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MEMORANDUM

O March 14, 2001
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TechMIS Subscribers

FROM: Charles Blaschke

SUBJECT: Special Reports on Proposed FY 2002 Budget and Title I, and Washington Update

This TechMIS mailing includes two Special Reports: (a) one which highlights the proposed FY 2002 Bush budget blueprint which is confusing and inconsistent with the initial 28 page "No Child Left Behind" (see last TechMIS mailing); and (b) the other, which provides the most current information on schools that have been "targeted for improvement" under Title I suggesting who to target and how to position products.

The Washington Update includes several items which should be of interest to all TechMIS subscribers, including:

- Projected state revenue shortfalls which is resulting in immediate cuts in education budgets in several states and particularly state funds earmarked for technology, such as the \$62 million technology earmarked in Florida which has been cut to \$0 for next year;
- Growing support in Congress to increase the Federal portion of special education costs to 40% as mandated in 1975 which in five years would increase IDEA annual funding from \$7.4 billion to approximately \$21 billion;
- Highlights from a recent NCEO report which suggests under current evaluation and reporting practices the achievement gap between "special education students" and "regular students" cannot be reduced even through the use of "proven research-based

practices,” which should be read by any TechMIS subscriber interested in having their products evaluated;

- The increased use of Internet for online assessments which will be spurred by lawsuits to provide reasonable accommodation for special education students through the use of computers in taking state assessments;
- Opportunities for educational technology firms to provide solutions to problems associated with special education students taking high stakes exams;
- Highlights from CCSSO technology conference which suggests rapid expansion of state consortia-based volume discount purchasing of technology and other products;
- Results of Public Agenda poll which finds students are more comfortable with high stakes testing than are parents and teachers;
- An update on the E-Rate which suggests that the amount of refund checks over the next 10-12 months could be well over \$1.5 billion;
- Most districts and states are awaiting court decisions regarding the new filtering legislation required for E-Rate reflecting a “wait and see” attitude;
- An update on ESEA and related legislation which suggests growing resistance to the amount of tax cuts until education budgets for FY 2002 are clarified, that E-Rate will not be included as part of the Bush proposed technology block grant consolidation, and increasing the proposed Bush concern over testing initiative -- how much and who pays;
- The availability of a relatively untapped source of loans and grants for distance learning which has grown to \$340 million from the Department of Agriculture, which could provide opportunities for technology service providers in the future.

No state updates are included in this mailing, but a rather extensive set will be provided in the next one, including state legislative action regarding budget cuts for education, particularly education technology for the next school year.