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**M E M O R A N D U M**

**DATE:** September 30, 2003  
**TO:** TechMIS Subscribers  
**FROM:** Charles Blaschke  
**SUBJ:** Analysis of Title I Guidance, Highlights of NAFEPA Symposium, and Likely Changes in NCLB

Included in this TechMIS report is a special analysis of the draft Non-Regulatory Guidance on parent choice and supplemental education services and a followup alert, both of which were sent several weeks ago to TechMIS subscribers because of the timely nature of the information. As many of you will recall, the Non-Regulatory Guidance generally told districts that any unspent earmarked funds (amounting to more than 15 percent) for parent choice transportation and supplemental education services from the FY 2002 budget, which could not be carried over, had to be spent by September 30. Then, a week or so later, USED sent a letter to the state superintendents basically telling them to approve requests from districts who wanted to carry over more than 15 percent to this school year if they agreed to continue to earmark those funds for transportation and supplemental education services.

The Washington Update includes the following items:

- Highlights of the Education Leaders Council annual conference during which key ELC leaders suggested certain changes that they will support in NCLB, which is significant in light of their influence with high-level USED officials.
- Highlights of the annual NAFEPA symposium at which USED officials answered some questions regarding NCLB provisions; yet some responses conflicted with USED's own Non-Regulatory Guidance, creating even more confusion.

- The FY 2004 education appropriations level increase is likely to be much lower than previous increases, with IDEA/special education being the only “winner”; some increases could be included in the supplemental proposed budget for Iraq initiatives.
- A new USED report on special education expenditures suggests several growth opportunities in the special education niche market.
- New USED Non-Regulatory Guidance on the allocation of Title I funds for private schools participating in Title I further reduces the amount of Title I funds to be used for “non-earmarked purposes,” including purchasing products and services.
- Growth in distance learning at the post-secondary level is receiving increased momentum from several economic factors which, in turn, could create similar growth patterns at the high school level for distance learning.
- The scheduled release of NAEP test scores in October is likely to contribute even more to the confusion about failing students and failing schools under state or Federal proficiency criteria.

While most of the Washington Update items indicate that confusion continues to surround the implementation of several provisions within NCLB, there do exist some opportunities in this rather chaotic situation. The key point is that a sales representative needs to approach a specific district which is confronted with different situations regarding: (a) level of funding and when such funds will be allocated to them; (b) the number of schools identified for improvement for having failed how many consecutive years; (c) the district’s priorities in terms of implementing the law (i.e., how much of the Title I funding it wants to keep within the district rather than having it “follow the child” to an outside vendor); and (d) other factors. If anyone is interested in discussing specific strategies, please contact me directly.