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M E M O R A N D U M

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TechMIS Subscribers

FROM: Charles Blaschke

SUBJECT: Special Reports on New ESEA General Provisions, E-Rate Update, and lists of districts receiving large Title I increases next year

This TechMIS mailing includes several Special Reports, two of which include lists of districts receiving E-Rate generated savings and over 250 districts which will receive the lion's share of the $1.7 billion increase in Title I funds next year. Our next TechMIS mailing will include a number of state profile updates based on interviews to be conducted with state technology directors beginning on February 24-28 during their meeting in Washington, D.C.

One Special Report provides the level of funding finally included in the FY 2002 appropriations for major programs whose funds are used to purchase technology-related products and services. Even though the amount earmarked for technology competitive grants is more than $100 million less than the FY 2001 budget, the greatest opportunities will be in Title I and Special Education programs, both of which receive a 20 percent increase for next year and the new Reading First initiative whose budget tripled to over $900 million.

The FY 2003 budget is proposing to rescind approximately $1.3 billion appropriated less than two months ago in the 2002 budget, including over $100 million for three technology earmarked programs and most likely over $100 million of technology enhancements included as pork barrel projects passed by Congress last December. Key Hill staffers on the appropriations committee have ensured recipients of such earmarks that they will not approve any of the specific proposed rescissions.

The second Special Report summarizes a number of new general provisions which affect virtually all individual Titles in ESEA. One such provision relates to "transferability" whereby up to 50 percent of the consolidated Title's funds can be transferred among themselves and into, but not out of, Title I. This could result in up to 25 percent of the $700 million earmarked for technology competitive grants and formula allocations to districts that could be used for purposes other than purchasing technology. Without question the new accountability and assessment mandates as currently proposed in draft regulations would almost require a state to establish online assessments, scoring, and reporting of student scores.

The third Report is an update on E-Rate activities. For many applicants with Year 1, 2 and 3 appeals which have been found to be meritorious, applicants have received Funding Commitment Letters. Those who purchased products and services 2-3 years ago paying the prediscount price have an opportunity to use the BEAR process to request the refunded amount of savings in the form of a check which can then be used to purchase software, training, hardware, and other noneligible products under the E-Rate. A list of districts whose funding amounts were $100,000 or more is included.

Our last Special Report includes a list of districts receiving large increases in Title I funds next year as a result of the new Title I formula. The districts listed in Appendix A are receiving at least $1 million or more which will likely result in eligible, but not previously served, schools being served for the first time next year. These new Title I schools, as well as those "targeted for improvement" for three years, are the best prospects in these districts. There are also approximately 130 districts which received over a 40 percent increase in funding in FY 2001 and received concentration funds for the first time. Many of these districts will also be establishing Title I programs in other schools for the first time. They were unable to do so with FY 2001 because many of them only recently received the 85 percent that were withheld in November 2001. These districts (which were included in the June 2001 Special Title I Report), are included here as Appendix B.

We continue our analyses of ESEA. If anyone has questions regarding the enclosed Special Reports or any of the new Titles, please contact me directly.

During a recent half-day conference on implementation of the new ESEA, sponsored by the Thomas B. Fordham Foundation, former Assistant Secretary of Education under the Reagan Administration, Chester Finn, introduced the topic to be addressed as "reading the entrails of the new education law enacted in January." Seven papers were commissioned to address the unintended consequences of the new Law, disconnects, and the probability of implementation, if one takes a strict interpretation of the Law. During the conference, former Assistant Secretary of Education under the Clinton

Administration, Mike Cohen, questioned whether the current USED could and would enforce many of the provisions, admitting that under the Clinton Administration very little, if any, enforcement of requirements such as "adequate yearly progress," in fact, occurred. In the recent Education Week (February 20), Brian Stecker, Senior Rand Scientist and one of the more objective critics of many state assessment and accountability systems, asked the question, "Will the strict accountability provisions included in the Law promote student achievement and improve poorly performing schools?"

In the February 17, 2002, Washington Post in an article entitled "The Best Thing About Reform: It Won't Matter," education reporter Jay Matthews states "The regulations will be ignored, the money will be misused, the deadlines will be missed, and the USED usually as aggressive as a tulip, won't do anything about it…pouring more Federal funds into public schools as the new Law does is good; yet, I have spent too much time watching effective teachers and principals struggle with clumsy Federal and state rules to fret about lax enforcement. Schools are not going to succeed unless good people inside them do what works." We are currently conducting interviews with states and some large district Title I coordinators to identify the range of coping behavior they will likely undertake in order to implement the new Law in a timely manner.

In our next mailing we will include a Special Report which details some of the inherent implementation problems related to the new Law and identify some scenarios and loopholes which USED states and districts are likely to undertake to bend the rules.