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<b>MEMORANDUM</b>
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TechMIS Subscribers

**FROM:** Charles Blaschke

**SUBJECT:** Title I and E-Rate Updates; Special Report on Proposed Regulations; and State Profile Updates

This mailing includes a Special Report on the August 6 proposed Title I regulations which are much more inclusive than the July regulations which focused on assessment and accountability. The bottom line is that the proposed regulations, if they become final, will provide somewhat more flexibility for local districts to decide whether to include certain targeted schools or failing schools on the “list” of “targeted” schools for this year. While the number of targeted schools, especially for two consecutive years (or three consecutive failing years), will likely decline, those that are targeted for the first time will be required to provide a minimum of 15 percent of the total Title I school budget for staff development thereby creating opportunities for those providing related professional development. For those schools failing for the first time, there are good opportunities to provide solutions which can act as “preventative medicine” to reduce the probability they will fail this coming school year and therefore be targeted next year.

The Washington Update includes a number of items, including:

- A USED report indicating that almost 50 percent of Title I schools were schoolwide programs in 2000 or approximately 23,000, an increase of 3,200 in one year; the new Title I regulations will likely result in a 20-30 percent increase over the next 12 months which will provide extremely good opportunities.
- Implementation of new ESEA provisions and regulations will vary significantly among states and because of uncertainty and lack of USED guidance, many districts are continuing to defer purchasing until uncertainties are removed and the remaining funds are allocated to them in October/November.
- According to a recent USED press release, Secretary Paige has touted “technology” as critical to implementing No Child Left Behind; the facts, however, are that this Administration has supported significant budget cuts for instructional technology; provided opportunities for districts to reallocate technology funds for other purposes; and has encouraged districts to use Federal funds to supplant in cases where state and local fund budgets have been reduced.
- New AASA report strongly suggests that a significant portion of the \$3 billion Title II Teacher Quality funds will be used to provide financial incentives and bonuses for highly qualified teachers to transfer to Title I failing schools reducing the amount of such funds for staff development, which could be provided by outside groups.
- National Conference of State Legislatures reports that budget “gaps” will deepen next year to almost \$60 billion from \$36 billion last year, however; K-12 state budgets overall will increase by almost five percent.
- Some new No Child Left Behind Provisions are likely to result in more Title I funds being held in “reserve” for potential transportation costs of homeless children which could further defer purchasing cycle for other products and services.
- E-Rate update: contrary to some published reports, the E-Rate “contingent fund” is enough to cover outstanding meritorious appeals which during Q4 were less than reported for Q2 and Q3 (see February 19 TechMIS Special Report), although several applicants are receiving over several million dollars suggesting opportunities for applicants to use these funds to purchase software, professional development and other non-eligible services.
- New report by influential Southern Regional Education Board challenges states to use alternative means to fund web-based courses for K-12 students and to facilitate statewide licenses for online products and services.
- New Reading First initiative also includes “lists” of appropriate assessment instruments and measures.

- President's Commission on Excellence in Special Education recommends significant changes in IDEA but refuses to make IDEA funding mandatory in order to provide 40 percent of the estimated total cost of \$78 billion annually; recommended technology use is limited to administrative reporting and assessment.

The State Profile Updates are based upon several discussions with state Title I, Reading First, and technology officials over the last two months. In addition, we have contacted several associations such as NCSL and others which provide periodic reports on state funding and implementation of NCLB. A number of state technology directors have submitted status reports on state technology initiatives to SIIA which have been used to confirm information that we gathered or, where appropriate, has been included as part of this mailing.

As always, if readers have any questions please contact me directly.