

(703) 536-2310
FAX (703) 536-3225

Education **TURNKEY** Systems, Inc.

256 North Washington Street
Falls Church, Virginia 22046-4549

MEMORANDUM

○ October 16, 2001
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TechMIS Subscribers

FROM: Charles Blaschke

SUBJECT: State-by-State Projected Expenditures for Technology during SY 2001-02, FY 2002 Appropriations and FY 2001 Funds Release Alert, and Washington Update

This TechMIS mailing includes the results of a major effort over the last four months to collect data and develop (based upon interviews with SEA officials, review of our surveys and those of states), state-by-state estimates of expenditures from major Federal and State funding sources which are projected for purchases of hardware, software, staff development, and related technology services for SY 2001-02. While we believe the estimates generally are reliable, in several states including New York and California, the appropriations process is not complete. Hence, we have included appropriation levels for certain programs which have been signed into law. In other cases where final decisions have not been made, we have used last year's estimates.

For more information about the programs, TechMIS subscribers should review relevant staff updates over the last six months. Also, as noted in state profile updates last month, reductions of technology earmarks are being made mid-year as a result of revenue shortfalls in certain states. For example, the \$10 million technology earmarked in Florida has been "suspended temporarily" pending legislative decision on the overall budget shortfall. If you have any questions feel free to give me a call directly.

We have also included two Alerts. The first Alert relates to the release of approximately \$14-\$15 billion of FY 2001 funding for programs such as Title I and Special Education. While I shared the good news with you via telephone conversation or voice mail during the first week of October, you may wish to pass on this Alert to upper management to explain why August and September sales were “in the tank.” The second Alert relates to the House and Senate markup of the FY 2002 budget. After passage by both chambers, an appropriations conference committee will do the final markup attempting to negotiate differences between the two versions. A final passage is expected before the end of October.

The Washington Update includes:

- the ESEA reauthorization update which has generally been put on a “back burner” in order to streamline the FY 2002 appropriation bill process;
- increased reimbursements under Child Health Insurance Program/Medicaid are going to districts, thereby freeing up more IDEA funds to purchase instructional technology and related services;
- a new survey which should help firms target specific types of “after school programs,” how to position products, and who to approach;
- new opportunities created in community college, as significant increases in certain types of enrollment are being experienced;
- a new report from the Brookings Institution which questions whether the reading achievement gap on NAEP tests has actually widened and issues caution about the use of the NAEP to reassure state assessments are not “dumbed-down”;
- update on E-Rate funding commitments and developments including a soon-to-be announcement of a new list of eligible products and services, which could include Application Service Provider services;
- the Internet Equities Act passes the House and if Senate passes a similar version by a wide majority it could be attached to the FY 2002 appropriations bill and become law through that route;
- a new distance learning teacher training program which should facilitate the use of “proven practices” for pre-K and kindergarten students; it might offer opportunities for vendors who have products which could fit into the training design.

As always, if there are any questions please contact me directly.