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MEMORANDUM

○ February 27, 2003
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TechMIS Subscribers

FROM: Charles Blaschke

SUBJECT: FY 2003 Appropriations Analysis and Numerous Items Confirming That
Bipartisan Support for No Child Left Behind Has Dissipated

Included in this TechMIS issue is a Special Report analyzing the implications of the FY 2003 budget, strongly suggesting what types of districts to target and when to approach them over the next 8-12 months, particularly regarding the \$1.4 billion increase in Title I funding. Shortly, we will share with you a listing of districts with large estimated increases. An equivalent increase can be expected in IDEA funding representing a 19 percent increase. The President's proposed FY 2004 budget will be "dead on arrival" at Congress and the thinly-veiled basis justification for proposed cuts in 21st Century Community Learning Centers and other programs will be disregarded just as Senate Republicans disregarded White House proposed cuts in three technology earmarked programs for FY 2003.

Following the release for the Center for Education Policy report in January (see January, TechMIS Washington Update), political support for many of the key No Child Left Behind provisions, which are considered unfunded mandates, is definitely waning as many unintended consequences are beginning to surface. For example, during the recent National Governor's Association winter meeting in Washington (February 21-24), the major "bones of contention" with the Bush Administration among virtually all Republican and Democratic governors related to the need for Federal financial assistance in the area of Medicaid cost coverage, followed closely by the unfunded mandates of both No Child Left Behind and IDEA, and the increased cost to states of implementing the assessment and other provisions of NCLB. Personal discussions were held with the governors of Indiana, New Mexico, Oregon, West Virginia, Michigan, and Pennsylvania (all Democrats), each of whom stated (sometimes vehemently) that they would "stick by their guns" on their respective state accountability plans which were submitted in January; each had points which USED indicated they

would not allow. These included: (a) AYP criteria to be used to target schools (Michigan); (b) the use of “guided reading” in Reading First (New Mexico); (c) adaptive testing and dual accountability reporting (Oregon); and (d) alternative assessments and accommodations for special education students (Indiana). With projected state budget deficits totaling \$25 billion this fiscal year and a projected \$70-\$80 billion next year, no state is likely to be in full compliance with the new Law this year or even next year.

As noted in the Washington Update item on the recently completed ICT Summit, even some high-level Administration officials have been “taken in” by the rhetoric of No Child Left Behind without knowing the reality of the regulations, especially in the area of technology and technology literacy. In addition to officials cited in the Washington Update items (e.g., the baseless justification for the President’s proposal to cut the FY 2004 21st Century Reading Program from \$1 billion to \$600 million), “mouthpieces” of this Administration contribute to this high level of rhetoric. For example, as reported in Education Daily (February 20), the New Hampshire School Administrator Associations released a report projecting that implementation of No Child Left Behind in the state would cost taxpayers an additional \$127 million. Approximately \$60 million of this projected cost would be attributed to an increase by almost two percent in the number of students identified to be served in special education; this would be attributed directly to the new assessment provisions. An additional \$35 million in extra spending on technology would be required. However, a report on the New Hampshire estimates by the Business Roundtable conducted by the nonprofit Accountability Works was recently released projecting that the cost would only be \$7.7 million this year and \$15.5 million for the upcoming school year. Accountability Works notes that there was no reason to project any additional costs in special education to become compliant with No Child Left Behind. The head of Accountability Works served in the USED under the first Bush Administration and the key No Child Left Behind consultant for the Business Roundtable is Sandy Kress, who as Special Assistant to the President was the key architect in negotiating No Child Left Behind provisions for the current Bush Administration.

The bottom line is most likely to be that USED will approve of each state plan to implement key provisions of the Law within the context of the current situation in the state, particularly related to accountability. In other words, USED, through the peer review process, will approve state plans that meet the “spirit of the law” even though they have failed to meet the “letter of the law.” During the first week in March, USED is expected to send a letter to each state superintendent indicating what must be included or otherwise addressed in terms of state plans to implement the law in its second consolidated state application due in May; plans must be approved for states to receive the second round of funding for FY 2003. This process will resemble, very closely, the process currently being used in approving state Reading First applications. However, the approval process of consolidated plans will adhere less to the “letter” of the law than the current approval process for Reading First. As a result of this negotiated “rule making” process for the next couple of years, significant variation in NCLB implementation can be expected across states.

Other Washington Update items include:

- A meta-analysis of “controlled evaluation studies” which has found that Integrated Learning Systems increase student achievement in mathematics and science;

- A critique of USED's rationale for the proposed 40 percent cut in 21st Century Community Learning Centers for FY 2004;
- A widely publicized report by the Center for Public Integrity on fraud and abuse in the E-rate program, which is based on an FCC audit, but in reality is "much ado about nothing," except for an alleged justification to increase the number of auditors to be hired by the FCC to audit the E-rate program;
- Various forms of USED guidance can be expected shortly regarding graduation rates and definitions of dropouts, assessments for students with disabilities and limited-English-proficient students, and other issues requiring clarification according to Title I Reports, which covered the Annual National Title I Conference in Anaheim, California during the first week in February;
- A new survey which reports at least 2,300 targeted schools which were supposed to offer supplemental services this year, which is significantly less than the 8,600 identified by USED last summer; opportunities exist in at least another 2,700 schools for staff development as 15 percent of their budget has to be allocated for staff development because the schools failed for two consecutive years;
- A new report which concludes teacher retention is the nation's most serious education problem and recommends modern technology to improve working conditions and support "learning communities"; this suggests a new way to position technology solutions;
- Administration's FY 2004 budget proposal likely "dead on arrival" in Congress but clearly indicates Administration's priorities;
- A summary of the Education Commission of the States database which provides status reports on the way state policies match up with the requirements of No Child Left Behind; and
- A listing of Second Quarter, FY 2003 E-rate commitments for prior years.

This TechMIS issue contains no State Profile Updates. We are collecting state information which will be included in the next issue.

As always, if you have any questions, please give me a call directly.