years of the Bush Administration (see July 7 TechMIS Special Report). If waivers are approved in the next two to three months, some districts will likely be allowed to initiate such activities early next year. Some states may request a waiver to set aside up to five percent for SES and up to 15 percent for parent choice -- an approach which groups such as the Council of the Great City Schools have argued is the "strict interpretation" of the NCLB statutory language -- rather than the 20 percent set-aside ruling for both made by former Under Secretary Eugene Hickok. One could argue that the Secretary should "nullify" the 20 percent set-aside "regulation" and approve the states' interpretation. The effective date of such a nullification could be almost immediate.

As Secretary Duncan announced in April 2009, he could provide a waiver immediately to states and districts through Non-Regulatory Guidance (NRG) and propose to publish final regulations a year or two later. However, to our knowledge, such final regulations were never published and the waivers are still in effect in the vast majority of states which requested them. Or Secretary Duncan, in the September "guidance," could call for voluntary reforms from the states in response to their waiver requests which could, for example, increase accountability requirements for SES providers, perhaps making fee payment conditional on participating student achievement. One could expect opposition to this from the U.S. Chamber of Commerce, the Education Industry Association, and conservative education reformers such as former Florida Governor Jeb Bush, which in turn could signal stronger GOP Congressional resistance to the whole waiver process, perhaps resulting in legal action.

Another issue, which we have discussed in previous reports, relates to allowing greater flexibility in the use of Title I funds and the IDEA 15 percent set-aside to fund response-to-intervention approaches that allow Level I interventions, particularly in schoolwide programs in states requiring RTI by removing such districts from supplement-not-supplant requirements (see July 7 TechMIS Special Report). Allowing this flexibility through the Plan B waiver process may be difficult, because one of the fiscal accountability requirements which is not supposed to be subject to waivers under Section 9401, as Riddle notes in the CEP document, is "to use federal aid only to supplement and not supplant, state and local funds for specified purposes."

Riddle observes that mechanisms other than requests for waivers under Section 9401 could and are being used to allow flexibility; this includes allowing states to amend their accountability work plans (e.g., this is already happened in the case of Montana, South Dakota, and Idaho). One alternative which USED may consider is to clarify existing Title I guidance, which is in the form of a two-year-old PowerPoint presentation, on the conditions under which Title I and IDEA funds can be used to support and fund RTI approaches. An example of this approach was the September 2, 2009 USED guidance on use of ARRA funds by districts identified for improvement. The guidance, for the first time, allowed Title I funds to be used to train not only Title I teachers, but also any and all other teachers in the district in areas which caused the district to be identified for improvement.

As soon as the USED guidance becomes available, we will conduct our analysis and report to subscribers, along with implications.

The CEP/Riddle paper can be viewed at: www.cep-dc.org

# Special Report:
# New Title I/IDEA Working Group Recommends States Develop a Waiver Procedure Allowing Title I Schools Be Provided Exemption from Supplement-Not-Supplant Requirements to Expand Use of Response-to-Intervention/Multi-Tier Systems of Support (MTSS) Approaches Which Will Free-Up More Title I and IDEA Set-Aside Funds for Such Usage

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*August 31, 2011*

In June 2011, a "working committee" of the National Title I Association and National Association of State Directors of Special Education published a report entitled "Recommendations for Improved Coordination Between Title I and IDEA." One of the committee's recommendations would free-up more of the 15% set-aside for Coordinated Early Intervening Services (CEIS) for Level I intervention; another would allow more Title I funds to be used for expanding RTI/MTSS approaches by exempting such schools from supplement-not-supplant requirements. Through SEA waivers, funds could be used for Level I core interventions, not just Level 2 and 3 as now allowed in USED Title I regulations. This would also likely increase the number of SEAs requiring RTI (rather than just permitting its use) from about five states to an estimated 25 to 30 states in the very near future. We estimate that the amount of such freed-up funds for RTI/MTSS expansion could be as much as one half billion dollars this year and next. The anticipated "conditions" and "guidance" under which SEAs will be submitting waiver requests to USED after September are expected to encourage these funds to be freed up.

The "working committee," now referred to as the "Title I/IDEA workgroup," had its first formal meeting with USED officials from appropriate Title I and OSED/IDEA offices to discuss these and other recommendations with the intent of deciding which recommended changes could be implemented by USED "regulatory relief," including SEA waivers -- which could best be implemented through better coordination procedures between state and district Title I and special education officials -- and which changes would require Congressional "fix-it" or other legislative actions.

Following a general discussion of the confusion created at the state and district level by slightly different supplement-not-supplant requirements under Title I and IDEA statutes and regulations, the report recommends, "Schools and school districts should be allowed to use their comprehensive early intervening services (i.e., up to 15 percent of their federal IDEA funds) to implement all tiers, including the basic tier, of a Response to Intervention/Multi-Tiered System of Supports, whether they have elected voluntarily to develop such a system or have been ordered to redirect 15 percent of their federal funds by the state education agency." The report notes that USED non-regulatory guidance, in the form of a two-year-old PowerPoint presentation, states that such funds can only be used for students who need level 2 or level 3 interventions and it "remains unclear as to how the use of these funds can fit within a schoolwide Title I program." This same issue arose shortly after implementation of the Reading First program began early in 2002 and continued in the debate over the IDEA reauthorization in 2004 and subsequent 2006 regulations relating to the 15 percent IDEA set-aside for coordinated early intervening services. This recommended change would clarify that level 1 core interventions, if implemented with fidelity, could be funded under the 15 percent IDEA set-aside for CEIS/RTI in schoolwide programs. Likely support from USED is expected as Assistant Secretary for Special Education and Rehabilitation Services Alexa Posny stated several months ago that she "personally" feels the 15 percent cap should be lifted in districts that are doing a good job in reducing disproportionality, which would allow even more of the set-aside to be used for RTI for at-risk students (see February TechMIS Special Report). And as noted in the last TechMIS issue, knowledgeable experts attribute the 14 percent decrease in the number specific learning disabilities (SLD) students between 2002-2009 to the increased use of RTI and the increased quality of instructional reading "core" and "supplemental" materials.

The report addresses the issue of using Title I funds for implementing RTI by recommending, "The U.S. Department of Education should issue guidelines for states to develop a waiver procedure that would allow states to issue Title I schools an exemption from supplement not supplant requirements if they can show that they are implementing with fidelity a robust RTI/MTSS model." Even though only five states (Colorado, Connecticut, Florida, Illinois, Iowa) currently require RTI approaches for determining whether at-risk students should be placed in special education programs, the most recent RTI Adoption Survey indicates that districts reported they used Title I funds more often than IDEA set-aside funds for implementing CEIS/RTI approaches. For the most part, districts which use Title I funds to implement RTI are doing so in Title I schoolwide programs in which Title I funds are "comingled" with IDEA and other Federal funds and districts do not have to report in detail how such funds are used. Audits are, therefore, difficult to conduct and, in general, only level 2 and level 3 interventions are used because level 1 core intervention programs typically cannot be purchased using Title I funds.

The Title I/IDEA workgroup, which now includes key USED officials, addressed the above recommendations, along with numerous others, in a session during the second weekend of August at the National Title I Association Conference in Washington, D.C. USED officials from the Office of Student Achievement and School Accountability Programs include Nola Cromer, Susan Wilhelm, and Sue Rigney; representing OSEP were Greg Corr and Deputy Director Ruth

Ryder. During the meeting, Nola Cromer pointed out that coordination between Title I and IDEA is definitely an area covered in the Obama Administration's Education Reform Blueprint according to Education Daily (August 12th). In a follow-up conversation, Richard Long, Executive Director National Title I Association, noted he was "pleased" with the meeting, emphasizing that the workgroup members "anticipate going through several points and recommendations." The first priority would be to focus on the recommendations which USED can address most appropriately. As Cromer reportedly stated, "We are going to continue the conversation and we may ask [the Title I state directors] for information as we move forward on this very important venture."

For a copy of the June report go to: http://www.nasdse.org/

# Special Report:
# 2011 Survey on RTI Adoption Finds a Third of Directly Related Expenditures Are for Professional Development/Coaching and Another Third Are for Supplemental Interventions/Screening/Formative Assessment Tools; About Two-Thirds of Responding Districts Report Current or Planned Full District-Wide Implementation

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A new survey, conducted by Global Scholar/Spectrum K12, and supported by many leading education organizations (i.e., CEC/CASE, AASA, et. al.), has shed light on how districts are currently implementing Response-to-Intervention (RTI). Since our 2005-2006 TURNKEY survey of the use of technology in special education, the amount of expenditures on RTI has grown from an estimated $500 million to $4- $5 billion today (TURNKEY estimated). Districts have consistently reported that about one-third each of such funds are spent on professional development/coaching and instructional interventions/evaluation tools.

While earlier RTI implementations were generally led by special education departments, district leadership/advocacy now rests in the hands equally of both general and special education offices. About 47 percent of district respondents reported that "general funds" are used to implement RTI while 44 percent reported using part of Title I funds; only 26 percent reported using the IDEA 15 percent set-aside for Coordinated Early Intervening Services (i.e., most likely in LEAs required by SEAs to do so). The most prevalent use of ARRA funds were Title I (26% of responding districts), IDEA (22%), and School Improvement Grants (12%). Although the survey did not capture detailed information on funding sources, the findings do suggest some important implications for most TechMIS subscribers, particularly due to increased Title I and IDEA flexibility likely to be allowed -- if not encouraged -- by USED under the Plan B "waiver regulatory relief" initiative.

Although 12 percent of districts reported using some SIG funds, it must be noted that, during the first year, only about 1,200 Tier I, II or III schools have received SIG funds thus far. The new survey did find that only 13 percent of district respondents reported that reading RTI approaches were fully implemented at the secondary level in their districts, while another 28 percent indicated that they plan to implement RTI for reading interventions at the secondary schools. USED recently reported that almost 50 percent of Tier I and Tier II schools receiving SIG funding were high schools which are supposed to be fully implemented this September. Hence, one can conclude that the demand for RTI and directly related remediation and professional development in SIG-awarded schools will be extremely high now, during the "pre-implementation" phase, and over the next year, especially in newly-awarded SIG schools (estimated 400-500). Indeed, the last SIG guidance (see November 12, 2010 TechMIS Special Report) strongly encourages that pre-implementation funding to be used for remediation/intervention and professional development.

The survey also found that, of those districts using the IDEA 15% set-aside for Coordinated Early Intervening Services (CEIS), only ten percent reported they were using the entire 15 percent or more for such purposes. Six percent reported they are using 10-14 percent of the set-aside. About 35 percent reported not using IDEA funds. We estimate that about 30-40 percent of districts nationwide decided to take advantage of Section 613 "local adjustment option," which allows up to 50 percent of the increase in IDEA funds a district receives to be used to free-up an equal amount of local funds currently used to pay for special education which could be spent on any allowable ESEA product or service. Some of those freed-up funds were likely used to implement RTI and were reported as general local funds (i.e., the 47% noted above). As we reported in our January 2011 TechMIS Special Report on RTI, Alexa Posny**,** Assistant Secretary for Special Education and Rehabilitative Services (OSERS), expressed her preference that districts which are doing a good job in reducing inappropriate placements (especially of minorities) in special education, should be allowed to allocate for RTI more than the 15 percent set-aside if they so desire. Use of the 15 percent set-aside for expanding RTI, especially in Title I schoolwides, is likely to continue and increase over time.

The increased use of both Title I regular and ARRA funds to support expansion of RTI approaches at the district level is not unexpected, especially in light of high-level USED officials' statements that encourage districts to take advantage of "consolidation" of most Federal programs and Title I schoolwide programs to use RTI approaches to serve at-risk students. Over time, in some states, SEA enforcement of "supplement not supplant" provisions in schoolwide programs has "dissipated" as the schoolwide programs, which consolidate or comingle different Federal funding programs, do not have to report in detail how such funds are used. This precludes in-depth cost accounting audits.

One other major trend with direct implications for many TechMIS subscribers relates to the growth of school-based leadership teams responsible for implementing RTI at the school level. Almost 50 percent of respondents with full or planned district-wide implementation reported having such leadership teams in 75 percent or more of their schools. Five years ago, implementation of RTI was primarily a district-level responsibility, usually the Office of Special Education Programs or a newly-created office responsible for "interventions."

While two-thirds of districts reported full or planned district-wide implementation, only seven percent of the districts have 100 percent of their schools fully implemented. The demand for professional development will continue to grow representing about one-third of RTI expenditures (i.e., professional development and coaching). Only two percent of respondents believed that district-wide implementation of all RTI related practices would be complete by 2010-11 school year. Over the next three years, full implementation of all practices is expected to increase from 16 percent of districts in the upcoming school year to 28 percent by the end of the 2012-2013 school year. In terms of demand for professional development, only 11-13 percent of districts reported that 100 percent of their staff had been trained in use of data for screening, interventions, and problem-solving processes. These three areas have also been emphasized for districts/schools receiving SIG funding during the "pre-implementation phase" for round 1 and round 2 awardees (an estimated 400-500 schools).

Between 25 and 30 percent of respondents indicated that RTI academic components had been fully implemented, including research-based academic interventions, formative assessments, software use to input and collect data, collaboration, problem-solving approaches, among others. In the area of behavioral components, full-implementation occurred in between 15 and 20 percent of the respondents. Nearly all schools have provided staff with an overview of the RTI process with the next most common training occurring in core curriculum and in differentiated instruction. As reported in our July 2010 TechMIS Special Report, training teachers to differentiate instruction is one of the growing uses of Federal Title IIa Teacher Quality funding.

As expected, elementary schools lead the way in implementing or planning district-wide use of RTI with 80 percent reporting they have fully implemented RTI "with fidelity" in one or more domains (reading, writing, math, behavior, or science). Implementation of RTI for academic areas is greater than for behavioral areas, particularly related to screening assessments, research-based interventions, and data-driven decision-making; this was also found to be the case in 2010. Reading remains the dominant implementation area followed by math and then behavior.

While 88 percent of the district respondents said that RTI was used to identify students for early intervening services and supports, 59 percent of respondents reported RTI was used to identify students for "specialized services and supports" beyond those in special education. Slightly over 60 percent felt RTI was used to personalize instruction for all students. These findings suggest that RTI use is gaining momentum as a "grassroots movement." This is also reflected by: (a) the increased use of local funds for implementation; and (b) increased district, as opposed to special education, leadership role over the last few years. The current RTI Adoption Survey findings also corroborate those from a recent National Center for Learning Disabilities report which indicated that RTI appears to be associated with a general decline in the number of students which have been identified as having a learning disability. Among students, ages six through 11, between 2000 and 2009, learning disabled counts have dropped from 38 percent to 33 percent. As noted in the *On Special Education* blog (August 19), "This survey found that at least 35 percent of districts using RTI cut referrals to special education by at least 10 percent, and in some districts it was as much as 50 percent." This year's RTI Adoption Survey notes that the impact of RTI on Adequate Yearly Progress (AYP) is "still somewhat difficult to judge, with seven in ten districts still reporting insufficient data to make a judgment. Of the 28% schools with enough data, the majority (17%) reflect RTI has had a positive impact on AYP." These findings suggest a rationale for USED to support increased flexibility of using Federal funds, such as IDEA and Title I, to expand the use of RTI in the so-called Plan B state waiver initiative to provide regulatory relief.

One other interesting finding from the current survey suggests a potential growth opportunity for firms with RTI "administrative" or "infrastructure tools." As the report notes, "While still a small percentage of districts indicate RTI has been the focus of legal proceedings or official complaints (14% in 2011), the number has steadily grown." Survey respondents indicated that, of total annual district RTI expenditures, seven percent use such funds for RTI data management systems which are likely to be used even more by districts having to justify their decisions which become the focus of complaints, mediation, and due process hearings.

Shortly before the RTI Adoption Survey findings were released, the National Title I Association and National Association of State Directors of Special Education issued their report "Recommendations for Improved Coordination Between Title I and IDEA" which included two important recommendations for removing current barriers to further expansion of the use of RTI approaches (see enclosed Special Report). In addition to a general recommendation that USED should clarify the differences between the Title I and IDEA definitions of "supplement not supplant" requirements, one specific recommendation addresses an issue which we have identified over the last two years as a barrier to a district's full implementation of RTI adoption -- namely, if a state <u>requires</u>, rather than <u>permits</u>, districts to use RTI approaches, the report notes, "….Title I funds are at risk of supplanting rather than merely supplementing federal, state, and local funds." The report recommends, "The U.S. Department of Education should issue guidelines for states to develop a waiver procedure that would allow states to issue Title I schools an exemption from supplement not supplant requirements if they can show that they are implementing with fidelity a robust RTI MTSS (multi-tiered support services) model." This recommended policy change will be critical in the immediate future as more states are reportedly considering <u>requiring</u> the use of RTI/MTSS approaches.

The other important recommended change is to clarify the types of RTI levels which the 15 percent set-aside can support when allocated to Title I schoolwide programs. The NTIA/NASDSE report recommends, "Schools and school districts should be allowed to use their comprehensive early intervening funds (i.e., up to 15 percent of their federal IDEA funds) to implement all tiers, including the basic tier, of a Response to Intervention/Multi-tiered System of Supports, whether they have elected voluntarily to develop such a system or have been ordered to redirect 15 percent of their federal funds by the state education agency."

It should be noted that both of these changes could be addressed through regulatory relief or at the least fix-it amendments to ESEA as we suggested in our March 16th TechMIS Special Report and the enclosed related Special Report.

For a copy of the RTI Adoption Survey, go to:

http://www.spectrumk12.com/rti/the_rti_corner/rti_adoption_report
For a copy of the Joint NTIA and NASDSE report go to: http://www.aasa.org/uploadedFiles/Policy_and_Advocacy/files/Title%20I%20and%20IDEA%20Coordination%20Report%20June%201%202011.pdf

# Washington Update

*Vol. 16, No. 8, August 31, 2011*

## USED Warns SEA Title I Offices that Relatively Large Amounts of "Remaining" Cumulative Balances in Title I Regular and ARRA Funds Must be Obligated by September 30th and Drawn Down by December 31st; Funds not Drawn Down Will Have to be Returned to the Treasury and Could Provide Congress a Justification for Reducing Future Title I Appropriation Levels

As reported in the *Title I-derland* blog of August 8, a July 27th USED letter warned SEA Title I offices, "…as we work to meet the goal of ensuring that 100 percent of FY 2009 Title I Part A funds are obligated by September 30, 2011 and execute our financial oversight responsibility, it is important for States to monitor the current level of obligations and draw downs among its subgrantees to ensure that these funds are in fact obligated by September 30, 2011 and drawn down [liquidated] by December 31, 2011." The letter referred to USED's biweekly expenditure reported of July 22nd which reported that, of the $14 billion in FY 2009 Part A regular Title I state grants, five percent have not been drawn down and of the almost $10 billion Title I ARRA funds, slightly over 15 percent have yet to be drawn down. In the August 12th expenditure report, the percentage not yet drawn down were 11.6% for Title I ARRA funds (see Table A).

According to Chuck Edwards, of *Title I-derland*, "Some states lag in reporting the obligations to the feds and drawing down the funds, so the large balances in some states' accounts do not necessarily reflect the reality on the ground. It is roughly equivalent to neglecting to submit travel expenses on time." As we have also reported in previous TechMIS updates, some of the large balances are due to individual state reporting procedures. For example, Wisconsin does not request a draw down until the districts actually spend Title I funds, while most other states request a draw down before districts spend the money in the next five or so days. This year, one major reason that the remaining state balances for Title I regular funds have already been mostly drawn down is that virtually all states applied for and received waivers to carry over more than 15 percent of their FY 2010 Title I regular funds to this school year. Most districts notified their respective SEAs of the amount they were planning to carry over (i.e., hence, obligate) by July 30th. A footnote in the USED expenditure tables notes, "Obligations are binding agreements that will result in outlays immediately or in the future." FY 2010 carryover Title I regular funds must be obligated by September 30, 2012. As an example, in the July 22 report, the percent of regular Title I funds not drawn down in Texas was 0.3%. Because Texas is an EdFlex state, it has a long tradition of allowing districts to carry over between 20 and 40 percent of one year's allocation of regular Title I funds to the next year, creating a purchasing cycle which differs from that in most other states. The Texas State fiscal year also is different


256 North Washington Street, Falls Church, VA 22046
703/536-2310, fax 703/536-3225, cblaschke@edturnkey.com

from more than 40 other states in that funds should be obligated by August 30th rather than June 30th. Unlike Title I regular funds which can be carried over beyond September 30th, Title I ARRA funds must be obligated by September 30th and liquidated by December 31st. States with 20 percent or more of their Title I ARRA funds which have reportedly not been obligated by August 12 include District of Columbia (34.9%), Hawaii (25.1%), Nebraska (39.8%), New Hampshire (32.4%), New Jersey (20.5%), Puerto Rico (20.3%), South Carolina (23.5%), Virginia (27.3%), and Wyoming (23.5%). Across all states as of August 12th, the percent remaining was 11.6% -- down from 15.1% on July 22nd. The remaining amount could change quickly in some states. For example, between July 22nd and August 12th, the remaining funds in Texas dropped from 14.8% to 12.3%; however, after September 1st the percentage of remaining funds could be spent quickly as the TEA has instructed districts not to draw down any Title I ARRA funds until after September 1st.

The *Title I-derland* blog also implied that the July 27th USED letter to SEAs also addressed unobligated SIG funds by stating, "Specifically states have only until September 30, 2011 to obligate the remaining funds under the first installment of School Improvement Grants (SIG). SIG was one of ED's last major stimulus programs to get off the ground and one of the most complex, so it took states a long time to get their applications developed and approved. Now, some states might be in danger of losing a share of their funds due to the upcoming deadline." Using USED's expenditure report, we recalculated the remaining balances for School Improvement Grant ARRA funds (Table B). This report did not break out the first installment allocated in 2009-10 which was between $1.3 and $1.5 billion of which $825 million was carried over to the FY 2010 application year. Because we questioned the concern expressed in the blog, we requested clarification from USED official Sandy Brown who sent the July 27th policy letter to SEAs. His response: "Please note that the September 30, 2011 deadline for obligating FY 2009 SIG funds made available under ARRA and the regular appropriation is less critical, and we did not send out a similar email to the States for FY 2009 SIG funds. This is because at the time ED approved state applications for FY 2009 SIG funds, ED granted SEAs waivers to extend the time to obligate the FY 2009 SIG funds made available under the regular appropriation and ARRA to September 30, 2013. This waiver enables served schools to implement their school improvement programs over three years (2010-11, 2011-12, and 2012-13)." Our interpretation of this response is that the first installation of SIG funding under FY 2009 does not have to be obligated until September 30, 2013. Even though the potential lapsing of the 2009 first installment of SIG funds is not a "critical" concern, it is interesting to note that some of the states with the largest percentages of available remaining funds are Race to the Top winners, such as District of Columbia (96%), Hawaii (97%), Massachusetts (93%), New York (89%), Rhode Island (93%), and Tennessee (95%). As we have speculated in previous reports, in these states, SIG initiatives and the similar "turning around failing schools" component under Race to the Top required significant coordination and duplication avoidance which could explain the low percentage drawdowns of SIG funds in these states.

| Table A - Department of Education<br>American Recovery and Reinvestment Act of 2009 - Spending Report<br>As of August 12, 2011 | | | | | |
|---|---|---|---|---|---|
| Name | State or Other Entities | | Cumulative Obligated | Cumulative Available Balance | Percent Available |
| **Education for the Disadvantaged** | | | | | |
| | AK | Alaska | $29,449,710 | $5,799,524 | 19.7% |
| | AL | Alabama | $162,969,217 | $31,236,486 | 19.2% |
| | AR | Arkansas | $111,092,138 | $16,398,166 | 14.8% |
| | AZ | Arizona | $195,087,321 | $25,526,915 | 13.1% |
| | CA | California | $1,124,920,473 | $20,737,409 | 1.8% |
| | CO | Colorado | $111,135,922 | $17,485,935 | 15.7% |
| | CT | Connecticut | $70,714,174 | $916,338 | 1.3% |
| | DC | District of Columbia | $37,602,323 | $13,108,069 | 34.9% |
| | DE | Delaware | $32,433,643 | $4,982,157 | 15.4% |
| | FL | Florida | $490,575,352 | $39,730,324 | 8.1% |
| | GA | Georgia | $351,008,292 | $67,499,358 | 19.2% |
| | HI | Hawaii | $33,171,874 | $8,324,735 | 25.1% |
| | IA | Iowa | $51,497,022 | $2,167,550 | 4.2% |
| | ID | Idaho | $34,955,709 | $4,664,427 | 13.3% |
| | IL | Illinois | $420,263,561 | $23,662,660 | 5.6% |
| | IN | Indiana | $168,676,901 | $19,287,475 | 11.4% |
| | KS | Kansas | $70,868,075 | $2,590,762 | 3.7% |
| | KY | Kentucky | $155,347,894 | $12,959,877 | 8.3% |
| | LA | Louisiana | $177,156,777 | $16,045,390 | 9.1% |
| | MA | Massachusetts | $163,680,278 | $13,560,164 | 8.3% |
| | MD | Maryland | $135,958,438 | $15,227,722 | 11.2% |
| | ME | Maine | $37,184,258 | $2,481,935 | 6.7% |
| | MI | Michigan | $389,902,873 | $49,887,675 | 12.8% |
| | MN | Minnesota | $94,711,036 | $15,150,582 | 16.0% |
| | MO | Missouri | $146,140,449 | $12,622,928 | 8.6% |
| | MS | Mississippi | $132,888,489 | $23,342,128 | 17.6% |
| | MT | Montana | $34,650,000 | $2,197,590 | 6.3% |
| | NC | North Carolina | $257,444,956 | $6,252,137 | 2.4% |
| | ND | North Dakota | $27,437,105 | $5,026,524 | 18.3% |
| | NE | Nebraska | $47,808,954 | $19,038,947 | 39.8% |
| | NH | New Hampshire | $30,947,654 | $10,023,761 | 32.4% |
| | NJ | New Jersey | $182,971,299 | $37,557,380 | 20.5% |
| | NM | New Mexico | $80,803,396 | $6,024,177 | 7.5% |
| | NV | Nevada | $70,126,139 | $13,564,084 | 19.3% |
| | NY | New York | $907,152,149 | $96,973,835 | 10.7% |
| | OH | Ohio | $372,673,474 | $33,030,724 | 8.9% |
| | OK | Oklahoma | $109,442,502 | $12,930,372 | 11.8% |
| | OR | Oregon | $93,735,666 | $3,973,909 | 4.2% |
| | PA | Pennsylvania | $400,603,678 | $77,283,558 | 19.3% |
| | PR | Puerto Rico | $386,407,681 | $78,423,658 | 20.3% |
| | RI | Rhode Island | $35,834,427 | $2,685,310 | 7.5% |
| | SC | South Carolina | $142,838,916 | $33,506,651 | 23.5% |
| | SD | South Dakota | $34,650,000 | $1,617,319 | 4.7% |
| | TN | Tennessee | $194,074,879 | $18,884,021 | 9.7% |
| | TX | Texas | $948,737,780 | $116,635,178 | 12.3% |
| | UT | Utah | $49,536,283 | $8,073,980 | 16.3% |
| | VA | Virginia | $164,458,751 | $44,835,883 | 27.3% |
| | VT | Vermont | $25,765,406 | $410,139 | 1.6% |
| | WA | Washington | $135,123,099 | $22,953,456 | 17.0% |
| | WI | Wisconsin | $147,729,443 | $26,370,140 | 17.9% |
| | WV | West Virginia | $60,981,290 | $3,205,752 | 5.3% |
| | WY | Wyoming | $26,191,647 | $6,162,733 | 23.5% |
| | Total | | $9,897,518,773 | $1,153,037,908 | 11.6% |

| Table B - Department of Education | | | | | | |
|---|---|---|---|---|---|---|
| American Recovery and Reinvestment Act of 2009 - Spending Report by Program | | | | | | |
| As of August 5, 2011 | | | | | | |
| Name | State or Other Entities | | Cumulative Obligated 1/ | Cumulative Outlays 2/ | Cumulative Available Balance 3/ | Percent Available |
| School Improvement Grants | AK | Alaska | $9,071,222 | $860,131 | $8,211,091 | 91% |
| | AL | Alabama | $49,125,757 | $12,197,865 | $36,927,892 | 75% |
| | AR | Arkansas | $34,007,841 | $4,892,914 | $29,114,927 | 86% |
| | AZ | Arizona | $59,166,486 | $13,350,903 | $45,815,583 | 77% |
| | CA | California | $351,762,637 | $67,540,741 | $284,221,896 | 81% |
| | CO | Colorado | $33,611,909 | $7,841,232 | $25,770,677 | 77% |
| | CT | Connecticut | $21,818,804 | $5,961,968 | $15,856,836 | 73% |
| | DC | District of Columbia | $10,578,338 | $460,078 | $10,118,260 | 96% |
| | DE | Delaw are | $8,948,688 | $715,851 | $8,232,837 | 92% |
| | FL | Florida | $144,035,059 | $32,799,609 | $111,235,450 | 77% |
| | GA | Georgia | $103,911,508 | $20,064,402 | $83,847,106 | 81% |
| | HI | Haw aii | $9,312,839 | $302,350 | $9,010,489 | 97% |
| | IA | Iow a | $15,829,842 | $5,115,390 | $10,714,452 | 68% |
| | ID | Idaho | $10,650,687 | $1,050,890 | $9,599,797 | 90% |
| | IL | Illinois | $124,023,185 | $7,854,324 | $116,168,861 | 94% |
| | IN | Indiana | $51,875,146 | $3,531,452 | $48,343,694 | 93% |
| | KS | Kansas | $22,638,363 | $8,403,480 | $14,234,883 | 63% |
| | KY | Kentucky | $47,316,734 | $13,720,255 | $33,596,479 | 71% |
| | LA | Louisiana | $57,204,753 | $6,868,394 | $50,336,359 | 88% |
| | MA | Massachusetts | $49,674,274 | $3,306,325 | $46,367,949 | 93% |
| | MD | Maryland | $39,983,479 | $9,006,269 | $30,977,210 | 77% |
| | ME | Maine | $11,118,773 | $3,168,161 | $7,950,612 | 72% |
| | MI | Michigan | $115,048,250 | $13,474,206 | $101,574,044 | 88% |
| | MN | Minnesota | $28,984,959 | $5,898,297 | $23,086,662 | 80% |
| | MO | Missouri | $45,774,541 | $12,039,125 | $33,735,416 | 74% |
| | MS | Mississippi | $39,910,208 | $7,190,647 | $32,719,561 | 82% |
| | MT | Montana | $9,788,443 | $2,581,764 | $7,206,679 | 74% |
| | NC | North Carolina | $77,001,055 | $16,024,780 | $60,976,275 | 79% |
| | ND | North Dakota | $7,631,521 | $2,981,676 | $4,649,845 | 61% |
| | NE | Nebraska | $14,771,748 | $1,882,599 | $12,889,149 | 87% |
| | NH | New Hampshire | $8,588,214 | $1,092,263 | $7,495,951 | 87% |
| | NJ | New Jersey | $56,421,673 | $5,253,248 | $51,168,425 | 91% |
| | NM | New Mexico | $24,143,708 | $6,977,489 | $17,166,219 | 71% |
| | NV | Nevada | $19,836,315 | $4,068,790 | $15,767,525 | 79% |
| | NY | New York | $261,295,098 | $29,845,489 | $231,449,609 | 89% |
| | OH | Ohio | $112,015,916 | $26,859,116 | $85,156,800 | 76% |
| | OK | Oklahoma | $33,027,611 | $3,557,420 | $29,470,191 | 89% |
| | OR | Oregon | $29,142,931 | $9,848,493 | $19,294,438 | 66% |
| | PA | Pennsylvania | $119,379,100 | $13,464,063 | $105,915,037 | 89% |
| | PR | Puerto Rico | $112,421,246 | $0 | $112,421,246 | 100% |
| | RI | Rhode Island | $10,588,107 | $770,699 | $9,817,408 | 93% |
| | SC | South Carolina | $42,992,997 | $9,071,540 | $33,921,457 | 79% |
| | SD | South Dakota | $9,563,634 | $1,825,069 | $7,738,565 | 81% |
| | TN | Tennessee | $57,347,607 | $3,005,207 | $54,342,400 | 95% |
| | TX | Texas | $285,896,287 | $33,697,134 | $252,199,153 | 88% |
| | UT | Utah | $14,771,686 | $335,220 | $14,436,466 | 98% |
| | VA | Virginia | $50,630,778 | $8,169,420 | $42,461,358 | 84% |
| | VT | Vermont | $7,261,859 | $3,085,752 | $4,176,107 | 58% |
| | WA | Washington | $42,476,886 | $14,103,594 | $28,373,292 | 67% |
| | WI | Wisconsin | $42,906,207 | $7,435,923 | $35,470,284 | 83% |
| | WV | West Virginia | $18,530,707 | $3,713,784 | $14,816,923 | 80% |
| | WY | Wyoming | $7,319,601 | $1,040,503 | $6,279,098 | 86% |
| | Total | | $2,971,135,217 | $478,306,294 | $2,492,828,923 | 84% |
| Bureau of Indian Education 4/ | | n/a | $20,869,682 | $20,869,682 | $0 | 0% |
| Total School Improvement Grants | | | $2,992,004,899 | $499,175,976 | $2,492,828,923 | 83% |

1/ Obligations are binding agreements that w ill result in outlays, immediately or in the future

2/ Outlays are the amount of obligations paid

3/ Available Balance is the obligated amount that has not resulted in an outlay

4/ This report includes funds apportioned to the Department of Education for the Bureau of Indian Education, w hich are included on the Department of the Interior's (w ho is the performing agency) Financial and Activity Report.


**256 North Washington Street, Falls Church, VA 22046**
**703/536-2310, fax 703/536-3225, cblaschke@edturnkey.com**

## A Government Accountability Office (GAO) Report Confirms Problems that Explain Slow State Implementation of SIG Grants at District Level; USED Creates New School Turnaround Office Which is Supposed to Address Some of the Problems Identified by GAO

On July 21st, GAO briefed Congressional requesters on findings from its study entitled "School Improvement Grants: Early Implementation Under Way, but Reforms Affected by Short Time Frames." GAO identified factors which have influenced the implementation of SIG interventions in selected schools during school year 2010-11. Although the study was limited to districts in six states, the findings confirm some of the implementation problems which we have addressed in numerous TechMIS Special Reports and Washington Update items over the last year and a half.

One of GAO's major findings is that states differ significantly in the degree to which they applied "capacity" and "commitment" priority criteria in selecting eligible schools in districts which received SIG awards. As the report notes, "Some states used a selective award process, while others approved all Tier I and Tier II applications." It also confirmed findings from other studies, such as one conducted by the Center on Education Policy (see March 2001 TechMIS Special Report), indicating that some states relied on a published list of state-approved external providers to implement key elements of School Improvement Grants. These external providers conducted a number of activities such as providing professional development and data analysis, among other functions. Slightly more than half of the SEAs did not have formal approved lists of external providers.

Not surprisingly, the GAO also reported that some states took advantage of Federal flexibility in designing annual grant renewal processes, noting that in Nebraska, for example, officials told GAO SIG renewal decisions would be based on how schools have used school improvement funds and would consider not renewing funding for under-performing schools after one year. On the other hand, Nevada officials told GAO they plan to renew all schools receiving FY 2009 funds for year one "because of the time needed to implement reforms and will consider not renewing schools after 2 years if they do not make sufficient progress." The implication here is that states which applied rigorous criteria regarding progress being made in schools before renewing are probably good candidates for firms to target as it is highly probable that some schools which applied but were turned down during the first round may be considered for funding during the second round or that additional eligible schools applying during the second round may also be funded.

Also as expected, a number of administrative problems plagued timely implementation with fidelity of School Improvement Grant reforms. The problems which GAO identified in its report included the postponed initial USED schedules for soliciting state applications and for second year renewal and the still lengthier process for actually allocating funds. Those problems resulted in short time periods for dismissing or hiring new staff and insufficient time to plan and fully implement reforms, at the beginning of the 2010-11 school year.

Somewhat conspicuous by their absence are other problems that created challenges which were not addressed in the GAO briefing to Congress. One was the lack of school staff "buy in" for the intervention strategy, instructional programs, and other components that were in the application that was approved by the SEA. Also, it is not clear the degree to which SEAs "encouraged" districts to select one of the four intervention models initially or during the negotiating phase or allowing districts the flexibility to use other approaches or even external providers "off the state recommended list." GAO also did not address the impact of the changes in the five sets of interim SIG guidance developed over a period of a year and a half by USED. Of course, some of these changes were due to Congressional amendments passed in late 2010 which affected the timing of the FY 2010 state reapplications.

GAO did recommend that districts and schools be given more time by USED to plan and implement SIG reforms through earlier deadlines for state applications or approving applications with timelines that allow for earlier awards to districts. GAO also noted that USED planned to identify good state practices and to conduct on-site monitoring in at least 12 states in 2011. Perhaps in response to these GAO recommendations and findings, during the National State Title I Directors Conference in D.C. in early August, USED announced creation of the new Office of School Turnaround which will be headed by Jason Snyder, Chief of Staff for the Deputy Education Secretary. Other team members are Carlas McCauley and Rebecca Walawender. During an interview with Education Daily, officials indicated that the goal of the office is, not only to improve the bottom five percent of schools, but also to assist other low-achieving schools by identifying and providing information on the elements of intervention models that are effective. These officials said that the new Office will also help identify additional resources and help states and LEAs "discover flexibilities in federal resources." The new office will be responsible for monitoring and providing technical assistance to the following states in 2011-12: Florida, Iowa, Hawaii, Illinois, Georgia, Texas, New York, Oregon, Puerto Rico, Missouri, Rhode Island, and Wisconsin. Community "buy in" and "engagement" will be a major focus.

Earlier this summer, USED launched the "School Turnaround Learning Community" (STLC) which is designed to provide "one-stop access to resources on school turnaround" and to promote and facilitate "sharing across states and districts." The Summer 2011 STLC newsletter highlighted SIG implementation in Nevada, model extended-learning components used in Newark, New Jersey and several articles from experts such as Charlotte Danielson. SIG success stories can be submitted for possible inclusion at schoolimprovementgrants@ed.gov.

## For the First Time, Texas Has Conducted an Adoption Only for Supplemental Digital Science Products by Substituting the Term "Instructional Materials" for "Textbooks"

Texas' latest adoption law (SB.6) applies to digital science content aligned to the new science TEKS standards. SB.6 established a precedent for all Texas future adoptions and possible adoptions in 20 other adoption states. The specific details, which have implications for both districts and publishers, have yet to be spelled out in Texas Education Agency (TEA) regulations. However, during an SIIA webinar, Anita Givens, Associate Commissioner, Standards and Programs addressed some important conditions in the law and suggested some possible opportunities for publishers.

While district spending could occur in early August, districts have to certify subjects and grade levels and are strongly urged to conduct an assessment of needs for supplemental materials in the context of previously adopted textbooks and/or supplemental materials. Districts now "own" as property all of the textbooks and supplemental programs which have been provided to them through the state textbook entities in previous state-adoption purchases. One possible opportunity that Givens suggested would be for firms to provide modular types of supplemental interventions to districts for students with low achievement levels and who use the existing base of district instructional programs (textbook and others). Hence, a firm might consider providing a needs assessment or diagnosis of individual student data to determine each student's needs and customize a series of interventions which meet the needs of most of the districts' low-achieving students.

Other new provisions and conditions in SB.6 which have direct implications for many TechMIS subscribers include:

- The funds provided to districts (under previous textbook adoptions, districts received $30 per student) can be used not only for materials, but also for equipment, training, and follow-up support.
- During the first year of the biennium, 70 percent is provided with 30 percent provided during the second year.
- Provisions allow the districts to carry over unspent funds, not only from one year to the next, but also from one biennium to another, which strongly suggests that actual purchasing cycles may be extended over a very long time period.
- Districts are required not only to certify subjects and grade levels, but also to form "a decision-making team" made up of district textbook supplemental and technology key staff.

During the webinar, Givens stated that additional requirements would be included in TEA rules and Question & Answer documents, which "could also take a while." Materials from both publishers adopted in the most recent science supplemental proclamation and from publishers of supplemental materials not approved on the adoption list, can be purchased using the "education materials allocation." Advice and suggestions for publishers included:

- Develop and design/adapt products for BYOT (Bring Your Own


**256 North Washington Street, Falls Church, VA 22046**
**703/536-2310, fax 703/536-3225, cblaschke@edturnkey.com**
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Technology) as students are expected to use different mobile and other devices for instruction.

- Help districts maximize existing product use which is important in justifying purchases in the certification process.
- Align content/interventions to TEKS.
- Provide flexible solutions, such as modular types of interventions, to meet individual student needs.
- Provide reference site evaluation information to help districts when they want to buy "off the list."

While SB.6 is generally good news, the "devil will be in the details" of future TEA rules, which are likely to erode district decision-making flexibility.

For more information go to: http://www.tcea.org/advocacy/resources/public-policy-issues/ima

## Latest Report from Center on Budget and Policy Priorities Identifies States with Budget Cuts in PreK-12 Education for the Coming Year, Some of Which CBPP Says Are "Unnecessarily Harmful"

The Center on Budget and Policy Priorities reported that, as of the end of July, 38 of the 47 states with newly enacted budgets are making deep cuts in K-12, higher education, and health care, among other areas for FY 2012. CBPP says many of these state cuts are "unnecessarily harmful" because, "Many states enacting the cuts have failed to utilize other important tools in their budget-balancing toolkit, such as tapping reserves or raising new revenue to replace some of the revenue lost to the recession. Some states have even *added* to the cutbacks by further depleting revenue through tax reductions -- an ineffective strategy for improving economic growth that likely will do more harm than good."

The Center identified 23 states that have enacted identifiable deep cuts in pre-K and/or K-12 spending. It also notes that 12 states with shortfalls -- including Michigan, North Carolina, Wisconsin, California, and Maryland -- have enacted large tax cuts which will reduce revenue in 2012 which will, in turn, deepen the spending cuts in several areas. CBPP also notes that eight states have relatively large "rainy day funds" which the state has not touched to reduce the extent of budget cuts, according to CBPP. FY 2011 "rainy day" funds as a percentage of FY 2011 budgets were large -- between 5.2 percent and 9.3 percent -- in Iowa, Louisiana, Nebraska, New Mexico, South Carolina, South Dakota, and Texas; only Nebraska and Iowa have used some of their rainy day funds for that purpose. The Center points out that Texas, facing a shortfall of $18 billion over a two-year budget period, did not touch its $6 billion in reserves while proposing deep cuts to preschools and K-12 schools.

Some of the identifiable projected cuts for preK-12 for FY 2012 in 23 states included:

- Arizona -- reduced K-12 education expenditures by $183 million for the coming year, totaling a $530 per-pupil reduction compared to the 2008 pre-recession levels.
- Colorado -- cut K-12 per-pupil expenditures this year by $347 compared to last year.

- Florida -- reduced per-pupil K-12 funding by $542 compared to last year.
- Georgia -- cut, by 15 percent, State and lottery funds for pre-K, which would result in class size increases from 20 to 22 students per teacher and reducing teacher salaries by 10 percent.
- Illinois -- reduced State aid by $152 million which would, among other things, eliminate State funding for AP courses, programs for mentoring teachers and principals, and an initiative which provided targeted research-based instruction to students with learning difficulties.
- Kansas -- cut the basic funding formula for K-12 by $232 per-pupil or six percent below FY 2011 budgeted levels.
- Louisiana -- continued to fund K-12 education below the State funding formula by $215 per-pupil for FY 2012.
- Michigan -- reduced K-12 per-pupil expenditures by $470.
- Nebraska -- cut K-12 school aid by $410 million over two years.
- New Mexico -- reduced K-12 spending by $42 million or 1.7 percent, but spared "classroom spending" from the cuts and redirected such cuts to school libraries and guidance counseling.
- New York -- reduced state aid by $1.3 billion or 6.1 percent.
- North Carolina -- reduced by $500 million from K-12 in each year of the biennium compared to the amount necessary to provide the same level of K-12 education services as in 2011; this included reducing textbook funds by 80 percent, reducing 15 percent for non-instructional staff, and 16 percent for superintendents and other district officials.
- Ohio -- is cutting K-12 education funding by 7.5 percent this year ($400 per-pupil).
- Oklahoma -- is reducing district funding by 4.5 percent and eliminating adult education programs, math labs in middle schools, and stipends for certified teachers.
- Pennsylvania -- cut total State education funding by $851 million (13.5 percent) which included reducing money for "effective" programs such as tutoring and pre-K programs; an overall reduction of $485 per student.
- South Dakota -- reduced K-12 per-pupil expenditures by $416 (8.8 percent) for 2013.
- Texas -- reduced K-12 expenditures to 9.4 percent below the minimum amount required by State law which will result in a 40 percent decrease in the State's pre-K student enrollment.
- Utah -- cut K-12 per-pupil expenditures by $303 (5 percent) compared to last year.
- Washington -- is reducing, by $1 billion, K-12 funds intended to reduce class size, extend learning time, and provide professional development, an overall per-pupil cost reduction of $1,100.
- Wisconsin -- cut K-12 expenditures by $740 million (eight percent) over the next two years which reduces funds for at-risk students, nursing, and alternative education.

The Center also estimates that, as of July, only about $6 billion of ARRA funds were still available to be spent on education, health, and related state and district services during FY 2012. Based on reports we have seen, this amount appears to be low as about $2 to $3 billion remains to be spent from the $10 billion ARRA EdJobs fund alone. While CBPP argues that the $6 billion in stimulus funding in education and other areas covers less than six percent of state budget shortfalls in FY 2012, our estimate is that remaining ARRA funds for districts and health providers is more than six percent but certainly does not extend beyond ten percent; however, as we have noted in several recent reports, in education specifically, virtually all states have received waivers to allow districts to carry over more than 15 percent of the $15 billion in regular Title I funds for last year to this year which should provide a "cushion" for Title I programs. This is one of the major reasons we have recommended that TechMIS subscribers seriously consider targeting Title I programs, along with related programs that still have unspent ARRA funds (such as School Improvement Grants), over the next year.

For a copy of the CBPP report go to: http://www.cbpp.org/files/7-26-11sfp.pdf

## Although Some Observers Feel that IDEA Special Education Federal Funding Will Likely Weather the Proposed Debt Ceiling Agreement Cuts Next Year, Others Suggest that Many School Districts Will Reduce Local Expenditures for Special Education Programs; in Some States and Districts, this Could Result in IDEA Funds Being Reduced Due to Failure to Meet Maintenance of Effort (MOE) Requirements

In a recent interview with Education Daily reporter Mark Sherman, Joel Packer, Executive Director of the Committee for Education Funding, who for many years served ably as chief lobbyist for the National Education Association (NEA), said that the recently passed Budget Control Act which includes the debt ceiling agreement (setting budget caps and automatic across-the-board cuts if caps are exceeded) will not have, at least initially, an impact on IDEA funding. In the August 17th Education Daily article, Packer gives two reasons. One is that most of the impact on discretionary funding levels would occur in the "out years" with only $7 billion of the $840 billion in cuts over ten years occurring in FY 2012. The second reason he offered was the wide support in Congress for IDEA funding, particularly in the person of Chairman John Kline (R-MN) who chairs the Education and Workforce Committee. Another key supporter is Chairman of the Senate HELP Committee, Tom Harkin, who recently reintroduced his IDEA "full funding" bill. While Packer said chances of a boost in special education spending is "extremely slim," he observed, "I would be surprised if IDEA is cut." However, he agreed that, if the 12-member Congressional "supercommittee" passes an

FY 2012 budget exceeding caps and across-the-board cuts are made, then IDEA would be subject to the same proportional cuts as other programs. In the same article, Jack Jennings, President of the Center on Education Policy (CEP), argued, "It will be almost impossible for that committee to reach agreement and so the automatic cuts go into effect." Packer, however, noted that cuts would not go into effect until January 2, 2013 which could give Congress time to change its mind, perhaps in a lame-duck session.

While the "supercommittee" has yet to officially begin its work under the Budget Control Act, some observers, such as IDEA Money Watch which monitors special education expenditures, indicate that the amount of money spent on special education at the district level may be reduced from the levels provided with local funds in 2008, before the availability of $11 billion in IDEA ARRA funds. As we have reported over the last two years, under Section 613, districts were allowed the option of using up to 50 percent of their increase in IDEA funding, including the ARRA portion, to free up local funds being used to pay for special education programs. Studies conducted by GAO and the Center on Education Policy reported that between 30 and 40 percent of districts across the country took advantage of this option and, due to state and local funding constraints, many districts might not allocate enough local funds to the level spent in 2008. As we have previously reported, states and districts failing to meet MOE requirements could have their IDEA funds reduced this year. EdMoney.org has compiled a database comparing how much districts reduced local spending because of Section 613 between 2008 and 2009 (go to www.edmoney.org/blog/2011/jul/18/reducing-amount-money-spent-special-ed).

Another potential loss of funding in some states could occur as a result of states cutting back on state funding for special education programs to a level that violates the IDEA "maintenance of effort" (MOE) requirement. A number of states have requested waivers from USED which would exempt them from having to meet IDEA MOE requirements. As Title I -derland noted (July 21st), "ED has already threatened to cut $4 million from Iowa's IDEA allocation and a whopping $111 from South Carolina's, amounts equivalent to recent state cuts in special education that the department believes were unjustified." While USED has published rules allowing states to count a portion of the EdJobs $10 billion as a state funding contribution to special education programs, it remains unclear whether Secretary Duncan's proposed regulatory relief through state waivers (Plan B) would allow SEAs to request waiver relief from MOE in IDEA programs. Thus far, it appears that all of Plan B's regulatory relief through waivers approaches relate to NCLB and not the separate IDEA statutes. The bottom line appears to be combined Federal, state, and local funding for special education programs in districts in some states could be reduced over the next year.

## New USED Website "You for Youth" Includes a Searchable Database of Every State's 21st Century Community Learning Center Projects

During the recent 21st Century Community Learning Centers Annual Conference, USED announced the availability of "You


256 North Washington Street, Falls Church, VA 22046
703/536-2310, fax 703/536-3225, cblaschke@edturnkey.com

for Youth" which can help interested parties conduct searches of 3,300 active 21st CCLC grants that fund 8,900 centers serving 1.5 million students. For each individual grant, information is provided on after-school providers (both districts and third-party partners), grade levels served, and responsible individuals. In the near future, according to the *Beyond School* blog on Education Week.org (August 3rd), the site will also include discussion forums to facilitate information exchange, collaboration on ideas, and chances for professional development and networking. The site also has videos on certain topics, such as project-based learning, school day alignment, and STEM, and includes coaching modules with step-by-step instructions for implementing different program curricula.

This website could be a very important information source if Secretary Duncan allows states to request waivers to allow some of the Title I set-asides, such as the 20 percent for SES and parent choice, to be used -- at the district's option -- for after-school or extended learning initiatives. As we discussed in our July 7th TechMIS Special Report, during the last part of the Bush Administration, then Secretary Spellings attempted to provide greater flexibility by allowing districts which operated their own SES programs to use such funds for after-school programs such as those funded by 21st Century Community Learning Centers. One of the first states to request a formal waiver, Tennessee, would use waivers to provide such an option. During the second week in August, Secretary Duncan met with Tennessee's Governor Bill Haslam and the new State Superintendent Kevin Huffman, who discussed, among other things, the State's waiver request. After the meeting, Secretary Duncan called Tennessee's approach to reform "very courageous."

Additional contact information for 21st CCLC grantees, along with names and contact information is available from MCH with whom we have been working. MCH has developed contact information in districts and schools receiving different types of Federal funding, including 21st Century Community Learning Center grants. Contact Joan Whitney (800-776-6373).

## Miscellaneous

a) On August 12th, USED sent a letter to Chief State School Officers which allow states to apply for waivers to allow more time for schools receiving SIG funds to meet the final SIG requirement in the "transformation" model to implement "rigorous, transparent, and equitable evaluation systems for teachers and principals." Based on comments from states and districts having difficulties in implementing such evaluation systems -- which must take into account data on student academic growth as a significant factor as well as other factors -- the waiver in approved states would extend the timelines for implementing such systems for SIG schools using the transformation model in 2010-2011 school year, as well as those in the second cohort beginning full implementation in 2011-12 school year. At a minimum, states receiving waiver approval for schools receiving SIG grants to implement the transformation model would have to "pilot" them for all teachers and principals no later than

2012-13. To receive approval, states must provide, among other things, an assurance " that it will develop criteria to evaluate whether an LEA has demonstrated a sufficient level of commitment to, and progress in, implementing principal and teacher evaluation systems for its cohort 1 or cohort 2 schools to justify the receipt of a timeline waiver and to evaluate whether, if an extension is granted, the LEA's affected schools will be able to meet the timelines described above for developing and implementing the evaluation systems."

Several possible opportunities could be created for TechMIS subscribers who partner with SIG schools in implementing the transformation model. The USED letter states that within 30 days of receiving its waiver, the state must develop a technical assistance and support plan and provide LEAs with assistance they need in meeting evaluation system requirements. Firms that offer applications, tools, and/or services directly related to principal and teacher evaluation systems should explore such opportunities with SEAs to assist in providing such "technical assistance" to LEAs/schools. In addition, because meeting the teacher and principal evaluation requirements in many states with statewide collective bargaining agreements creates problems for implementing requirements, such timeline extensions could free-up LEA and school time and energy devoted to this problem, thus allowing implementation of other requirements such as comprehensive instructional programs, including response-to-intervention approaches, and directly related professional development.

USED officials have stressed that the waivers are not "blanket waivers" and USED may not approve waiver requests for schools that have not been making a "good-faith effort" to develop such systems, as reported in *Politics K-12* (August 24th). According to the blog, only Utah has applied for a waiver by the suggested due date of August 26th, although USED officials expect that other applications will be forthcoming. As the *Politics K-12* blog notes, this waiver initiative could provide "wiggle room" on SIG because of "unrealistic" expectations. But it could also be argued "that the department is seriously (if temporarily) watering down the most widely used of the SIG models" [the transformation model which over 70 percent of the 835 Tier I and II SIG schools are using].

Over the last year, USED has also unofficially provided greater flexibility in a number of SIG requirements for rural districts such as replacing principals and teachers. Perhaps additional flexibility will be provided to allow states to implement their own "versions" of transformation models, especially in Tier I and II schools receiving SIG grants which have yet to make progress.

b) The Federal K-12 education budget picture for the next few years remains unclear even though most observers expect some funding reductions. This is why increased flexibility in the use of existing Title I and other Federal funds through state waiver regulatory relief is even more important than in the past.

However, such flexibility must be provided within bounds so that such Federal funds are not used to retain unnecessary staff or otherwise "grease the political, squeaky wheel at the district/school level."

One important factor is which of the two budget "limits" recently passed affecting non-security discretionary funding will be used. Under the recently-passed August 1 debt ceiling agreement, there is a $1.043 trillion cap on total 2012 spending -- $7 billion below the 2011 levels. Referring to a recent Roll Call article, Jennifer Cohen, blogger for New American Foundation, in her August 15th posting reported, "But now the House Budget Committee is claiming that it will still be held to the House-passed budget resolution spending limit of $1.019 trillion, unless the House votes to replace that limit with the higher limit defined in the debt ceiling agreement." Cohen further notes, "Given the unpopularity of the debt ceiling agreement with House Republicans, it seems unlikely that the House will so easily accept the $1.043 trillion limit. But keeping the $1.019 trillion limit would mean even more drastic cuts to discretionary spending…."

A short-term uncertainty is how the so-called Super Congressional Committee of 12 recently appointed members will spread the $7 billion overall cut from current levels among non-security oriented discretionary funding across the various agencies, including K-12 education. Another uncertainty is whether the majority of the 12-member Super Committee can reach agreement on $1.5 trillion in cuts over the next ten years among the different agencies; and if it cannot, what will be the impact of "sequestration" on the Federal education budget. According to Education Week (August 9th), the Committee for Education Funding (CEF) estimates those automatic cuts would be 6 to 7 percent in most agencies, which would translate into about $3 billion annually for USED. After the debt ceiling agreement was reached, President Obama said, "The result would be the lowest level of annual domestic spending since Dwight Eisenhower was President -- but at a level that still allows us to make job-creating investments in things like education and research."

Still another uncertainty revolves around the situation with Pell Grants which, under the debt ceiling agreement, would receive an additional $17 billion in FY 2012 and FY 2013. As Cohen notes, such an increase in Pell Grants will "likely put pressure on the rest of the U.S. Department of Education's budget….Other U.S. Department of Education programs could be at risk as well -- especially less popular programs like Race to the Top and School Improvement Grants."

And last, even if the House agrees on the lower $1.019 trillion spending limit, the Senate is likely to support the higher limit of $1.043 trillion. This is likely to result in more uncertainty as a series of continuing resolutions can be expected to become the basis for continuing Government operations, as happened with the FY 2011 budget.

c) In our June TechMIS Washington Update, we provided highlights of the


**256 North Washington Street, Falls Church, VA 22046**
**703/536-2310, fax 703/536-3225, cblaschke@edturnkey.com**

draft priorities published for comment on the Race to the Top Early Learning Challenge grants. Evidently, USED took into account some of the comments and made some changes which, several very knowledgeable observers have noted, could have an impact on which states are finally selected to receive grants of between $50 million and $100 million beginning in December.

Anne Hyslop in the Education Sector blog *The Quick and the Ed* and Maggie Severns in *Early Ed Watch*, agree with one of the changes which Jacqueline Jones, who directs the initiative, indicated in the press conference on release of final application that greater flexibility would be provided for states. As Hyslop noted (August 25th), "A reorganization of the selection criteria into 'core areas' and 'focused investment areas,' with flexibility for states to determine which of the criteria within the focused investment areas they would like to address in their grant" could allow some states to "turn to some crafty strategies in choosing which criteria to address, hoping to maximize their application's points, since there is no advantage given to states that address all criteria." Severns observes that this is "particularly important for states with smaller or younger early learning programs that may have been overreaching had they tried to address every part of the draft regulation." She also notes that there is a de-emphasis on comprehensive assessment systems which is now only a competitive priority providing ten additional points and no longer an absolute priority as in the draft application.

In her *Politics K-12* blog, Michele McNeil further argues that, of the five general criteria which amount to 300 points, developing a public rating system appears to be the most important worth 75 points. Hyslop agrees that selection criteria related to Quality Rating and Improvement Systems is important, but that QRIS addresses workforce quality issues and that this series of Race to the Top grants "can do a lot to tackle the workforce problem in early learning." Statewide high-quality workforce standards for early childhood educators and how they are awarded credentials by itself is worth 40 points she argues, as she was a key player in developing the Virginia system. The bottom line is that, unlike the initial two rounds of Race to the Top, states' track records appear to be less important; as Secretary Duncan during the news conference emphasized that the "bar will be absolutely high."

In their proposals, states must address both priorities and selection criteria. In *Early Ed Watch*, Severns distinguishes between the two, "States will have to pay attention to 'Priorities,' which are broad interest areas of Ed and HHS that states don't need to write about in specific sections but must speak to in general throughout the application. Then there are 'Selection Criteria,' the nuts and bolts of the application, where states lay out their plans for what they would do with their Early Learning Challenge funds. The Selection Criteria are more concrete, but they still speak to broad policy agendas held by the Department of Education and Health and Human Services." The bottom line question is, if states with a track record do not have a large edge and if one does not know what priorities and criteria a state will propose to address with a quality approach, how does one identify states with whom to partner in the proposal development process?

*Early EdWatch* has taken one step by rating states according to its knowledge about the criteria and priorities, and particularly the commitment which states have demonstrated. As Laura Bornfreund of the Early Education Initiative at the New America Foundation wrote on August 26, "We determined the top, possible, and unlikely contenders based on information related to the two 'core areas' that the Department of Education and Department of Health and Human Services published in the program's application guidelines: the ability of states to create successful systems and the ability of states to develop and promote high-quality accountable programs." According to the New America Foundation, the top contenders for the RTT-ELC grants are: Colorado, Iowa, Louisiana, Maryland, New Mexico, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, and Vermont.

The database compiled by the Early Education Initiative rates all 50 states and D.C. in nine areas. It could provide very useful information for firms with very specific products and services addressing one or more of the nine areas. For example, one of the areas is Statewide Kindergarten Entry Assessments where states are rated in four areas include:

- monitors percentage of school-ready students;
- uses assessment to inform instruction;
- includes multiple domains;
- uses common statewide kindergarten entry assessment.

The category of State Opportunities for Practitioners to Improve and Advance includes, among other specific criteria, whether the state defines core competencies for professionals or offers professional development incentive bonuses for practitioners. Yet another category relates to each state's rating on investments in early learning birth to age five.

The database can be accessed at: http://newamerica.net/

d) The ACT annual "The Condition of College- and Career-Readiness: 2011" reports that the percentage of students meeting all four of the ACT College Readiness Benchmarks increased at least one percentage point over the last year and four percentage points since 2006. Jon Erickson, the ACT's Senior Vice President for Educational Services emphasized in Education Week (August 17th), "It's a great sign, especially as the population [of ACT test-takers] gets more diverse and larger." The percentage of graduating students in 2011 taking the ACT has increased from 42 percent in 2007 to 49 percent in 2011, totaling over 1.6 million students. While ACT reported that 25 percent of ACT-tested 2011 high school graduates met or surpassed all four of the ACT College Readiness Benchmarks, up from 24 percent last year, it also found that a combined total of 43 percent met either none (28 percent) or only one (15 percent) of the four ACT College Readiness Benchmarks.

Average ACT composite test score gaps have changed little over the last year, with the White/Black student gap at 5.4 points and the White/Hispanic student gap at 3.7 over the last two years. The percentage of Black students meeting ACT College Readiness Benchmarks remained at four percent, and for Hispanic students it remained at 11 percent. The percent of graduates ready to succeed in college coursework is lowest in math and science, although some improvement has occurred in these two areas over the last few years. Erickson attributed such improvement to a national focus on STEM subject areas, noting that students who take three years of math, for instance, are nearly six times more likely to meet the math College Readiness Benchmark compared to those that do not. As reported in Education Week, only a third of students who took three years of science met the science benchmark. Erickson noted that, in California and New York, the number of ACT-takers has risen 60 percent and 38 percent, respectively and that eight states (Colorado, Illinois, Kentucky, Michigan, North Dakota, Tennessee, Texas, and Wyoming) now pay for juniors to take the ACT exam.

In the section of the ACT annual report on policies and practices to increase readiness, ACT urges expanded use of aligned standards "coupled with a core curriculum" to prepare high school students adequately, arguing, "…that is taking the right *kinds* of courses matters more than taking the right *number* of courses. Students who take a rigorous core curriculum should be ready for credit-bearing first-year college courses without remediation." Moreover, it notes, "If students are to be ready for college or career when they graduate, their progress must be monitored closely so that deficiencies in foundational skills can be identified and remediated early, in upper elementary and middle school."

For a copy of the report go to: http://www.act.org/research/policymakers/cccr11/index.html

e) The most recent Phi Delta Kappa/Gallup Poll has found that the percentage of the public which feels that schools in their community should invest more in computer technology for instructional purposes remains high at 74 percent; however, it has declined from 82 percent in 2000. This suggests waning public support for greater investments in instructional technology which could paint a gloomy picture for recent proposals such as the ATTAIN Bill that would replace Federal Title IVd $E^2T^2$ grants to states. Compared to PDK Gallup Polls in 1996, 91 percent of the public still considers it "very" or "somewhat important" for the Federal government or states provide all students access to the Internet in schools. In addition, 95 percent feel it is important that all students have access to computer technology and 91 percent feel that access to computer technology is important to ensure student academic success.

Other technology-related findings include:

- 51 percent believe all high school students should have their own computer to use at school; 49 percent did not.
- While 64 percent fell that electronic books should be available for students in high schools, only 28 percent feel they should be available in elementary schools.
- The most important single reason for students using computer technology in high schools is felt to be preparing them for college or careers; 62 percent believe the primary reason would be to increase classes in smaller/rural schools.

The public support and views on online learning are noteworthy in light of increased Federal and state support in this area and the dramatic growth in the use of online instruction over the last several years. Half of respondents believe the use of a less effective teacher in person would be better than having students receive instruction from a more effective teacher providing online instruction (46 percent). Nationally, 40 percent favor having high school students attend school for fewer hours each week if they are using computer technology to learn, compared to 59 percent who oppose it. As the PDK Gallup report concludes, "The jury is still out on American's acceptance of Internet-based instruction in the public schools."

The report on PDIC/Gallup poll is available at: www.pdkintL.org/poll/index.htm

f) The Federal Communications Commission (FCC), in its recent order DA11-1354, has directed USAC to begin making funding commitments for FY 2010 Priority 2 services at the 80 percent discount level, using more than $850 million of unused funds from last year to this year. This is about a third of the total amount available for E-Rate discounts on an annual basis. As the August 23rd press release states, "…no special action is required on the part of FY 2010 applicants for Priority 2 requests at 79% and below that have already been denied. However, these applicants should be sure to monitor the preferred mode of contact they indicated on their Forms 471 and respond promptly to PIA requests for information." It is conceivable that some of these funds could be used to reimburse districts, through the BEAR process, for previous denials that were appealed and recently found to be meritorious, in which case such refunds could be used to purchase non-eligible E-Rate items such as instructional software and professional development.

In a related story, the U.S. Department of Agriculture recently announced that 16 states will receive a total of $103 million in Federal funding to help expand broadband Internet in rural areas which do not have access to high-speed service. The states are: Alabama, Arkansas, California, Illinois, Kentucky, Louisiana, Missouri, Nebraska, Nevada, Ohio, Oklahoma, Texas, Virginia, West Virginia, Wisconsin, and Wyoming. According to the Department's press release, about 28 percent of rural America, or 19 million people, lack access to the Internet with speeds of three megabits per second or faster compared to only three percent in non-rural areas. About $90 million of the funding is in the form of infrastructure loans; about $13 million is through the USDA Community Connect program which provides grants. These funds can be used to build, buy, or lease facilities to bring broadband access to community facilities, such as schools and government offices.

g) A new Issue Brief from the National Governors Association's Center for Best Practices recommends that states facilitate the reengagement of out-of-school youth by providing flexible, high-quality school options for recovered dropouts, among other initiatives.

According to the Brief, more than one million youth, ages 16-19, are not enrolled in school and do not have a high school diploma, with an additional 390,000 youth dropping out of school each year. One of the actions states can undertake is to increase flexible, high-quality school options for recovered dropouts. The report refers to recent surveys which found that 50 percent of dropouts left school because they were bored and disengaged and, while nearly all states have created alternative high schools, the quality of these alternative options is questionable; moreover, over half the states still measure Carnegie units which link credit attainment to seat time. It concludes, "School structure is the greatest barrier standing in the way of schools and districts recovering out-of-school youth. Students who are behind academically need ways to regain credit quickly." One positive act would be to increase the quality of alternative schools to provide "structural flexibility" through alternative schools that offer support through technology.

The brief cites a number of exemplary models including:

- Oklahoma which evaluates alternative schools against 17 criteria which has resulted in fewer absences, higher grades, and fewer discipline referrals.
- Ohio's Credit Flex Program which allows students to earn credit by completing traditional coursework, demonstrating mastery of course content, or pursuing one or more options including distance learning.
- Texas which allows districts to provide optional flexible school days that accommodate re-enrollees' work schedules.
- Florida Virtual School in which 20 percent of its 200,000 course completions are from students seeking to recover credits.
- Georgia which has created virtual modularized coursework aligned to State standards.

Over the last three years, surveys conducted by or for the International Council for Online Learning have reported that credit recovery is the fastest growing use of distance learning across school districts nationwide. It has also been the strongest national advocate for the use of mastery or competency-based learning and the reduction of seat time requirements imposed by states on districts.

For a copy of the brief go to: http://www.nga.org/files/live/sites/NGA/files/pdf/1107REENGAGEDROPOUTS.PDF


**256 North Washington Street, Falls Church, VA 22046**
**703/536-2310, fax 703/536-3225, cblaschke@edturnkey.com**

# Alabama Update
## August 2011

The *State EdWatch* blog on EducationWeek.org notes that former Alabama Republican Governor Bob Riley has become a lobbyist focusing on education and economic development. Among Riley's clients is EADS North America, a defense and aerospace contractor who also hired former Louisiana State school superintendent, Paul Pastorek, as chief counsel.

There has apparently been no decrease in the number of Hispanic students enrolling in school this year despite Alabama's crackdown on illegal immigrants. Education Week notes that critics of the new immigration law have argued that many Spanish-speaking students would not enroll. Alabama went even further than other states (i.e., Arizona, Georgia) by requiring public schools to determine the immigration status of students and parents. About 4.5 percent of Alabama's public K-12 students last year were Hispanic.

# Arizona Update
## August 2011

The Arizona Republic reports that Arizona has a new diploma system -- known as the *Move On When Ready* Initiative -- by which 14 schools offer a more-intense curriculum and allow students who pass mastery exams to move on to community college after two years. And students looking to four-year universities can use their last two years of high school to take more advanced classes. Some district officials question the cost of training teachers in the new curriculum and the need for another high-stakes test. Schools participating in the initiative are using the Cambridge International or the ACT Quality Core board exams. A total of 21 American schools have agreed to start *Move on When Ready,* 17 of them in Arizona (the others are in Connecticut, Kentucky, and Mississippi). Supporters hope to replicate the program nationwide.

# California Update
## August 2011

Surveys by a number of independent organizations -- including the National Association of State Budget Officers and the Center on Budget Policies and Priorities -- indicate significant cuts in spending by local school districts. In California, many districts have cut spending for adult education, libraries, textbooks, arts/music, gifted students, high school counselors, and tutoring for low-performing students, according to an article in the Los Angeles Times. The University of California will raise its tuition by more than $1,800 this year. And Cal State University tuition will rise by nearly $300.

The Sacramento Bee reports that California is being required to return $6 million in Federal grant money that was to be used to develop the State's longitudinal data system known as CALTIDES -- the California Longitudinal Teacher Integrated Data Education System. The $34 million CALTIDES project was approved in 2006 with an expected rollout in 2011-12, but has been fraught with technical problems that resulted in funding vetoes by then-Governor Arnold Schwarzenegger and, in July, by now-Governor Jerry Brown. State officials had requested that the Federal money be used for other State data projects but were denied.

As reported in the Los Angeles Times, for the first time, California has begun tracking the State's eighth-grade dropout rate. The data indicate that more than 17,000 eighth-graders -- 3.5 percent -- did not return for ninth-grade. Statewide, the four-year high school graduation rate was 74.4 percent, with 18.2 percent dropping out; the remainder were still in school (7.1 percent) or left by taking the GED (0.4 percent). There are still significant graduation rate differences among ethnic groups: Whites -- 83.4%; Latinos -- 68%; African-Americans -- 59%, and English language learners -- 56%. Moreover, there are large differences among the graduation rates depending on who is reporting them. For example, the Los Angeles school district estimated its graduation rate for the four-year period to be 55 percent. While the State puts the rate at 64.2 percent and the National Center for Education Statistics says Los Angeles has a 70.4 percent graduation rate.

CaliforniaWatch.org reports that the State is at risk of losing millions of dollars in Federal stimulus money because the funds might not be spent by this year's deadlines. Among the unspent funds are:

- $2.7 million in education technology stimulus unspent by 182 school districts and county education offices;
- $2.4 million in Title I stimulus grants unspent by at least 20 school districts and counties; and
- $688,000 in IDEA stimulus money unspent at two districts.

Much of the problem has been at the State level where continued debate has delayed the allocation of the stimulus funds to districts. For example, $71 million in technology stimulus funds have only recently been released by the State with districts scrambling to spend the money by the December 31, 2011 deadline.

Data from the California Department of Education indicate that, Statewide, 54 percent of California students scored "proficient" or better in English-language arts this year -- up from 52 percent the previous year. Fifty percent of students scored at "proficient" in math compared with 48 percent last year. According to the Los Angeles Times, these are the highest scores since testing began in 2003. Significant gaps among ethnic groups continue however. In English, 76 percent of Asian students and 71 percent of white students were proficient compared with 42 percent of Latinos and 41 percent of African-Americans. Math scores show 76 percent of Asians and 61 percent of whites to be proficient versus 41 percent for Latinos and 34 percent for African Americans.

As reported in Education Week, California has, like many other states, requested from the U.S. Department of Education a waiver from many provisions of the No Child Left Behind Act. Under existing Federal rules, nearly 80 percent of California Title I schools will be subject to sanctions during the upcoming school year. California's waiver request has gone beyond those of other states by objecting, in advance, to Federal conditions that are likely to be attached to any waiver, thus raising legal issues. Prominent among these conditions is the Obama Administration's stated requirement that individual teacher evaluations be linked to student standardized test scores. State officials have said that such requirements would force states "to make commitments beyond NCLB with no commensurate funding to provide state capacity to implement such requirements."

The San Jose Mercury News notes that some California school districts may be forced to shorten the school year by one or more weeks because of budget shortfalls. If the State's tax revenues do not improve by December, there could be automatic budget cuts which could mean districts would have to negotiate with teachers unions for a shortened school year. Teachers and students would have less time to master subjects and parents could have to fund daycare services next May.

The Santa Cruz Sentinel reports that California education officials have rolled out "A Blueprint for Great Schools," a plan for overhauling the State's public school system. Among the key elements of the 31-page report -- developed by a commission of educators, parents, business, labor, and community leaders -- are:

- connecting children to the online world in the classroom and at home;
- strengthening systems for teacher and principal evaluation and professional development;
- providing for the "whole child," including health, nutrition, and education, from birth; and
- ensuring students are proficient in reading by the third grade.

The Sacramento Bee reports that California was scheduled to receive $51.6 million this year from the Federal Charter Schools Program. In August, however, the State was informed it would receive only $40.1 million in large part because State rules governing renewing charter schools do not sufficiently emphasize student academic achievement. The State's remaining $40.1 million will also be at risk if the rules are not changed to meet the program's conditions.

Historically, the Federal grant funds about 60 charter schools in California.  State officials say there are 39 charter schools awaiting the funding.

The California Charter School Association has received $15 million grant from the Walton Family Foundation intended to increase Statewide charter school enrollment by 100,000 students -- 20,000 in Los Angeles alone.  The Los Angeles school district currently has 183 charter schools, according to the Los Angeles Times.  The three-year Walton grant would mean, if targets are met, that 110,000 LA students (18 percent of the district's enrollment) would attend charter schools.  The increase in charter school enrollment is expected to continue despite reduced education funding and political pressure from teachers unions.  The Walton Foundation has, over the past two years, contributed $2 million to the Los Angeles district toward developing an evaluation system for schools and teachers that includes student performance on standardized tests.

An analysis by the Los Angeles Times indicates that regular district schools in Los Angeles outperformed four reform efforts operated by outside organizations.  The table below summarizes the results for district-run high schools compared with those of the reform schools.

PERCENTAGE POINT IMPROVEMENT

| SCHOOL/OPERATOR | READING | MATH |
|---|---|---|
| District-operated (bottom 20%) | 7.8 | 6.3 |
| Crenshaw/L.A. Urban League | -2.0 | .3 |
| Locke/Green Dot | 5.1 | 5.7 |
| Manual Arts/L.A.'s Promise | 4.6 | 3.4 |
| Multiple/Mayor Villaraigosa | 5.7 | 1.5 |

Overall, the percentage of students in low-performing district-operated high schools increased by 116 percent since 2008 compared with only 57 percent, for example, in the Mayor's two high schools.


**256 North Washington Street, Falls Church, VA 22046**
**703/536-2310, fax 703/536-3225, cblaschke@edturnkey.com**

# Colorado Update
## August 2011

The Denver Post reports on a current initiative in Colorado to place on the November ballot increases in the State income tax and sales tax -- for five years -- with most of the money raised going to education. The article says the State has cut K-12 education spending by more than $500 million over the past several years. The tax initiative would, in its first full year, raise an estimated $536 million for K-12 and higher education and about $3 billion over the five year period. The initiative is supported by the Colorado Association of School Boards and the Colorado Association of School Executives, but the State's largest teachers union, the Colorado Education Association, has been noncommittal with regard to the initiative.

EdNewsColorado.org reports that Colorado plans to apply to the U.S. Department of Education for a waiver from some of the testing requirements of the Federal No Child Left Behind Act. State officials say the waiver procedure will allow Colorado school districts to report under only one accountability system. One legislator expressed concern that use of an NCLB waiver would eliminate the provision that requires districts to provide tutoring for students at struggling schools; he was assured by State officials that the provision would be retained under a waiver.

A Denver district court has ruled that the Douglas County voucher pilot program "violates both financial and religious provisions" of the Colorado Constitution. According to Education Week, the legal challenge was raised by some district parents and organizations such as the American Civil Liberties Union. The Douglas County pilot program would have used public money to support 500 students in private schools this Fall; these students will likely have to enroll in public schools. Approximately $300,000 in voucher payments have already gone out to private schools; this money may have to be returned to the district.


**256 North Washington Street, Falls Church, VA 22046**
**703/536-2310, fax 703/536-3225, cblaschke@edturnkey.com**

# Florida Update
## August 2011

The Orland Sentinel has summarized a number of important changes in Florida's education system this year:

- State school funding has been cut by nearly eight percent -- $542 per student.
- Teachers will be evaluated under a new system that takes into account, not only FCAT scores, but other factors as well.
- Class size limits will be relaxed with the increases most noticeable in high school foreign language and advanced courses.
- Entering ninth-graders will have to take at least one online course before graduation.
- The Florida Virtual School will expand its offerings to elementary students.
- More FCAT and end-of-course exams will be taken on computer.
- The McKay scholarship (voucher) program will be available to many more students.

Despite a nearly $4 billion budget deficit, Florida has largely maintained its spending for instructional materials, according to the Association of American Publishers. Most of the State's education programs saw cuts of seven percent to 35 percent in 2011; funds for instructional materials "received only a slight reduction." A total of $209 million in State funds will be used to purchase materials for the 2011-12 school year.

Surveys by a number of independent organizations -- including the National Association of State Budget Officers and the Center on Budget Policies and Priorities -- indicate significant cuts in spending by local school districts. In Florida, State funds have been cut for a program that has allowed 15,000 young children to attend a school-readiness program for low-income families. College tuition has also been raised by 15 percent for the fourth straight year.

Also according to the Orlando Sentinel, Florida has identified 159 "failing" schools Statewide -- up from only 24 schools last year. Under the State's expanded Opportunity Scholarship law, students are allowed to transfer out of struggling schools. Students in the 159 schools -- which posted low scores on the Florida Comprehensive Assessment Test -- can transfer to higher-performing schools anywhere in the State that will accept them.

In an effort to save money and force college students to finish their studies as soon as possible, Florida universities have decided to double tuition fees for students who take more classes than needed for graduation. As reported in the Orlando Sentinel, starting this academic year, students will pay an "excess hour" fee for all courses they take after they complete 115 percent of the number of hours needed to earn an undergraduate degree. Students most likely to be affected are those who change majors and those who transfer from community colleges with no declared major. Some educators are concerned that the new policy will discourage students from exploring different career paths.

Starting with this year's entering high school freshmen, all Florida students must take at least one online class in order to graduate under a new State law. According to The Miami Herald, the State spends 23 percent less on a student in a virtual school than on a traditional student. Critics of the new graduation requirements argue that many families do not have home access to a computer or the Internet.

Former Florida education commissioner, John Winn, has criticized the State's education system saying that student scores drop significantly as they move from elementary to middle and high school grades. According to Education Week, Winn cited ACT scores which showed only 17 percent of Florida high school graduates this year were college-ready. Yet, 71 percent of the State's high schools received an A or B on the State's accountability scale, with only 14 percent getting a D or F.

# Georgia Update
## August 2011

Like many states, Georgia plans to apply to the U.S. Department of Education for a waiver from the testing requirements of the No Child Left Behind Act. According to The Augusta Chronicle, the State wants to add a number of success measures, beyond standardized test scores, to the formula used to determine a school's performance. Among the new measures are expected to be:

- scores on (ACT and SAT) college entrance exams;
- performance on Advanced Placement and International Baccalaureate tests;
- success in career tech classes;
- student performance in dual enrollment classes; and
- scores on end-of-course exams.

The Augusta Chronicle reports that Georgia will allocate $19 million out of the State's $400 million award under the Federal Race to the Top competition for grants aimed at improving the State's math and science education. Among the grantees selected thus far are:

- Charles R. Drew Charter School (Atlanta) which will get $1 million to partner with Georgia State University and Georgia Tech to establish a school focused on science, math, technology, and the arts;
- Teach for Georgia which will receive $1 million to recruit Georgia Tech students majoring in STEM subjects to teach in rural Georgia districts;
- The Knowledge is Power Program (KIPP) charter school teacher fellowship will get $1 million to train Georgia State and Mercer University education graduates to teach in metro Atlanta schools; and
- Three school districts (White, Hall, and Lumpkin Counties) will receive a $50,000 planning grant to create a STEM charter school in partnership with North Georgia College & State University.

As reported in the Gwinnett Daily Post, the Gwinnett County school district is planning to test, in six of its schools, the concept of a "digital content cloud" in place of textbooks, beginning this Fall. Over the next three to five years, the district plans to incorporate eCLASS (Content, Learning, Assessment, and Support System) into its instruction of math, science, and foreign languages. District officials say that eCLASS can lower materials costs (textbooks traditionally cost $25-30 million each year) and tracks student progress.

# Hawaii Update
## August 2011

This year, Hawaii will begin implementing the Common Core State Standards with all grades moving to the new standards by 2014. According to the Honolulu Star Advertiser, the roll-out will begin in the upcoming school year with reading and math for grades K-2, Algebra 2, and language arts for grades 11 and 12. The new language arts standards will contain a greater focus on nonfiction texts and writing. The State will not be purchasing new textbooks for the Common Core Standards, at least next year, but instead has asked teachers to use existing materials or materials from online sources.

# Idaho Update
## August 2011

According to the Idaho Statesman, Idaho public schools lost $128 million in State funding last year and $69 million the year before that. And they were expected to lose another $47 million this year. However, improved revenues have yielded an unexpected $60 billion budget surplus which will be largely allocated to local school districts. Meridian, the State's largest district (whose voters recently rejected an $18.5 million, two-year supplemental levy) will get more than $7 million from the State. The district's budget plan -- before the additional money -- called for cuts of 80 positions, elimination of seven days from the school calendar, and using all of the district's reserves. The district has not yet determined how it will use the surplus funds.

According to the Idaho Statesman, the Idaho land endowment has approved the allocation of $31 million next year for the State's public schools -- an amount similar to withdrawals in past year. Last year, however, the land board distributed an additional, one-time enrollment of $22 million to offset cuts in the State's education funding. State superintendent Tom Luna, who sits on the land board, has consistently argued for larger distributions for public education. The money will become part of the budget requests presented to the State legislature during the 2012 session.

According to The Spokesman-Review (Spokane), the Idaho legislature has appropriated $963,500 for a Statewide contract with the College Board that will allow all high school juniors to take the SAT at no cost. The contract includes a number of test-prep materials. Beginning with the Class of 2013, completion of a college-entrance exam will be a graduation requirement. Students can take other college-entrance exams at their own expense.

The Spokesman-Review also says that the State's plan to require all highs school students to take at least two online courses before graduation is the subject of seven public hearings across the State, beginning in August. If the proposal is approved, it will become effective with the Class of 2016.

Idaho has been granted a waiver by USED through a change in its "state accountability plan"; the state will not have to increase its Annual Measurable Objective (AMO) trajectory for 100 percent proficiency by 2014.

# Illinois Update
## August 2011

Illinois Governor Pat Quinn has vetoed $11 million in State funding in FY 2012 intended for the State's 44 regional superintendents, expecting local school districts to provide the money. According to EdMoneyWatch.com, districts have not come up with the funds so the regional superintendents have been working without pay since July 1. Regional superintendents are responsible for approving new school facilities and new teachers' certifications. The State legislature is not scheduled to return to session until late October and, therefore, cannot reinsert the superintendents' money into the budget until then.

On the first of August, Governor Quinn signed into law the Illinois DREAM Act which provides students who qualify for assistance with help toward college tuition. The new law establishes a privately-financed fund that will offer scholarships to undocumented immigrant students. It does not relate to the proposed Federal DREAM legislation.

# Indiana Update
## August 2011

Indiana's embattled voucher program, which allows participation by middle-income families, has been accepting applicants despite ongoing legal challenges.  In mid-August, a court ruled against a group of teachers (supported by the Indiana State Teachers Association) who asked for a preliminary injunction against the program because they say it violates the State constitution. According to the *State EdWatch* blog on EducationWeek.org, 2,800 students have been accepted into the voucher program for the coming school year.  Approximately 83 percent of the applicants have been low-income families.

The Indianapolis school district has, this Summer, undertaken an ambitious campaign to "reclaim" students who have dropped out of school.  With a goal of 100 reclaimed students, the district has, as of mid-August, reenrolled 91.  According to The Indianapolis Star, the reclamation effort is part of the district's attempts to stanch its loss of enrollment.  In the past five years, the district has lost 2,700 students (7.6 percent) as well as approximately $8,000 per student in State aid.  The district is also fighting a possible State takeover of six of its schools that have not improved enough on State tests.  The schools include one middle school (Donnan) and five high schools (Arlington Community, Howe Community, Washington Community, Broad Ripple, and Manual).

# Iowa Update
## August 2011

According to the Des Moines Register, Iowa is considering applying to the U.S. Department of Education for a waiver from some of the testing mandates of the Federal No Child Left Behind Act. Applying for such a waiver, would require the State to develop an adequate accountability system of its own that includes some of the objectives of NCLB. The final decision on whether to apply for the waiver will be made by Governor Terry Brandstad with the involvement of legislators.

As reported in the Sioux City Journal, earlier this year, Governor Branstad proposed a plan by which parents would be charged a fee -- on a sliding scale keyed to family income -- for children attending the State's preschool program. Pressure from the legislature, however, has caused the Governor has backed off his proposal and full funding for preschool is included in the budget for the next two years.

# Kentucky Update
## August 2011

The Louisville Courier-Journal notes that Kentucky, along with a number of other states, is planning to seek a waiver from the student testing requirements of the Federal No Child Left Behind Act.  State officials say the State will instead use its State model for purposes of district and school accountability.

# Louisiana Update
## August 2011

As a consequence of the controversy surrounding two Louisiana charter schools, the State has proposed some policy changes for charters. According to The Advocate (Baton Rouge), these rules include:

- reorganizing the State office that oversees charter schools;
- conducting annual, on-site inspections of State-authorized charter schools;
- provide training for all charter school leaders on child neglect/abuse and unethical conduct;
- establish new teams of State officials to oversee charters in the New Orleans Recovery School District.

Currently, Louisiana has 88 charter schools serving 35,000 students -- about five percent of the State's public school enrollment. Last year, the National Alliance for Public Charter Schools said Louisiana had the ninth-best charter school laws in the nation.

The New Orleans Times-Picayune reports that the achievement gap between white and black students in New Orleans -- and in Louisiana Statewide -- appears to be narrowing. This spring, 53 percent of New Orleans African-American students scored at grade level on State exams compared with only 32 percent four years ago. And, Statewide, 51 percent of black students were at grade level versus 43 percent in 2007. The gap between white and black students has decreased from 56 percentage points in 2007 to 42 percentage points this year.

# Michigan Update
## August 2011

Michigan is one of the first states to request a waiver from the U.S. Department of Education for the testing requirements and Annual Measurable Objective (AMO) targets for 100 percent proficiency by 2014 of the No Child Left Behind Act. In a July 29, 2011 letter, the State called the 2014 goal of 100 percent proficiency "unreasonable." The State plans to implement more rigorous cut scores on its State assessments that are reflective of students being career and college ready or on track for career and college readiness. The State's final waiver request is for ten years and will also reflect waiver requests from districts which are now being compiled.

As reported in the Detroit Free Press, the Michigan Department of Education (MDE) has released guidelines that are intended to expand online options for students in the State. While MDE has the authority to give districts some flexibility, action by the State legislature is necessary to remove all restrictions. The Michigan Virtual High School has expanded to 15,000 courses taken last year, but State law limits students to two online classes per semester (unless waivers are granted by the State). Under the new (July 7) guidelines:

- Districts can apply for more waivers and the process will be quicker;
- Michigan's 57 intermediate districts can establish virtual charter schools for up to ten percent of the students in their geographic area;
- Middle school students will be able to take all or most of their classes online;
- Districts will be able to offer blended courses in which 50 percent of the instruction is online.

# Minnesota Update
## August 2011

Minnesota has applied to the U.S. Department of Education for waivers from NCLB's provision calling for financial sanctions on Title I districts and schools identified for improvement. In an August 16, 2011 letter to USED, the State argues that the sanctions "require a significant portion of already scarce resources be used in ways that have not proven to be consistently effective in promoting greater and sustained student achievement." The letter notes that Minnesota currently has 297 schools using resources on school choice, 191 using resources on SES, and 112 using resources on corrective action. Another 157 schools could face sanctions under existing NCLB benchmarks. The State says its Office of Turnaround Schools and School Improvement will continue to work with LEAs to ensure that "turnaround" schools are making "intense and appropriate changes necessary to ensure all students are succeeding" and that its efforts will not be limited to Title I schools.


256 North Washington Street, Falls Church, VA 22046
703/536-2310, fax 703/536-3225, cblaschke@edturnkey.com

# Missouri Update
## August 2011

As reported in the Springfield News Leader, Missouri, like many other states, plans to apply to the U.S. Department of Education for a waiver from some of the testing requirements of the No Child Left Behind Act. State officials say they had hoped for a complete reauthorization of NCLB but would take advantage of the expected USED waiver plan. Under existing NCLB student proficiency benchmarks, only 25 percent of Missouri schools made adequate yearly progress.

The Missouri State Board of Education has approved some major changes to the State's assessment program. Under the new plan, students would be required to take 11 State standardized tests before graduation -- three each in English, math, and science and two in social studies. Currently, only eight tests are required, according to stltoday.com. Districts must revise their curricula to meet the plan's standards in order to become accredited. Districts that are unaccredited have two years to improve or be restructured, consolidated, or taken over by the State. There will be a 30-day public comment period after which the plan will be revised with the new standards going into effect in 2013. The full slate of 11 tests would not be implemented until the Class of 2018.

# Montana Update
## August 2011

As reported in The New York Times, Montana education officials have informed the U.S. Department of Education that the State would not continue raising its test score targets as called for by the Federal No Child Left Behind Act. USED has agreed, by amending the State's "accountability plan," to keep most of the State's 158 schools that would have been labeled as failing under NCLB's tougher requirements off the failing list. Only three schools will be so labeled under the redrawn testing targets. USED has said that the State will not lose any Federal funding aid.

# Nebraska Update
## August 2011

According to the Lincoln Journal Star, population shifts within Nebraska -- from rural to urban areas -- as well as in the number of minority students, have presented a challenge for State officials who must provide adequate educational services in rural communities. The State, as part of its unsuccessful application for Federal Race to the Top money, proposed to spend $20 million for a virtual high school that could offer courses -- including Advanced Placement classes -- to students in remote areas that students in more populous areas get in traditional school. Despite the lack of RTTT funds, the State expects to expand its efforts to create a virtual school.


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703/536-2310, fax 703/536-3225, cblaschke@edturnkey.com
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# Nevada Update
## August 2011

According to the Las Vegas Sun, Nevada, like many states, plans to apply for a waiver from the testing mandates of the Federal No Child Left Behind Act. Under NCLB's ever more rigorous requirements, the largest district in the State -- Clark County -- finds itself with 61 percent of its schools failing to make adequate yearly progress. Instead of NCLB, Nevada expects to adopt a "growth model" which will measure students' personal achievement over time. Nevada was unsuccessful in its application for funding under the Federal Race to the Top competition.

The Las Vegas Review Journal notes that the Clark County school district will be organized into 14 "performance zones" based on location and student achievement. Under the model, there will be between 20 and 30 schools in each performance zone. Schools with lower achievement will have more oversight, as well as preferential access to resources, including teachers and professional development. The district has established a five-year window for achieving the program's goals.

# New York Update
## August 2011

New York City Mayor, Michael Bloomberg, has developed a plan to allocate close to $130 million to improve the circumstances of the City's young black and Hispanic men who are disproportionately undereducated, unemployed, and, in many cases, incarcerated. According to The New York Times, among the components of the plan are:

- job recruitment centers in public housing complexes;
- retraining probation officers to reduce recidivism;
- new fatherhood classes;
- assessing schools on the academic progress of minority students;
- linking morning remedial classes with paid afternoon internships; and
- opening five satellite probation offices in high-crime neighborhoods.

About half of the funding for the project will come from the City budget. The remainder will be provided by a $30 million contribution from Mayor Bloomberg's personal foundation and a matching $30 million contribution from financier, George Soros.

# North Carolina Update
## August 2011

The New America Foundation reports that North Carolina Governor Bev Perdue has identified more than $100 million in State agency funds that were unspent by the end of FY 2011. The Democratic Governor hopes to reallocate this money to K-12 and higher education, but cannot do so without approval from the Republican-controlled legislature.

According to the News & Observer, Governor Perdue has ordered the opening of all pre-kindergarten classes in the State to all eligible at-risk children even if the families cannot afford the new fees. The Governor's decision follows a ruling by a State Superior Court that the State cannot establish any barrier that prevents eligible children from enrolling in the pre-K program. The Governor has said she would ask the State legislature to pay for the program. It is likely that the battle over spending between the Governor and the legislature will continue.

The *Curriculum Matters* blog on EducationWeek.org reports that North Carolina will not be adopting the Common Core State Standards for science which are scheduled for completion next year. According to State officials, the State has already developed instructional materials for the State's own science standards which will become effective for the 2012-13 school year.

The North Carolina State Board of Education is debating a plan that would require the State's $11^{th}$-graders to take the ACT college-admissions test starting next Spring. The ACT approach is part of a proposed new testing regimen that would replace Federal No Child Left Behind requirements with the State's accountability program which would use the ACT results, along with five-year graduation rates and other measures, as indicators of student readiness for college and the workplace. As reported in the Charlotte News & Observer, the new testing plan -- including the ACT, PLAN for tenth-graders, and WorkKeys for some seniors, would cost about $6 million. Currently, the State has no funds budgeted for the programs. The new plan would require a waiver from the U.S. Department of Education.

# Ohio Update
## August 2011

In early August, a number of Ohio school districts went before the voters seeking new funding for schools. Overall, voters approved only six of 23 levy requests. According to The Columbus Dispatch, the passage rate of only 26 percent was well below the average passage rate of 32 percent for the past ten August elections. Many districts had sought the new taxes because of a nearly $780 million cut in State funds over the next two years, as well as expected reductions in Federal aid to schools.

# Oklahoma Update
## August 2011

Like many states, Oklahoma has announced plans to use the waiver plan from the U.S. Department of education to avoid the onerous requirements of the Federal No Child Left Behind Act. According to the Tulsa World, State officials say the State "will not be backing down in promoting rigorous academic standards" and will meet the standards expected to be included in USED's wavier program that will be detailed in September.

An analysis by the Tulsa World indicates that the number of Oklahoma students taking online courses has increased fivefold over the past three years -- to a total of 5,429 last school year. The White Oak and Wynona school districts have partnered with the firm K12 to operate the Oklahoma Virtual Academy. And Oklahoma's first virtual charter school -- Epic One on One -- is opening this Fall in the Graham school district. In terms of money, the districts keep five percent of State per-pupil funding with the operator getting the rest. K12 says that, because there is no State funding for management fees, it is losing money. K12 also acknowledges reports of high turnover rates among its virtual students. For example, the initial virtual student count for White Oak was 973 last school year, but only 837 remained at the end of the year.

# South Carolina Update
## August 2011

Like many states, South Carolina plans to apply for waiver from the testing requirements of the Federal No Child Left Behind Act. Calling for less regulation and more flexibility with Federal money, State officials have called NCLB achievements unrealistic and unfair, according to the Independent Mail (Anderson).

The *On Special Education* blog on EducationWeek.org reports that, because South Carolina made large cuts in its special education spending, it was faced with the possibility of losing $36 million in Federal special education funding. However, the U.S. Department of Education has postponed the Federal cut in order to give school districts "more time to prepare for a reduction in special education dollars." The cut is now scheduled to become effective on October 1, 2012 but the State has appealed.

South Carolina has decided not to accept a considerable portion of the Federal stimulus money available to the State. Specifically, the State will not apply for $144 million in EdJobs Funds because it is not eligible by virtue of State cuts (i.e., not meeting MOE requirements) to higher education. South Carolina is the only state that will not receive its share of the EdJobs money. The $144 million will be reallocated to the other states. South Carolina also decided not to apply in Round 2 of the Federal Race to the Top competition, saying the State needed less Federal intrusion.

Although South Carolina will not be receiving Federal EdJobs money, it will still increase its State aid payments to school districts to $1,788 -- up from $1,615 last year. This is still down considerably from its high of $2,476 in 2008.

# South Dakota Update
## August 2011

The Sioux City Journal notes that the South Dakota legislature has cut State aid to schools this year as part of its effort to close a $127 million budget shortfall.  Having to adjust for less State money, an estimated 25 percent of South Dakota school districts have gone to some form of abbreviated schedules -- most commonly four-day weeks.  State education officials say schools that have changed to four-day schedules in the past have not seen lower student scores on State assessments.  Indeed, according to a recent report by the Education Commission of the States, there is no substantial research on the effects of shortened school weeks on academic achievement.

The U.S. Department of Education has approved South Dakota's change in its Annual Measurable Objective targets in reading.  The State plans to file a formal request for a waiver concerning its math AMOs.

# Tennessee Update
## August 2011

A Federal court has ruled that the Memphis city school district will be merged with the surrounding Shelby County district. The district merger was prompted by a lawsuit that argued the separate districts (Memphis is located in Shelby County) led to "unequal access" to education for the City's poor and minority students. Shelby County had resisted the merger on the grounds that it would have to fund City schools in a weak economy. The County is in charge of the transition but must submit progress reports to the State.

A recent report from Bellwether Education Partners compared states based on their laws to improve teacher quality. Tennessee received an 8 out of 13 possible points. The State earned high marks for its rigorous teacher evaluation system and for changing its tenure system to require teachers to perform at the highest level for two years before gaining tenure. Tennessee lost rating points because principals do not have full authority over hiring and retaining teachers; union rules still give senior teachers priority.

Tennessee has filed a formal waiver request to USED to allow districts to use portions of the 20% set-aside for "extended learning" among other requested changes. After his meeting in August with the Governor, Secretary Duncan called Tennessee's reform plan "courageous" (see enclosed TechMIS Special Reports).

# Texas Update
## August 2011

As we reported last month, Texas has, in part, addressed the State's budget crisis by adopting only supplemental science materials (at a cost of $60 million) instead of comprehensive K-12 materials (at a cost of $347 million). The adoption includes 92 online products for grades 5-8 and for biology, chemistry, physics, and Integrated Physics and Chemistry (IPC). At each grade level or subject, teachers will have nine to 14 different products from which to choose. To see the list of approved materials, go to:
http://www.tea.state.tx.us/news_release.aspx?id=2147501735

The San Antonio Express-News notes that Texas has launched a new initiative, known as *Grad TX*, aimed at building a college-going culture in the State. Established by the Texas Higher Education Coordinating Board under a Federal grant, *Grad TX* is a Statewide public relations campaign that urges adults with college credits to go back and finish their degrees. A website (www.GradTX.org) is available to allow potential students to speak with academic and financial advisors at one of the project's eight partner institutions -- Lamar University, Midwestern State University, Texas A&M University-Commerce, Texas Tech University, University of Houston-Downtown, University of Houston-Clear Lake, University of North Texas, and University of Texas at Brownsville. The website also includes an online transfer tool to find a program that matches each student's credits.

As reported in Inside Higher Education, Texas has entered into a partnership with Western Governors University to establish a State-branded WGU-Texas. Indiana and Washington State have already created similar partnerships with WGU. Founded in 1997, WGU is an online institution aimed at working adults. Students learn on their own time with light guidance from advisors and take proctored tests at local testing centers. Texas will not allocate any State money to WGU-Texas which will support itself based on tuition.

See Washington Update item for new Texas "state adoption" changes encouraging technology/digital instructional programs.

# Virginia Update
## August 2011

According to The Washington Post, Virginia State officials have rejected a plan by which State exams -- known as the Standards of Learning (SOL) -- would be given earlier in the school year allowing retakes by students who fail. The plan had been put forth by five Virginia school districts (including some of the largest) who said such an approach would give students "an opportunity to pinpoint weaknesses, receive additional instruction and improve their performance." The State Board rejected the plan without a vote because the plan was "too vague."

# Washington Update
## August 2011

According to the *Politics K-12* blog on EducationWeek.org, Washington State has indicated that it will probably not apply for waivers from some requirements of the Federal No Child Left Behind Act. State officials say that, by applying for a waiver, they would be validating NCLB which they believe should undergo a complete overhaul through legislative process in Congress. They say students in Washington are showing continued improvement in achievement and that NCLB undercuts that improvement.