MEMORANDUM

To: TechMIS Subscribers
From: Charles L. Blaschke
Subject: Washington Update, including E-Rate and ESEA Status and State Profiles

This TechMIS mailing includes Washington Update items, as well as State Profile Updates which target proposed state K-12 budgets.

The Washington Update includes the following:

- E-Rate Update, which strongly suggests that more than the expected refunds under the BEAR process will occur for Year 1 and Year 2, and that the prospects for continuing the BEAR process for Year 3 are good;
- New Children’s On-Line Privacy Protection Act (COPPA) rules become effective April 21 and will affect any website operators and on-line service providers;
- Proposed legislation similar to COPPA could limit advertising in schools via the Internet;
- ESEA re-authorization is uncertain this year because of partisan politics;
- Findings from the Early Childhood Longitudinal Study provide good baseline data on kindergarten students and could become a “national norm” for subsequent evaluations of early childhood materials;
- New IDEA assessment mandates required by July 1st are forcing many states to scramble and look for effective programs to meet the mandated deadline;
- New American Schools Corporation will provide approximately $15 million in loans to groups who wish to develop model programs;
- The Administration calls for dual instruction to replace traditional bilingual instruction.
USED reports find the use of computers in Charter Schools increasing, which could provide some opportunities for software publishers and technology vendors;

- Debate over future of NAEP could provide implications for software publishers;
- Pending GAO report and new legislation are likely to reduce Medicare reimbursements to districts and tighten budgets for technology purchases;
- New multi-agency research initiative provides funds for R & D in areas of early learning and science/math;
- Corporations to provide $50 million for black colleges and universities to address the “digital divide” problem;
- White House New Markets Initiatives wants participation of the private sector.
- DOL provides $225 million to 36 grantees to provide education and support services to out-of-school youth.

The State Profile Updates include: a) proposed K-12 budgets and earmarks for technology initiatives; b) changes in state assessments and standards; and c) technology-related development efforts.

Any TechMIS subscribers who wish additional information or want to participate in some of the initiatives described in Washington Update, should contact me directly as soon as possible, particularly related to the White House New Markets Initiative.
ESEA Reauthorization in Election Year is an Open Question

The final ESEA Reauthorization bills in the House and Senate differ greatly; both are almost guaranteed to evoke a White House veto, raising a question as to whether ESEA will be reauthorized this year. While there was a modicum of bi-partisanship in passage of the two House bills, the vote in the Senate was along vigorously partisan lines which suggests gridlocks, filibusters, and other barriers to passage of a bill acceptable to the White House. The Administration opposes both versions because: a) they erode existing in place accountability mechanisms; b) they fail to target high-poverty schools; and c) they do not include any of the President’s existing priorities (Class-Size Reduction) or those proposed in the FY2001 budget. There is a very real question as to whether or not the Republican majority really wants to pass any ESEA reauthorization this year; the Republicans may be hoping for a Republican President next year, who will be more accommodating to Congressional proposals.

Unlike previous years when most pundits pointed to the House and its history of “reckless” proposals, the finger now points to the Senate, which is generally leaderless. Chairman Jeffords (R-Vermont) has been by-passed and undercut by ultra-conservatives; he has only voted “present” on many of Senate ESEA amendments which passed over his opposition.

One possible compromise is the “3R” proposal sponsored by Senator Lieberman (D-Connecticut) other Democrat Senators, and even a couple of Republicans. The “3R” proposal is close to the Administration’s reauthorization proposal in terms of accountability, targeting Federal funds upon high-poverty districts and schools, and in many other aspects; however, it is fraught with provisions which would provide loopholes for states and districts to get around its overall intent.
Reflected in the above Congressional proposals, and even to some extent in the Administration proposal, are provisions to increase the flexible use of education formula programs funds once they are targeted on high-poverty districts and schools. Even the Administration has proposed greater flexibility through a block grant consolidation of a number of existing programs; to varying degrees all proposals would allow states or local districts to transfer Federal program funds from one program to another to meet more pressing needs -- similar to the “unneeded funds” provision currently under Title XI. Where the proposals differ the most is maintaining the integrity of funding streams and how such funds are distributed to states; indeed, some proposals will allow Governors to make decisions over funding priorities. All have some “maintenance of effort” provisions; however; once funding streams disappear, programs will lose constituency support and state legislatures tend to reappropriate Federal funds while reducing state funds planned for use in specific areas.

**New IDEA Assessment Mandates by July 1st Finds Many States Scrambling**

By July 1, 2000, all special education students must begin taking the same state assessments mandated for the general student population, or take alternative assessment instruments which have been validated. In most cases, some types of reasonable accommodation can be provided. Many states are beginning to scramble to find instructional programs that can help special education students pass exit exams, and therefore, receive regular high school diplomas; parents could require districts to continue providing services through age 22 for children who have received any certificate other than a regular high school diploma (See October TechMIS for list of states). Currently, only Maryland and Kentucky have valid state performance assessment instruments tied to the states’ content standards, which could be used by special education students.

Working with groups such as the National Association of State Directors of Special Education, the National Center on Educational Outcomes (NCEO, University of Minnesota) is monitoring state implementation of assessment mandates in IDEA/1997. In December 1999, it released findings from its most recent survey which included:

- Although more special education students are participating in state-wide testing, the
factors inhibiting greater participation are the high-stakes testing that are attached to school or district performance and the lack of exposure of students with disabilities to test content.

- In states where there are rewards and sanctions for accountability results, inclusion of special education students in state assessments is much less common than in other states.

- Lack of resources and inadequate assessments are seen as the greatest barriers to obtaining educational accountability information on special education students.

The NCEO report found that 29 states were attempting to develop alternative assessments as of December, 1999. The report also noted, however, that there would be large variation in alternative assessment participation rates of students administrators. Recent discussions with knowledgeable officials and several state directors, suggest a number of approaches are being undertaken to develop validated alternative assessments. Florida and Michigan will likely come close to meeting the July mandate as they are currently developing standard-based assessments for special education students. Arkansas and Wyoming are working with the NCEO to develop portfolio assessments for severely handicapped students. McGraw-Hill/CTB is reportedly working with a small number of states to develop alternative tests.

Recently, the USED released a report which concluded that the inclusion of special education students’ scores in the NAEP do not invalidate the NAEP test results. Various mean of reasonable accommodation are required for students with certain types of disabilities taking the NAEP assessments. Participation rates of special education students during the early 1990s on NAEP tests was minimal, however. There are pressures to increase such participation rates on future NAEP assessments because of IDEA.

**Results of USED Early Childhood Longitudinal Study Could Provide Early Childhood Software Publishers Unique Evaluation Opportunity**
Conducted over the last year, the Early Childhood Longitudinal Study released the first of many reports on the “Kindergarten Class of 1998-99,” which provides baseline data on these students who will be followed through grade 5. When the students entered school, 56% recognized letters, 29% knew beginning sounds of words, and 17% understood ending sounds. About 95% recognized numbers and shapes and could count to ten. In a very real sense, these baseline data, combined with results at the completion of kindergarten and subsequent grade levels, could provide a “national norm” for comparing how well children who participate in technology-based solutions perform.

The study design uses a combination of teacher checklists, teacher-administered tests, and other measures. The sets of instruments used in this longitudinal study are available from USED; the first report is also available online at http://www.nces.ed.gov. The teacher checklists, interview and other instruments can be extremely useful in designing programs to ensure as much coverage and constant validity as possible. They can also be adapted for use in evaluations of early childhood interventions using technology-based solutions. In 1999, TURNKEY conducted pre- and post-test administration in several districts of ECLS instruments for kindergarten and first grade students and found that the selected items from the instruments were not very time-consuming to administer. However, for the most part, the instruments, particularly those related to observation, had to be administered by non-school data collectors. If anyone is interested in establishing such designs or to subscribe to such a service, please contact Charles Blaschke directly.

**E-Rate Update: New and Expanded Opportunities for Software Publishers and Technology Vendors**

During the annual Legislative Conference of the Council of Great City Schools, Kate Moore announced FCC approval of an LEA request which will allow districts to terminate services from service providers who cannot deliver contractual services and replace that service provider with another. Under previous rulings, in a terminated contract the unused portion of funds, in many cases, would have to be returned to the SLD. The district must notify the service provider formally, file a Form 486 indicating termination of service, and then go through normal state and local procurement
procedures for selecting another service provider. During the first year of the E-Rate, a “service provider change form” could be used through the end of August 1998. However, since then, terminations resulted in districts often having to return such funds. Official guidance from the SLD on the SPIN Change Policy will be available shortly on the SLD website.

She also encouraged school districts who haven’t done so to complete their Form 486s and BEAR form 472 for Year One, indicating that services had been initiated or completed in order for funds to be released---approximately $350 million is still to be released. On March 2nd, the SLD indicated that they would consider applications of districts that missed the window for Year Two (i.e., after April 6, 1999 but before March 2, 2000). In addition, it also announced that it would consider applications received between March 2, 2000 and March 31, 2000. In addition, a number of appeals from Year One have been ruled “meritorious” and will result in additional funding from Year One to be provided to districts who won appeals. The bottom line is that virtually all of these resulting applications will fall under the BEAR process.

The FCC may decide to provide a waiver such that Year Two work can continue, especially for the above applicants, beyond the June 30th date. In Year One, the work completion deadline was extended through September 30, 1999. After the meeting, Moore indicated that the BEAR process continues to be used during Year Two although the estimated amount of refunds through the BEAR process will not hit the 70% mark realized in Year One; this resulted in approximately $1.1 to $1.2 billion of the $1.7 billion to be refunded under the BEAR process to districts for use for a variety of purposes including purchasing non-eligible technology items. She acknowledged the increased popularity, among school districts, of the BEAR process; most education groups have expressed their interest in the continuation of the BEAR process during subsequent years.

During the Council’s Conference, a report entitled the “E-Rate In America: A Tale of Four Cities” prepared by the Benton Foundation was released; all four of the cities are members of the Council. One of the most common themes across the four districts, as reported, was “E-Rate funding has enabled school districts to leverage existing financial resources freed-up by the E-Rate funding, as
well as money from state level initiatives, are now being used to pay for elements of technology programs that are not covered by the E-Rate.” In Chicago, the E-Rate generated significant savings in other parts of the district budget which are being reallocated for professional development, educational intranet development, and electrical upgrades. Some of the savings generated in Cleveland were used to purchase staff development and a school/home technology-based instructional program as well as additional software. In Detroit, the E-Rate program generated $6 million in savings which will be transferred to the Instructional Technology Department and used to support professional development.

In this election year several bills have been introduced in Congress which would significantly modify, or even kill, the E-Rate program. Senator McCain, who is not going to be a nominee for the Presidency, will undoubtedly spend more time heading the Commerce Committee, which has jurisdiction over the FCC and the E-Rate program. Over the next year, GAO will begin conducting audits of E-Rate discounts recipients to determine their level of compliance. However, most observers feel that in spite of such political attacks, the E-Rate initiative is likely to continue unless some major fraudulent or wasteful activities are identified by GAO.

In the meantime, the amount of refunds under the BEAR process for Year One continued to be made to districts; at least $350 million has yet to be released. The recent changes by the FCC allowing consideration of existing year Two applications and solicitation of new ones are also likely to increase the amount of refundings under the BEAR process for Year Two, which could be over $500 million; pressures to continue the BEAR process in Year Three continue to build. Certainly, TechMIS subscribers should encourage districts to support the BEAR process to convey their feelings directly to the FCC.

**New Children’s Online Privacy Protection Act of 1998 (COPPA) Effective April 21, 2000, Could Affect Many Website Operators and Online Service Providers**

The FTC has codified COPPA with an effective implementation date of April 21st. It applies to all children under the age of 13 and all commercial website operators and online service providers that
knowingly collect information from children. “Collecting information” includes full name, home address, e-mail address, telephone number, or other information that will allow someone to identify and contact a child. It also covers information such as interest topics, accounts, or other tracking mechanisms that can be linked with individually identifiable information. To comply with the rule, websites have to obtain prior parental consent before allowing children to post info or must monitor real-time posting by children, delayed postings, or remove information from their own records. Over the next couple of years, the FCC will adopt a “sliding-scale” approach to parental consent in which the required method of consent varies based upon how the operator uses the child’s personal information. The current rule will be reviewed in October 2001, with more definitive rules based upon a two-years’ experience being promulgated in April 2002.

In the meantime, the recently-created Commission On Online Child Protection, which Congress created with a mandate to review how best to keep children from viewing inappropriate materials on the Internet, has received no funding. Unless it does in the near future, it will be unable to meet its November 30th deadline to come up with recommendations. Having attended the first meeting of the Web Commission, which did receive about a half-million dollars to cover its cost, it is unlikely that the Web Commission will focus in any great detail on COPPA.

SIIA has been involved in COPPA and has been communicating software publishers, and website operators’ interest to the FCC. The person to contact is Lauren Hall (202-452-1600), which has prepared an analysis of COPPA for SIIA members. For more information on COPPA, go to the FTC website, http://www.ftc.gov.

A New Bill to Protect Students Privacy and Limit Advertising in Schools, is Likely to Receive Bi-partisan Support in Congress.

Following a similar bill proposed in the House by Congressman George Miller, (D-California), Senator Christopher Dodd (D-Connecticut) has offered legislation entitled “The Student Privacy Protection Act”, which is designed to provide parents and their children privacy protection from
“questionable market research” in the schools. While the Act itself would limit certain types of market research conducted with students without parent permission, it will also address advertising to be viewed by students in return for donated hardware/software and Internet access, along the lines of ZapMe. In a directly-related effort, a coalition of over 30 extremely liberal to very conservative organizations have initiated a campaign against forced “in-school marketing,” which suggests bipartisan support for the proposed legislation.

In his speech Senator Dodd justified the proposal as follows: “Existing schools’ privacy laws protect official records and educational research; current laws leave a loophole for groups to get information directly from children --- information about them, about family income, buying habits, preferences, etc. without the consent of their parents. Marketers and advertisers use this information to target and to reach youngsters and their families.” In the proposed legislation parental consent would be required for a local education agency to disclose any data or information or to allow such information to be gathered without parent’s permission in writing, as to what information will be gathered, who will gather it, the amount of class time consumed, and how the data will be used, and what entities will be allowed to collect information from students. If the process of such information collection were enrollment or evaluation of curriculum, education programs and text books, such activities are exempt.

The Coalition consists of various groups from all ends of the political spectrum, including Phyllis Shaffley’s right-wing Eagle Forum, which successfully lobbied for the demise of the Federal School-to-Work program, to the left-wing Commercial Alert and Privacy Rights Clearinghouse and includes the somewhat mercurial Ralph Nader group. The Coalition has embarked upon a campaign against
ZapMe and more recently Channel One. It has sent letters to all Governors, several hundred key
Congressmen, and business partners of ZapMe accusing ZapMe of violating student privacy rights by
forcing them to watch ads during school time and by turning students and teachers into “instruments
of corporate advertising and marketing.” A similar letter, sent by the Coalition, targeted Channel
One as one that “forces children to watch ads and waste precious school time.” The Coalition
estimates that the equivalent of one week of instruction each school year is wasted watching the
program and one full day is wasted watching ads. Channel One programming reaches approximately
8 million students in 12,000 schools, while ZapMe has reportedly contracts to work with
approximately 6,000 schools.

This proposed legislation being currently considered at a time when COPPA effective
implementation date has yet to arrive (see related story) and could erode the credibility of the FTC
rule.

New American Schools to Provide Loans for Research-Based Whole-School
Design Providers

The New American Schools Corporation (NAS), created toward the end of the Bush administration,
was instrumental in having some of its model developers’ programs included in “lists of proven
models” under the Comprehensive School Reform Demonstration Program; NAS has announced the
availability of $15.7 million to help many of the model providers. Most of the new model providers
which NAS has supported in the past are non-profit providers. As reported in Education Week
(March 8, 2000), Dean Millot, NAS VP, stated “the fund was motivated by the need to give non-
profits a level playing field in the market.” It was reported, however, that for-profit groups would
also be eligible for loans. Much of the funding comes from private foundations such as Prudential
Insurance, Nike Foundation, and Carnegie Corporation. Approximately $7 million will support the current eight developer teams while the remaining funds would be used to provide loans to districts to adopt such programs; however, the districts would have to repay loans over time. Eligible providers would have to meet current NAS standards. The estimated size of loans would be in the neighborhood of $500,000.

As we have recommended in previous TechMIS reports, one approach for some TechMIS providers would be to approach existing model program providers to assess the desirability of supplementing model developer components with their products. Several firms have used this approach effectively. It is not nearly as costly and time consuming as going through the evaluation procedures over several years possibly to be approved on one or more of the existing “lists”.

The Administration Once Again Calls For An Emphasis on Dual Language Instruction or “Bi-Literacy Education”

Secretary Riley has called upon public schools, particularly those that are applying for Title VII “bilingual” grants, to use a two-way technique for non-English and English speakers in which native language speakers are taught in the same classroom, initially in their native language. To develop competence in two languages LEP students should participate in biliteracy programs when they are young, he argued. Secretary Riley’s goal is to increase the number of dual-language schools from about 250 now to over 1,000 in five years.

The need is based upon projections that the number of Hispanics in the US population, now at about 12%, will double to 25% within five years. The proportion of non-English speaking youth and adults in literacy programs now almost exceeds 50%. He also called for providing more training to teachers who have LEP students in their classes to use a second language; over half the teachers have such students, but less than 20% feel capable of providing them instruction effectively.

TechMIS subscribers which have products that could be easily used in dual language or biliteracy
education environment should contact existing customers with bilingual grants or others who plan to apply for Title VII grants to determine whether or not the provision of materials in their programs would meet the new priorities. For additional information on the various bilingual education grant programs go http://www.ed.gov/offices/OBEMLA.

**Use of Computers in Charter Schools Increasing**

The National Study of Charter Schools provides descriptive information on such schools during 1998-99 school year, and for the sample surveyed, the estimated mean average student-to-computer ratio in charter schools was 8.9, which was equal to the general ratio in public schools during that time frame. Two-thirds had a ratio of fewer than 10 students per computer, and almost one-third had ratios of less than five students per computer. The estimated median student-to-computer ratio was 6.2.

Approximately two-thirds of the sample charter schools have at least three-quarters of their computers capable of running multi-media applications. Only about five percent did not have any computers capable of running advanced applications.

Over 95 percent of the charter schools had at least one classroom equipped with computers. Approximately two-thirds had computers available for instruction in more than three-quarters of their classrooms.

Over the last several years, use of computers has become much more extensive in charter schools than when the movement began early in the decade. At that time, most charter schools had very specific themes, such as arts and crafts, information technology, etc., or were designed for very specific populations; only where computer instructional use was tied to a theme were computers used extensively. Currently, a total of 1,484 charter schools are operational in 31 states, with seven of ten charter schools reporting having a waiting list. Since 1992, almost 60 charter schools have been closed. Approximately 0.8 percent of all public school students in 27 states with open charter
schools in 1998-99, or approximately 250,000 students, were enrolled. Most charter schools served elementary-level students.

One of the major problems confronting charter schools is cash-flow problems due to the lack of planning and initial investment funding, which was the rationale for creating the Charter School Grant Program at the Federal level in 1994. This is particularly a problem for non-profit charter schools. In 1996, almost 60% of charter schools surveyed cited the lack of start-up funds as a problem, compared to approximately 40% in the most recent survey. For a summary go to http://www.uscharterschools.org

**Debate Over Future of NAEP Heats Up -- Implications for Software Publishers are Significant.**

The National Assessment of Education Progress (NAEP) is being pushed by the Administration as part of its recent accountability proposal; yet over 10 states will either not participate in the NAEP this year or may have to drop out due to inadequate sample size. The implications for software publishers and developers are significant in that most technology-based content-related instruction is designed to increase student performance on state assessments, which increasingly are national norm-reference tests (NRTs); and, not unexpectedly, in those states which participate in NAEP and also use NRTs, students who use computers extensively do worse on NAEP writing and reading assessments than students who do not use computers but do achieve relatively high scores state NRTs.

The Administration has proposed a $50 million “recognition and award program” which would provide states financial rewards as an incentive to improve student achievement on NAEP assessments. Obviously, participation in NAEP is a pre-requisite to qualify for such rewards. Both Presidential candidates Gore and Bush have also proposed similar incentives. In addition, Bush has proposed to require all states to participate in NAEP and would provide not only $100 million a year in rewards but would also to reduce state administration Federal funding set-asides in those states which did not show progress over five years. Some education groups, such as AASA, oppose the
President’s proposal as they argue this is still another attempt to implement national testing tied to national standards, which would lead to a national curriculum.

Earlier this year, 48 states indicated their plans to participate in NAEP 2000; however, seven states, including Colorado, Delaware, Florida, New Hampshire, New Jersey, Pennsylvania and Washington, have not been able to find enough schools to participate in the science and math NAEP tests this year and are dropping out. Also, because of lack of interest and arguments that students spend too much time taking other tests, other states (Indiana, Iowa, Kansas, Michigan, Oregon and Wisconsin) could drop out of the 2000 assessment because they cannot find enough schools to constitute a large enough sample for reliability purposes.

Some observers argue that the “standards-based reform movement”, in which virtually all states now have content standards, has resulted in the increased use of state assessments, mostly NRTs, which reduces the perceived utility and benefit to school districts to participate in NAEP. Virtually all state accountability systems use state assessments/NRT scores, not NAEP results, to classify schools as low-achieving or other designations. Only a limited number of states have attempted to align state standards and assessments to NAEP; these include Maryland, which used the 1990 NAEP reading and writing frameworks to develop the Maryland “learning outcomes”. Also, West Virginia has used NAEP as a model for its curriculum framework. North Carolina has been comparing NAEP math assessment scores at grade eight with the North Carolina end of grade test and is attempting to align end-of-grade tests for grade three and eight with those from the NAEP assessment. Ohio used NAEP frameworks to develop its content standards in developing state assessments for grades four and six in reading, writing, mathematics, citizenship, and science.

In a very recent development the National Assessment Governing Board, which sets policy for NAEP, decided to exclude the results of the 1994 and 1996 writing assessments from its longitudinal analysis of trends. The Board reported that there were flaws in the items and scoring. In late 1999, the NAEP writing assessment results were released. One very surprising finding was that the percentage of students who use computers frequently achieved lower scores than those that did not
use computers. Most independent research on laptop and other one-on-one computing solutions have found that the students’ writing skills have increased on a variety of different tests when compared to students who are not situated in technology-rich environments.

In those states where the alignment between state assessments and NAEP is minimal or non-existent, there’s still the question about whether the state assessment using NRTs are aligned with the state’s content standards, which continues to present a problem for developers of instructional materials in core content areas.

For more information about the NAEP, USED has published the “Nation’s Report Card: The NAEP Guide”, which is available at [www.ed.gov](http://www.ed.gov).

**Pending GAO Report and Subsequent Legislation Likely to Force Budget Cutbacks in Selected Districts**

Over the last decade, an increasing number of districts have received reimbursements for the cost of related services for special education students under the Medicaid program; this year is the first full implementation across all states of the new Child Health Insurance Program (CHIP) which could provide up to $48 billion worth of additional reimbursements to school districts over the next five years. Recently, the Department of Health and Human Services, which administers this program, issued non-regulatory guidance in the form “guidelines”, which will have the net effect in the near future of substantially cutting back the number of districts which would have received reimbursements under Medicaid. As we have noted in several TechMIS items, the amount of reimbursement under the CHIP program for special education programs to provide related services could be between $500 million to $1 billion annually, which would have the effect of “freeing up” IDEA funds which could be used to purchase software and related instructional products. Reductions in Medicaid and related reimbursements could have the net effect of reducing the amount of so-called “freed-up” funds to be used for purchasing technology products, certainly in specific districts.
The pending GAO report addresses significant fraud and abuse of the program in several areas: a) districts requesting reimbursements for administrative costs that are more than requested reimbursement for services provided; b) accounting and other firms which provide billing services for districts and which receive fees of 20% or more, which many consider “rip-offs”; and c) lack of audit trails to determine whether requested reimbursements are legitimate and accurate. The report will be released in April followed by hearings and the introduction of legislation which could have a major impact on budgets in certain districts. For example, one of the largest 10 public schools in this country receives Medicaid reimbursements of slightly over $25 million, which is almost 5% of its total operating budget.

In most districts which have taken the time and effort to apply for reimbursement and did so in an accurate manner, they will likely continue to receive some level of reimbursement which will continue to free-up funds for technology and other purchases out of funds such as IDEA. Conversely, in those districts which will be adversely affected by more stringent guidelines and careful scrutiny, more funds will be used for related services, not instructional services which purchase software and related programs.

**USED Announces New Interagency Research Initiative (IERI) to Target Grants on Early Learning and Complex Science and Math Learning**

The IERA, which is a partnership among NSF, USED/OERI, and the National Institute for Child Health and Human Development (NICHD), will be providing funds for research and development groups who will evaluate and develop technology-based products and approaches that can be used in complex and varied learning environments. Focus area Number One is entitled “Early Learning of Foundation Skills,” which is concerned with the acquisition of fundamental reading, math, and science skills in Pre-K through grade school, assessment of readiness for learning in these domains, and research on measures for determining achievement of proficiency. Focus area Number Two is ways to increase student understanding of complex ideas in math and science, particularly in middle and high schools, and how to provide career support to their teachers.
The types and amount of funding of grants under this new program include:

- Planning grants for up to $100,000 for twelve months.
- Research study grants, up to $6,000,000, up to 60 months.

Total amount of funds projected for the first year will be $38 million, with a request of $50 million for FY 2001.

Letters of intent must be submitted by April 19th, 2000. Collaboration or partnership with industry is encouraged as well as partnerships between research institutions and school districts. While private firms are not considered eligible as a prime contractor, they are encouraged to partner with university or other research groups that are targeting the two focus areas.

On several occasions, we have suggested that firms seriously consider attending annual conferences of, or joining, the National Education Knowledge Industry Association, which is a trade group for education R & D groups, most of whom are university-based and non-profits. Many of these groups, which include several Regional Education Labs and several providers of model CSRD programs that are on the list, are members of this association. Anyone interested in discussing the pros and cons, should contact me directly. For more information about the new program announcement, go to http://www.nsf.gov/cgi-bin/getpub?nsf0074.

$50 Million Technology Enhancement Capital Campaign to Help 39 Colleges Concurrent with the United Negro College Fund

President Clinton recently issued a press release regarding the creation of a Technology Enhancement Capital College Campaign that would provide $50 million dollars--contributed by Microsoft, IBM, AT&T, and UNCF-- to help thirty-nine (39) historically black colleges and universities. Such funds would be used to strengthen the technology infrastructure and improve computer access. In making this announcement, the President called for national policies to remove the “digital divide” and stated: “I have made the effort to bring digital opportunity to bring to all Americans a top Administration priority.” He also reemphasized his New Markets Trip during the
week of April 9th, which is designed to mobilize significant private and public efforts to close the “digital divide”. As noted in the last TechMIS report, one can anticipate a number of related press releases from the White House after April 9th.

White House New Markets Initiative Seeks Private Sector Participation

The New Markets Initiative is organized for a kick-off on April 9, 10, and 11 in Washington, D.C. and across the country in various Empowerment Zones. It is designed to bridge the “digital divide” by creation of partnerships between communities, schools, and the private sector, which will donate hardware and other technology components to schools, libraries, and technology centers in Empowerment Zones in return for tax credits at “suggested retail price.” Technology firms have been invited to participate in this Initiative to meet its two primary goals: a) to make 21st century learning tools available to every child in every school; and b) to provide digital opportunities for every American family and community to ensure that no one is left behind. The President will be making a “bold and challenging” speech in a yet to be determined school district in a high-poverty community. According to high-level Federal officials, private sector companies will be invited to attend the events across the country.

The person who is responsible for public relations of this Initiative is Jackson Dunn at the White House (202) 456-2920 or email jackson/dunn@who.gop.gov. Interested firms should contact this office to receive descriptive material about the initiative and a form to be completed by potential participants. Please feel free to call me, as developments are occurring rather quickly.

Thirty-Six Communities Receive First Year Grants Under Youth-Opportunity DOL Initiative

In the last Tech MIS mailing, we included a special report summarizing a compilation of non-regulatory, as well as official, guidance on the new Youth Opportunity program that is part of WIA which is replacing the JPPA Summer Youth and Training Program. The emphasis here is on providing education support to approximately 11 million youth between the ages of 16 and 24 who
are high-school dropouts. The components which could be funded using Youth Opportunity funds, as well as other DOL funds, include basic skills and remediation that is tied clearly to success on jobs; job and life skills; job preparation material; guidance and counseling; and others which can help youth get jobs, stay on the job, and progress while on the job; and, particularly Web-based content and services, including mentoring and various types of assessment.

One of the largest grants, $11 million, will be provided to Baltimore City Employment Office, each year for the next five (5) years, to provide computer classes, high-school equivalency and GED-prep classes programs, and career classes. The District of Columbia will receive $5 million as part of a $32 million total grant over five (5) years, to match adult mentors to potential workers as they participate in job training projects.

Of the 36 sites, 26 are designated as Empowerment Zones or Enterprise Communities. Some of the other large first-year grants went to Los Angeles, Watts and East Side Empowerment Zone ($11 million); the City of Detroit ($11 million); Houston-Galveston Area Council Enhanced Enterprise Zone, Harris County ($11 million); and, the Alamo Work Force Development Board, including San Antonio ($11 million). The largest grants to the six tribal councils were $8 million to Cook Inlet Tribal Council Alaska; and the Navajo Nation, Window Rock, Arizona ($10.3 million).

For more specific information on grantees, go to http://www.yomovement.org or http://www.doleta.gov.

**National Alliance of Business Report Identifies Fifteen Accountability Models Being Implemented Across the Country**

A new report from the National Alliance of Business (NAB) acknowledges the implementation of higher state standards, but argues that such standards will not be met without incentives to perform at higher levels. While the private sector encourages the risks and rewards of competition, in public schools “educators and students have faced fewer consequences for their failures and even fewer rewards for their successes such consequences are essential to raising student achievement.”
The NAB commissioned Thomas Toch, (Brookings Institute) and John Young and Matthew Walker, (Harvard Graduate School of Education) to conduct the study and prepare the report, which identified 15 different models that provide incentives for schools, individual educators, and/or students. For each of the models, or variations within a model, the report describes how the model is being used in specific districts, states, or other locations. Some of the models have been widely-reported in the press, such as school report cards (a state-wide requirement in 14 states) that link school performance to school-wide financial incentives, and school sanctions, such as the “four-step system” in Chicago.

Under Student Choice models, one interesting variation is in the Seattle schools system, which provides financial incentives to a school to enroll more challenging students (i.e., special education students) by increasing the funding a school receives for enrolling such students (i.e. funding increases of 9% for elementary students from low-income families to 57% for mildly handicapped students). While a large number of states now provide scholarships similar to the Georgia HOPE scholarship for students who achieve at the highest levels on exit exams or other end of course exams, the report also identifies certain approaches to ensuring all students pass exit exams.

For example, a study of ten New York school systems found that more students passed end of course Regent exams where schools focused attention on student achievement by relieving teachers of hall duty and assigning the best teachers to classes with less capable students. In other districts, students who achieved high on state graduation exams did not have to take the lengthy time-consuming end-of-year course exams.

For those TechMIS subscribers with technology-based solutions designed to increase student performance, this report should be extremely useful in identifying criteria for selecting which districts to target. The report also identifies numerous necessary conditions that have to be met (e.g., adequate resources allocated to low-achieving schools, budgetary decision-making to be at the operational level, etc.) but are not sufficient without incentives to ensure success. The report is
available from the National Alliance of Business or go to its website http://www.nab.com.

New USED Guidance on Choice/School Improvement Title I Give SEAs Wide Flexibility

The non-regulatory guidance on the newly mandated Choice/School Improvement Accountability Initiative under Title I would apply only to those Title I low-performing schools which actually received some of the new funding. For schools receiving such funds, the LEA has to provide parents the choice to have their student attend another public school. In the event that the district has “limited capacity”, then priorities would be placed upon the lowest-performing student in the school regarding parent choice. USED encourages SEAs to allocate funds to LEAs with the greatest need for assistance and provide an amount larger enough to make a difference; SEAs have much flexibility in how to actually distribute funds to districts and schools beyond the above guidelines.

Title I schools which had been targeted for improvement are supposed to receive staff development (e.g. about 10% of Title I budget) and technical assistance from the state, SEA, or other groups. Less than 50% of the 6,500 Title I target schools have actually received such support over the last few years. Funds will be allocated to states on or about July 1, 2000. The state allocations for this coming school year range from $16 million in California, $12 million in New York, and $11 in Texas down to $300,000 in Vermont. One-hundred percent of all funds are to be allocated to LEAs and not to be allocated for SEA administrative purposes although other administrative set-asides can be used to monitor the implementation of the programs. These school improvement funds are available for encumbrance by the LEA for a maximum of 27 months. If these funds are allocated to a school-wide program such funds do not have to be accounted for separately, but may be commingled with regular Title I funds. The guidance from SEAs will likely address under what conditions would the funds be allocated to the district or directly to an individual school that has been targeted for improvement and is eligible.

The guidance lists the traditional allowable costs including: planning and development of school improvement plans; professional development; improvement of the curriculum; and enhancement of parental involvement. LEAs can use the funds to provide technical assistance or the LEA can
contract with an outside group such as a university, a private non-profit organization, education service center, or one of the Department’s Comprehensive Regional Assistance Centers. If this guidance reflects what SEAs will say in their guidance to LEAs, then only non-profit groups can provide services. Many TechMIS subscribers, which currently provide staff development and services, would be precluded from doing so when districts are using solely these School Improvement Funds.

Unless the USED guidance changes, the sales opportunities relate only to products which could be used for overall school improvement. Between 8% and 15% of funds allocated to schools under the Comprehensive School Reform Demonstration Program are used for purchasing supplemental products, software, and related instructional materials.

Interested parties are urged to review SEA’s websites regarding their priorities and selection criteria as well as additional guidance. In some states, this program could be administered by the same office administering the Reading Excellence Act since the qualified districts for that program and this initiative would overlap significantly. Or funds could be combined with Comprehensive School Reform Demonstration funds which in many cases are being implemented by offices other than SEA Title I officials. A copy of the guidance is available from the USED Title I website or from Title I Reports at webmaster@titleI.com.

**New NCES Reports on Technology Use Finds Distance Learning Expanding at College Level but Internet Access in High-Poverty Schools Making No Gains**

In early February, the National Center for Education Statistics (NCES) reported that the percentage of post-secondary institutions that offer distance education courses increased from slightly over 33% in 1995 to 44% in 1998 and 80% of four-year institutions offer “outside the classroom” courses. The number of certified programs doubled over the three-year period. The percentage of post-secondary institutions using Internet-delivered distance learning increased from 22% to 60% over the three-year period; 70% of the institutions offered courses in English, while only 32% offered courses in mathematics. A recent Dunn and Bradstreet Trust report says that U.S. colleges have budgeted a
28% increase for hardware upgrades next year, but will reduce software purchases by 29%.

The Federal Learning Anytime Anywhere Partnerships (now in its second year) is piloting a number of alternative ways of providing distance learning and providing post-secondary Federal financial aid such as PELL grants to students who participate in distance learning programs rather than meeting “seat-time requirements” physically on campus. Over two years ago, USED began providing waivers to colleges who wished to provide distance learning courses to students who qualified for PELL grants.

Governor Mike Levitt, who’s been instrumental in pushing distance learning through the Western Governors’ Commission, has supported distance learning as a means to reduce the amount of seat time on campus for students to graduate. At a recent meeting of the National Governors’ Association, (NGA) Washington State University President Samuel Smith reported some schools are finding it difficult to roll out online degrees in web-based courses when they have to deal with the bureaucracy of state regulation agencies. He is reported to have argued “it’s easier for me to offer a distance education program in one of your states than in mine.” Governor Levitt, who is chairman of the NGA, argued the case for state regulations across all states.

In a related survey, NCES reported that the percentage of schools with 50% to 70% poverty that have Internet access now slightly exceeds the percentage of schools with less than 11% poverty having such access. However, while the percentage of instructional rooms with Internet access in public schools with 50% to 70% poverty has increased over the last year from 40% to 60%, the percentage in schools with 71% or more poverty has remained the same at 39%; 74% of schools with less than 10% poverty have Internet instructional rooms with Internet access. As noted in our last TechMIS mailing, the Administration is now focusing on instructional rooms with Internet access and wide differences in Internet access at home between wealthy and poor families as the basis of their “digital divide, digital opportunity” new initiative.

**USED Likely to Extend Deadlines and/or Provide Waivers on State Standards/Assessment Mandated Deadlines**
Several events over the last month strongly suggest that USED will be providing deadline extensions and/or waivers for certain states who need to revise their standards and/or assessments and/or will not be able to meet the mandated deadline of September 2000. Even though Assistant Secretary Michael Cohen had insisted that Title I accountability and assessment mechanisms must be in place by that deadline, it is likely that greater flexibility will be required in Title I also.

On February 22nd, Secretary Riley, in his 7th State of American Education speech, called for a “mid-course review of states’ implementation of standards and assessment and related mechanisms”. He argued that state standards should be “challenging, but realistic… setting high expectations does not mean setting them so high they are unreachable except for a very few.” Secretary Riley also provided additional guiding principles including fostering greater dialogue with parents and teachers; invest in approaches such as class-size reduction and after-school to improve learning; and insisting on real credible accountability for results. He also emphasized the need to create quality assessments that are directly tied to standards.

In mid-February Public Agenda released its Third Annual Reality Check Survey in conjunction with Education Week. While the overall survey reflected the different perceptions among employers, parents, teachers, and students, the most significant finding related to teacher perceptions on standards, testing, and accountability; for example, only 42% of teachers, compared to 46% last year, felt that state standards provided the most guidance as to what to teach students; and teacher expectations of students, because of state standards declined from 49% last year to 44% of the teachers. Not surprisingly, just 22% of teachers say its been a good idea to tie financial incentives for teachers and principals to student achievement, and only 32% agree that high-stakes testing makes teachers and students more accountable.

In a related event, Achieve Inc., which was created by the National Governors Association to help states meet high standards and strengthen accountability, reported that 24 Governors, in their State of the State addresses, announced their commitment to help students achieve higher standards, and 26
proposed strengthening accountability systems. Forty-plus participating states in the Achieve project agreed to meet the self-imposed deadline of April 1, 2000 as full implementation of their standards-based reform initiatives. The President of Achieve acknowledged that state abilities to meet the self-imposed deadlines vary significantly. However, as reported in Education Week (March 1, 2000), “in several key states the possibility of consequences for kids is becoming more real as people face a significant number of kids that may not graduate or be promoted … it’s been easy to get the public to accept the general sense of standards, but now its at the point where the rubber meets the road.”

The potential for a backlash against the standards-based reform and “high stakes” assessment movement is certainly real for a number of reasons including: a) recent national news items about students having to take remedial courses during the summer and then finding out that test contractors made mistakes in scoring tests; b) lawsuits in states such as North Carolina where teachers questioned the use of certain tests for determining student achievement that reflected badly on their performance; c) questions in states such as Alabama on use of national teacher exams being biased against minorities; and d) the large number of existing and proposed accountability systems based upon student and teacher performance measures as increasing expectations, but in many cases failing to deliver (see related story on National Alliance of Business Report).

The issue which will most likely ignite the backlash will be the inclusion of special education students in state assessment beginning in July 2000.