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Memorandum

February 18, 2000

TO: TechMIS Subscribers

FROM: Charles Blaschke

SUBJECT: FY2000 Budget, R-Rate Update, Conference Reports

Included in this TechMIS mailing is a special report on the proposed FY2000-01 budget and a variety of Washington Update items on funding and legislative initiatives.

The FY2000-01 proposed budget clearly has President Clinton's fingerprints on numerous proposed initiatives which will likely be implemented before Congress has time to act upon them. Some aspects of the School Modernization initiative will likely receive support in the form of tax credits and subsidies, including the exisitng Qualified Zone Academy Bonds (QZAB) program, which can provide funds to districts for purchasing software, curriculum, and even staff development under certain conditions. President Clinton will "jawbone" Silicon Valley hardware manufacturers to provide several billion dollars of new hardware donations for "enhanced" tax deductions to Empowerment Zones and high-poverty districts which would be used for the 10% in-kind matching.

The Community Technology Center initiative along with 21st Century Community Learning Centers would receive substantial increases, and through consolidation of Goals 2000 with other programs, professional development would also receive a significant increase in Federal funding (over $2 billion). These initiatives have significant implications for what types of districts and geographical locations vendors should target and how they should take advantage of this significant increase in Federal allocations. The opportunity for Federal funding "Coattail Marketing" is significant indeed.

The Washington Update includes several more in-depth items on proposed budget initiatives and reports on highlights of several technology-related conferences, including;

- An in-depth analysis of the Administration's "Digital Divide to Digital Opportunities" initiative, which reflects a change in definitions and strategies with much heavier reliance on tax incentives for hardware manufacturers to provide modern equipment to schools in high-poverty areas;

- A description of several initiatives included in the FY2000 budget that required clarification, including a new grant program of $45 million to demonstrate differently configured high schools as a means to improve student performance and safety;

- An update on ESEA reauthorization which Congress has less than 100 working days to complete;

- A status report on Comprehensive School Reform Demonstration implementation along with new guidance which should provide increased opportunities for many TechMIS subscribers;

- Highlights of the first Congressional Web-Based Education Commission meeting in early February; policy recommendations to be submitted to Congress in November could have major implications for many TechMIS subscribers;

- Highlights of the National Title I Conference as reported in Title I Reports, including an update on USED guidelines on new "school choice mandate" in Title I, and policies related to state assessment mandates;

- Highlights of the recent State Technology Coordinators Conference convened by the CCSSO at which FCC Chairman Kennard described his new education initiative referred to as the "low power FM program" and Congressional observers noted the increasingly conflicting relationship between current assessment and technology use by students;

- E-Rate update in which the SLD projects "aggregated demand" to exceed the current cap by over 100%, which will limit internal connection discounts to schools with 80% or more poverty; evidently school technology coordinators are pressuring telecommunications service providers to continue with the BEAR process or they will find another telecommunications provider;

- New non-regulatory DOL guidance for the Workforce Investment Act youth component, which could create a large demand for a number of web-accessible life skills, remedial, and other programs;

- Increased pressures to provide additional funding for youth programs similar to the old JTPA summer youth program;

- Highlights of a new report prepared by the National Institute of Literacy on life-long learning which includes action plans by key university, labor, and industry groups, which could have a _major_ impact particularly on out-of-school youth, limited-English proficient youth and adults, and alternative certification and credentialing;

- Highlights of new NCES report which finds that state library agency expenditures and sources of funding vary considerably;

- The availability of the Achieve/McREL database of K-12 standards in English, language arts, math, science, and social studies which could be used by publishers in aligning materials with state standards;

- Congressional hearings that suggest Congress may be "rethinking" its mandate to require USED to select and recommend "lists of proven practices and models" in content and other areas;

As always, call me if you have any questions or wish additional information.