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MEMORANDUM

DATE: June 30, 2009
TO: TechMIS Subscribers
FROM: Charles Blaschke and Blair Curry
SUBJ: IDEA Section 613 Policy Update; Expanded SES Potential Revenue Stream; SIG and 4% Set-Aside Different Conditions; Proposed School Improvement Models; and State Profile Updates

We continue to follow the policy evolution, at both the Federal and state levels, over the conditions under which districts can use up to 50 percent of their IDEA funding increase this coming year to free-up a similar amount of local funds which can be used to purchase virtually any products and services. As reported in the accompanying *Stimulus Funding Alert*, within the last several weeks while USED lawyers have been negotiating policy guidance internally, SEAs which are relying for the most part only on the compliance (“meets requirements”), not performance, indicators are allowing more districts to take advantage of Section 613. These SEA decisions, as well as decisions on the part of districts, could affect how a large portion of the 50 percent of the \$12 billion increase in IDEA funds this year will be used. This trend of SEA decisions trumping USED “guidance” will create great opportunities for firms with products and services that do not easily fit under Title I or IDEA allowable uses.

Included in this issue are a number of Washington Update items that should be of high interest to TechMIS subscribers:

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A recent survey by the Afterschool Alliance found a growing pent-up demand for expanded afterschool/summer school programs which have been created by the current recession. However, one can expect big increases in use of Title I regular and stimulus funding, particularly over the last 18 months to two years to expand such programs. Moreover, under recent changes in Title I final regulations and waivers, the number of districts allocating an increased portion of the 20 percent SES set-aside to continue such afterschool programs after stimulus funds run out should increase dramatically, creating funding streams beyond September 2011 for firms after earlier wise investments have been made using stimulus funds.

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In a Commentary article in Education Week followed by a speech before the National Charter School Association Summit in mid-June, Secretary Duncan discussed at least four models which USED will support with School Improvement Grant funds to “turn around” chronically lowest-performing schools. At least one model, which is likely to be used by most districts, would provide opportunities for TechMIS subscribers as in schools in restructuring would replace curriculum, provide extensive training for new and old staff and extend learning opportunities in afterschool/summer school settings. Opportunities would also exist for firms with data-driven decision-making tools and other applications which can facilitate the above initiatives.

- **Page 5**
A new policy brief published by the Center on Education Policy confirms the largest increase ever in Federal funds for school improvement as we predicted last year, while pointing out different conditions in the use of funds under the two major funding sources, this could result in different implementation schedules among states and the availability of funding streams after September 2011.

- **Page 7**
A number of “obstacles” are being overcome which will increase dramatically the amount of SEA allocations of ARRA Title I and IDEA stimulus funding to districts beginning in July. However, expenditures by many districts of certain portions of the stimulus funding will await USED final guidance or “official guidance modifications.”

- **Page 10**
During the June 10th AEP annual summit Capitol Hill Breakfast, Democratic and Republican key committee staffers responsible for drafting the reauthorization of ESEA (NCLB) suggested that there exists significant bi-partisan agreement on most issues, but for a variety of reasons such reauthorization will await another year or two.

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A number of miscellaneous items are included:
 - The planned grant application and funding schedule for “Race to the Top.”
 - A proposed list of eligible services and products under the E-Rate discount program for 2010 funding year.
 - Submission of the 21st Century Skills Incentive Fund Act authorizing \$100 million annually for grants to states implementing 21st Century Skill initiatives.
 - A letter sent by Secretary Duncan to Chief State School officers encouraging them to in turn encourage districts to apply for Quality Zone Academy Bonding (QZAB) which has \$2.8 billion in additional ARRA stimulus funding which can be used for among other things curriculum upgrades and replacement in eligible schools.

- Applications for grants under the \$143 million Teacher Quality Partnership Program which reflects the types of training approaches and use of technology that the Administration will likely support in other grant competitions such as SIG and “Race to the Top.”
- Grant application for the next round of funding Striving Readers, slightly more than \$7 million for new grants which reflect the types of activities the Administration will likely prescribe in Striving Reader and related literacy initiatives which are expected to increase 5-10 fold at the middle and high school level under the proposed FY 2010 Budget and a new literacy bill now in the Senate.

State profile updates include updated information on stimulus funding and state budgeting issues.

Stimulus Funding Alert: Update on IDEA Section 613 50% MOE, Which is Good News for Most Subscribers

A Technology Monitoring and Information Service (TechMIS)
SPECIAL STIMULUS FUNDING ALERT

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June 30, 2009

As we reported in the last TechMIS issue, policy related to conditions under which districts are allowed to take advantage of Section 613 flexibility continues to evolve at the Federal and state levels. Under certain conditions, eligible districts can use up to 50% of their increase in IDEA funding this coming year to free up a similar amount of local funds that are currently being used to pay for special education programs, as long as such freed-up funds are used to purchase products and services that are allowable under ESEA, which are significantly more flexible than those allowable under IDEA or Title I. USED's recent "guidance modification" basically said that SEAs should not allow Section 613 options to districts that "need assistance" or "need intervention" because they fail to meet one of the performance indicators and/or that districts which are told by the SEA they must set aside 15 percent of their IDEA funds for early intervening services are also not eligible to take advantage of Section 613. Within USED, the Office of General Council, a political appointee, is attempting to resolve differences with lawyers in USED's Office of Special Education Programs (OSEP). In the meantime, over the last two weeks, an increasing number of SEAs (which evidently have final say so) have reinterpreted this policy which will allow many more districts to take advantage of the flexibility offered under Section 613.

Earlier in June, USED submitted letters to each state indicating whether or not the state met all requirements or was designated as "needs assistance" or "needs intervention." Thirteen states "met requirements" on compliance issues last year; the number increased this year to more than 20. At the state level, policies are emerging which take into account only compliance issues (i.e., whether a district "meets requirements" and not the performance indicators -- "needs assistance" or "needs intervention"). As of June 25th, the number of states relying most heavily on compliance issues (i.e., "meets requirements") has increased. According to IDEA Money Watch, which is operated by the Advocacy Institute, more than 20 SEAs have notified districts that they "meet requirements," disregarding the performance indicators. As reported in Education Daily (June 22nd), the Director of the Advocacy Institute, Candace Cortiella stated, "...states do not have to consider performance indicators in making LEA determinations, but that is

counterintuitive.” In the same Education Daily article, the USED official who directs monitoring within the OSEP indicated that, under current policy, states are allowed to omit performance indicators for LEA determinations; however, she indicated that internally within USED, staff are “having some conversations” about changing the policy.

In the meantime, an increasing number of states are issuing LEA determinations (that districts are “meeting requirements”) which are allowing more districts to take advantage of Section 613. On the other hand, some states such as Virginia have found all districts are “meeting requirements,” but the SEA has disallowed districts from taking advantage of Section 613 if the districts have to set aside 15 percent of IDEA for early intervening services because of disproportionality. As posted on IDEA Money Watch, the estimated percent of districts in states that meet requirements where LEA determinations have been posted include: Arizona (81%); Colorado (43%); Connecticut (33%); District of Columbia (0%); Florida (76%); Georgia (70%); Hawaii (100%); Illinois (100%); Indiana (88%); Louisiana (54%); Massachusetts (90%); Michigan (100%); Minnesota (96%); Missouri (100%); New Mexico (52%); New York (89%); Ohio (99+%); Texas (39%); Utah (91%); Virginia (100%); Washington (84%).

Readers should be cautioned that even though a district is designated as meeting requirements, an SEA can place additional conditions such as whether or not the district has to set aside 15 percent for early intervening services that could preclude a district from taking advantage of Section 613 flexibility. In the meantime, one can reasonably expect that more and more districts will be requesting SEA approval to take advantage of Section 613 flexibility and under such pressures, more SEAs are likely to allow more districts to do so.

For current postings of districts meeting requirements, go to: <http://ideamoneywatch.com> and look in right column for LEA ratings.

Washington Update

Vol. 14, No. 7, June 30, 2009

Growing Pent-Up Demand for Expanded Afterschool/Summer School Programs Will Likely Use of Title I Regular and Stimulus Funding, With Extended Use of SES Set-Aside Beyond 2011, Thus Providing Continuing Funding Stream Opportunities for Firms Partnering With Districts

The results of a new survey conducted by the Afterschool Alliance “Uncertain Times 2009,” provides a rationale for firms to partner with districts in expanded summer school programs immediately and greatly expanded afterschool programs this coming school year programs using Title I stimulus funding; opportunities for continuation after September 2011 exists for using SES set-aside money to maintain revenue streams covering operating costs and suitable supplemental materials. Opportunities for firms with appropriate products or services (see April 7th TechMIS Special Report) are strongly suggested by the Afterschool Alliance survey findings. “Uncertain Times 2009” addresses the impact on current afterschool and summer school programs and was designed to generate increased Congressional support for increased funding, especially for 21st Century Community Learning Centers (21st CCLC) programs which the Administration’s proposed 2010 budget would only level fund. Buried in the report, however, are significant findings which support one related suggested approach, as highlighted below.

As a result of the recession, about six in ten programs would lose funding with one in ten reporting “significant losses” resulting in cutbacks in enrollments. Well over one-third expect the recession to impact their program “very much” in 2009-10. However, over 80 percent said there were more “kids” needing afterschool activities as of April-May (when the survey was conducted with almost 1,500 afterschool leaders in 8,000+ afterschool sites serving more than one million students). Because of the recession, almost 38 percent of programs reported that they had to reduce the number of children served and slightly over 20 percent had to eliminate summer programs. However, more than 40 percent anticipated an increase in students enrolled in summer school programs during the summer of 2009. Compared to the 2006-07 school year, almost 50 percent felt their programs’ budget were inadequate, with almost 40 percent feeling that the recession would affect the program in 2009-10 school year. About 24 percent reported that they were planning to approach local or state agencies in an attempt to access Title I stimulus funding to expand programs.

During the current year, only seven percent of afterschool leaders reported using “other” Title I education funds -- and only six percent used SES set-aside funds -- to partially fund their afterschool programs. Several years ago, a similar survey found that between three and five percent of afterschool program operators used SES funds to operate their afterschool activities. This slight increase could probably be

attributed to Non-Regulatory Guidance published during the last years of the Bush Administration which allowed 21st CCLC operators -- including school districts identified for improvement -- to operate SES programs because such 21st CCLC program operators were considered “separate and distinct” from the school board (although many districts were unaware of the guidance). As we noted in the April 7th TechMIS Special Report, Secretary Duncan has announced that districts identified for improvement would be allowed to operate their own SES programs. While Secretary Duncan will be publishing in the Federal Register a formal change in the Title I regulations reflecting this; in the meantime, he announced that USED would approve any waiver request from a state or district to allow districts identified for improvement to operate their own SES programs if they meet all of the other criteria necessary to be approved as an SES provider by the SEA. This change will likely increase the number of district-operated SES programs. Based on the Afterschool Alliance survey, the “primary affiliation” of the program operated by the respondents to this survey was the following: 34 percent said they were primarily a community-based organization/local non-profit, while 31 percent were school-based operated by districts.

The 2009 survey asked respondents “Which of the following would be helpful to you in trying to access funding being provided to local and state agencies through the American Recovery and Reinvestment Act to support your program?” Eighty-two percent said “A list of who to talk to about various funding sources” would be helpful, while 76 percent reported “Examples of how funds might be used for afterschool and 54

percent thought “Talking points to use in approaching agencies” would be helpful. One strategy could be to approach a district Title I Director or other high-level official responsible for stimulus funding with the following plan:

- Use a large portion of the district’s Title I stimulus allocation to invest in an infrastructure for afterschool/summer school programs which could include products/services ranging from outreach and recruitment, to enrollment and student progress monitoring, to separate accounting subsystems for reporting how such funds are used (e.g., jobs which are created among the operator’s staff and even parents/guardians).
- Invest extensively in instructional and enrichment programs and products that would likely be used in activities ranging from homework help, arts, music, reading, science, math or technology (which are used in current activities among 70-90 percent of the respondents) and would likely be used in the future.
- As a partner, help the afterschool operator become an approved SES provider so that, when stimulus funds are spent (December 2011), use part of the 20% SES set-aside to cover operating costs.

One variant on the above might be for the firm which is partnering with the district to establish a cost plus incentive type arrangement such that bonuses are provided based on the performance of students in academic and/or other areas.

If anyone is interested in discussing particulars of this approach, please call

Charles Blaschke directly.
The Afterschool Alliance report can be found at:
www.afterschoolalliance.org/uncertaintimes2009.cfm

USED Secretary Duncan Cites at Least Four Models Which Can Turn Around Chronically Low-Performing Schools Using School Improvement Grant (SIG) and Related Funding, Which Suggests Opportunities for Firms to Partner With Districts/Schools

In a recent article and speech, Secretary Duncan sketched out four models for turning around chronically low-performing schools. These models suggest the types of opportunities offered firms with appropriate products and services to partner with districts and schools in restructuring and corrective action. These schools will receive the vast majority of School Improvement Grants and portions of state four percent set-asides for school improvement. In both his speech before the National Charter Schools Conference on June 22nd and Commentary in Education Week (June 17th), referring to his experience in Chicago Public Schools, the Secretary emphasized that to turn around chronically low-achieving schools successfully, a fundamental “transformation” in school “climate” and “culture” is the overriding condition. Referring to the four priorities/assurances to which governors must agree to receive stimulus Stabilization Funds (i.e., increased standards to ensure college and workforce readiness, data systems to determine teacher effectiveness, teacher equity, and plans to turnaround lowest-performing schools), in the

Education Week article, the Secretary argued, “But in the area of turning around troubled schools, we are still lacking the policy and the political will to do the job right.” Noting that national leaders have already taken significant steps and made progress toward “the other three goals,” the Secretary called for a targeted effort upon the 5,000 “seriously underperforming” schools (which include 2,000 so-called school dropout factories) and pointed out that, over the next two years, more than \$5 billion through School Improvement Grants is available to do the “transformation.”

Before the National Charter School Summit, the Secretary recognized the success of the charter school movement generally, while calling for the need to close down those which are low-performing. At the same time, he stated, “But I came here today, to ask you to do even more. We need everyone who cares about public education to take on the toughest assignment of all -- and get in the business of turning around our lowest-performing schools: that includes states, districts, non-profits, for-profits, universities, unions, and charter organizations.” Two of the models assume a major role for charter school operators and turnaround management firms. Under the turnaround model, staff and leadership in chronically low-performing public schools would be replaced, with responsibility then given to a charter or for-profit management organization. While noting this is “tough work,” he argued there is an upside in that the new charter operator would have a building which is full of students; recruitment has been a big obstacle for many charter operators. Under the second model, which is similar to what he did in Chicago, children would remain, but staff would be replaced and have to reapply for jobs. As he

noted, “In our view, at least half of the staff and the leadership should be completely new if you really want a culture change -- and that may very well be a requirement of the grants.”

The third optional turnaround model would keep most of the existing staff, but transform the “culture” in a number of ways including, at a minimum:

- A rigorous performance evaluation system along with more support in training and mentoring must be established;
- The curriculum and instructional program must be changed and strengthened;
- Learning time must be increased for students during afternoons, weekends, and the summer, and more time would have to be provided for teachers to collaborate, plan, and strategize;
- Principals and leadership teams must be given more flexibility around budgeting, staffing, and scheduling.

Unlike the approach frequently used by charter schools, which builds from specific grade levels, under this model, all of the above must be done “at once” with enough resources to get the job done. He noted that this model “makes more sense in smaller communities” and “gives unions an opportunity to take responsibility for fixing schools without replacing staff. We are beginning a conversation with unions about flexibility with respect to our most under-performing schools. I expect they’ll meet us more than half-way -- because they share our concern.”

In the Education Week Commentary, he suggested this third model might work better

in rural settings than in large urban districts by stating, “They can rely heavily on online learning to bring a stronger curriculum. They can collaborate with many of the nonprofits working in Chicago and elsewhere to prepare new and innovative leaders to run low-performing schools.” Additionally, the school day and year can be extended, incentives can be provided to excellent teachers to work with the most at-risk students, and be provided opportunities to work collaboratively to identify and use instructional strategies which are effective. For all of the above models, Duncan noted a year or more of planning is required, suggesting that teams that will take over schools in the Fall 2010 be assembled immediately using Title I funds to start the planning process.

The fourth turnaround model “is simply to close under-performing schools and reenroll students in better schools” noted Duncan. He emphasized that closing schools is a state and local responsibility and his job “is to support the work -- provide funding -- help define success -- and drive the public consensus toward desired outcome.”

During his speech, Secretary Duncan mentioned a number of charter organizations which have the capacity to perform this expanded “turnaround” business. These include Green Dot in Los Angeles, Mastery Charters in Philadelphia, Nobels Street in Chicago, IDEA Academy in Texas, Inner-City Education Foundation and Partnerships to Uplift Communities in Los Angeles, and Friendship Public Charter Schools in D.C., KIPP, Aspire Achieve First, among others. In his Education Week Commentary, he mentioned a number of groups that can assist in solving some of the problems in schools quickly, including the Academy for

Urban School Leadership, and New Leaders for New Schools, among others (see also the article on pages 4-5 of the May TechMIS Washington Update). Other groups and foundations which have provided not only policy support, but also funding for turnaround efforts over the last several years include the Eli Broad Foundation, the Bill and Melinda Gates Foundation, and the Insight Alliance (see June Washington Update) among others. One might reasonably expect that groups such as these will be involved in working with districts during the planning and rollout of school improvement initiatives, providing grants and other school improvement funding over the next year.

For a copy of Secretary Duncan's speech before the National Charter School Conference go to: <http://www.ed.gov/news/speeches/2009/06/06222009.html>

New Center on Education Policy Brief Confirms Major Increase in Funds for School Improvement, While Pointing Out Different Conditions in the Use of Funds Under the Two Major Funding Sources Which Could Result in Different Implementation Schedules Among States and Extended Revenue Streams

The Center on Education Policy estimates that slightly over \$4.5 billion will be allocated for school improvement under the 4% state set-aside (Section 1003(a)) and School Improvement Grants (Section 1003(g)) this year. The vast majority of these funds will be allocated by SEAs to districts to turn around schools in

improvement, corrective action or restructuring. And, as we noted in the December 2008 Washington Update, if previous trends hold, the amount of these funds spent on professional development and instructional materials is likely to be two- to three-times greater than in regular Title I programs, especially among the 5,000+ schools that are under corrective action or restructuring sanctions. While TechMIS subscribers with appropriate products and services should seriously consider targeting these districts/schools, some of the differences between the provisions in the two NCLB Title I components will likely have an impact on state education agency (SEA) behavior and priorities, which could also affect the timing of this major rollout. Some of these major differences are noted below with scenarios on probable SEA behavior.

One major difference between the two sources is that, under Section 1003(a) which is the 4% set-aside, the SEA determines the amount to be set aside from districts based on the district's final allocations after SEA adjustments, and then determines how much it will allocate to districts with the lowest performing schools. Under Section 1003(g), the SEA must submit an application to USED and once it receives its funds (which are based on the state's regular Title I allocation and not the number of schools in improvement, corrective action, or restructuring) then districts with eligible priority schools have to submit applications to the SEA for approval. Without knowing what USED guidance to SEAs in submitting their applications will be for Section 1003(g) funds, it is very likely that the approval process and timing will differ among the states which will affect the timing of the district application process and subsequent

allocations to LEAs.

As the CEP Policy Brief notes, SEAs must distribute 95 percent of both school improvement funding sources to districts with schools in improvement; however, under the Section 1003(a) set-aside, if the state determines that the amount reserved is more than the amount needed then, the SEA may reallocate the excess funds to districts or groups of districts such as school districts in improvement with no schools in improvement. Under Section 1003(g), with the approval of districts, the SEA can arrange for third-party assistance, for example through education service agencies. As the April 2009 USED guidance for Title I under ARRA states, “Given the large increase in section 1003(g) funds under the ARRA, in combination with those in the regular FY 2009 appropriation, an SEA may wish to allocate its section 1003(g) funds to its LEAs before allocating the funds it reserves under section 1003(a). Depending on how many schools it has in improvement, corrective action, and restructuring, the SEA may be able to provide sufficient section 1003(g) funds for school improvement activities based on the SEA’s priorities, thereby enabling it to have ‘unused funds’ under section 1003(a) that the SEA may then reallocate, for example, to LEAs in improvement with no schools in improvement, or to LEAs with schools on the SEA’s ‘watch list.’” Moreover, under Section 1003(g), each LEA must receive no less than \$50,000 and no more than \$500,000 for each participating school. Hence, SEAs with relatively few schools in improvement, corrective action or restructuring may wait in allocating their section 1003(a) set-aside until all of the Section 1003(g) funds have been allocated through the application process. On the

other hand, SEAs with large numbers of districts/schools in improvement, especially those with large numbers of schools in corrective action and restructuring, will likely not have to wait before allocating the 4% set-aside funds.

Another major difference between the two school improvement funding sources is that funding under Section 1003(g) can be used to provide two additional years of assistance to schools that have exited from school improvement status and that previously received school improvement funding -- under the condition that these schools are found to meet the SEA’s definition of “greatest need and greatest commitment.” Under Section 1003(a), such set-aside funds can only be used to provide assistance to schools in improvement, corrective action, or restructuring. Hence, if one targets schools that are receiving only school improvement funds under Section 1003(g), then there is a greater probability that funding streams could continue for up to two years after the school exits from corrective action or restructuring than a school that receives only funds under Section 1003(a).

Moreover, given the high priority placed on turning around lowest-performing schools, under the Obama/Duncan regime, it is likely that FY 2012 appropriations for School Improvement Grants under Section 1003(g) are likely to be increased more than Title I Part A funds overall. While this probability generally holds across states, under the “differentiated accountability model,” some states received approval from USED to remove or reduce the disincentive for schools to exit from improvement status by allowing some school improvement funds to continue to be provided to such schools after

they exit their improvement status (e.g., Ohio).

Once the final USED guidance on School Improvement Grants Section 1003(g) is published, it is likely that some of the rules governing the use of funds will create additional differences among states regarding schedules of funding, allocations/timing and other SEA behaviors. Such guidance is likely to be published in July.

As “Obstacles” Are Overcome, SEA Allocations of ARRA Title I and IDEA Stimulus Funding to Districts Should Increase Dramatically, But Expenditures by Many Districts Will Await USED Final Guidance

In July, SEA allocations of Title I and IDEA stimulus funding to school districts should begin to increase rather dramatically as many of the recent and current “obstacles” are overcome; yet, many of the districts will be hesitant to expend all such allocated funds as certain expenditures will await for further guidance on allowable uses of such funds and guidance for other stimulus “buckets” such as “Race to the Top” and School Improvement Grants. Many of the “obstacles” to earlier allocations stem from different state policies, regulations, and laws which vary considerably across states; these differences are already beginning to result in less uniformity in state implementation of ARRA provisions and uses of funds, which will have similar impacts on individual districts.

One of the “obstacles” in about half of the states related to laws which require state legislatures to “reappropriate” any Federal

funds over which states have some discretion of uses, which has had and will continue to have major impact on the State Fiscal and Stabilization Funding which has been widely reported in the press. The vast majority of these and several other states which have experienced significant pressures to reduce state funding have attempted, with some success, so-called “bait and switch” tactics which has resulted in using SFSF stimulus funding to restore state education funds which have been reduced even more than planned because of the availability of Stabilization Funds. Because all but four states have fiscal years beginning July 1st, with legislatures having deadlines of passing budgets prior to June 30th, in many states legislatures are just completing their legislative budget sessions which, in turn has created problems for governors wishing to apply for Stabilization Funds since uncertainties would otherwise exist as to how much SFSF funds would be needed to restore certain state funding programmatic or state foundation aid programs. Indeed, some governors submitted SFSF applications, noting that the exact amount of funds to be restored in education for 2010 and 2011 was uncertain upon submission. This uncertainty in many states has forced districts in states such as Texas (in which the state funding regular budget allocations are still uncertain and will have to be resolved in a special session) to develop two budgets for the coming year. And in turn, many districts confronted with state funding uncertainties will likely postpone spending at least some of the funds being allocated to them under IDEA and Title I stimulus component buckets.

Another primary reason that IDEA, and to some extent Title I stimulus funding, have not been allocated to districts by states (most

of whom received half of their allocations by early April) is that some states decided that districts had to complete new applications to receive such funding. The earliest ARRA guidance for IDEA strongly encouraged SEAs to turnaround and reallocate half of the IDEA stimulus funding (about \$6.2 billion) to districts “within 30 days after their receipt of such funding.” In its guidance, USED did not intend to require districts to have to develop a new application to receive 50% of the IDEA stimulus funds, but a large number of states decided to do so anyway. As a result, according to USED’s “Stimulus Funding Report” which is updated weekly, by June 12th only nine states had “drawn down” on their allocations, which suggested that some of these funds had been allocated to districts. These included: California, Florida, Hawaii, Idaho, Illinois, Massachusetts, North Carolina, and Oklahoma, for a total of approximately \$350 million of \$5.6 billion. Only Oklahoma reallocated almost its entire first installment of IDEA funds to districts. For Title I, the number of states “that have drawn down on their state allocations by June 12th were nine. Regarding “Targeted Grants” only Oklahoma and California had allocated all of these funds to districts by June 12th. While South Carolina allocated half of the Title I stimulus installment received by the state to districts, no IDEA funds had been allocated because of requirement that districts submit new applications.

In addition to state legislative action related to state funding, in many states there exist current laws or very recently passed new laws which could reduce the chances of the state applying for and receiving (independently or part of a consortia) portions of the State Incentive Grant referred

to as the \$4.35 billion “Race to the Top” Secretary’s discretionary funding. For example, 26 states have had limits on the number of charter schools or enrollment of students in charter schools, or amount of state funding used to support charter schools, which according to Secretary Duncan could put them in a non-competitive situation in going after “Race to the Top” funding. In some states such as New York and Maryland, state funds have been appropriated in the past to improve school performance in lowest-performing schools similar to the intent of “Race to the Top” and School Improvement Grants. Obviously, if a state is unwilling to maintain state effort in these programs or at the least to use SFSF funds to restore such program funds, then states would be once again in a non-competitive situation to receive “Race to the Top” funding, as one of the priorities is turning around the lowest-performing schools. Largely because of the current recession, many state legislatures over the last several months have passed state laws which: (a) give districts the option of reducing the required number of days schools must be open to serve students; (b) reducing the amount of state funds for before- and after-school programs; and (c) enacting other measures which have the net effect of reducing instructional time for students. All of these types of changes are counter to the Secretary’s high priorities and one written into ARRA provisions calling for extended learning, which once again would reduce the probability that such states would be in the running for “Race to the Top” funding. Uncertainty also affects district decisions as to how much Title I and IDEA stimulus funding should be allocated to activities such as school improvement for which the possibility exists of additional funding from “Race to the Top” or even

School Improvement Grants could and should be used for such purposes.

The interaction between SFSF funding and district decision-making is much greater regarding Title I than IDEA. In addition to the uncertainty noted above between how much funding for school improvement could result from a state's successfully applying for "Race to the Top" funding (as school improvement is one of the 4 priorities in "Race to the Top") is that after restoration, any remaining SFSF funds are reallocated to districts in proportion to the regular Title I funding the district receives. The remaining amount of such funding falling under reallocation under the Title I formula is uncertain at this time, as only 35 states have been approved for the first round of funding under SFSF with the remaining states having until July 1st to apply. According to Education Week (June 17th) as of the June 5th USED Stimulus Funding Report only 17 states and Puerto Rico would have a little money left over or about 10 percent after restoring state budget gaps. In order to determine the accuracy of the USED weekly reports, we contacted a limited number of districts and SEAs, which reported some discrepancies regarding funds actually allocated by SEAs to districts. One could argue that the states with the major budget gaps which would require most, if not all, of the SFSF funds to be used for restoration, would have applied earlier (e.g., such as California) and have drawn down on these accounts earlier than other states. Our own estimate is that the amount remaining after restoration across all states will be higher than 10%. Another factor which districts with eligible schools for School Improvement Grant funding will take into account is the details of the published USED guidance on School Improvement Grants

and the priority usage of this significant \$5 billion plus stimulus bucket will be. Also, Title I decision makers in districts which have significant numbers of schools in improvement which have to set aside 20 percent for parent choice/SES are awaiting USED guidance on "waiver requests," which have yet to be published to decide how such districts will allocate such Title I regular and stimulus funding to appropriate activities. The key question here is how many states and/or districts will request waivers not to have to apply the 20 percent set-aside for SES/choice to their portion of the \$10 billion Title I stimulus bucket set aside. And last, all Title I districts will have to take into account waiver guidance regarding the amount of Title I stimulus funds which can be carried over for one year to the next, which currently is no more than 15 percent every three years.

For decision makers over the use of IDEA stimulus funding perhaps the most important guidance USED policy guidance and state policy determinations will be whether or not these districts will be able to take advantage of the option under Section 613 of "freeing up" up to 50 percent of the annual increase in IDEA funding to replace local funds currently being applied to special education programs. In our last TechMIS report, we argued that this policy is evolving at both the USED level and at the state level; certain states are beginning to take policy making into their own hands by increasing the number of districts which are allowed to take advantage of the option as noted in a related TechMIS Stimulus Funding Alert.

During the first week in July, USED will allocate the regular 2009 appropriations levels for Title I and IDEA which are approximately \$5 billion and \$3-4 billion

respectively. In addition, the remaining portions of the 50 percent stimulus funding sent to states in April for both Title I and IDEA will also begin to be allocated to districts such that most of these funds will have been allocated by the end of July. Any SEA adjustments, as well as final USED district allocation adjustments, will be reflected in the remaining amounts of regular and stimulus funding for Title I and IDEA, which will flow to districts most likely after October 1st. Because of the many reasons noted above, one can expect a great deal of differences in SEA and district implementation of activities supported by the use of these funds, particularly for Title I which should be viewed as 51 state specific Title I programs.

From the perspective of most TechMIS subscribers, perhaps the two most important policy guidance areas under Title I relate to USED policy details related to waiver requests and School Improvement Grant priority allowable uses. Regarding IDEA, the resolution of the issues regarding the conditions under which districts can take advantage of the 50 percent maintenance of effort reduction under Section 613 along with state independent actions will have the greatest implications for firms with appropriate products and services.

Key Congressional Aides who Are Formulating NCLB/ESEA Reauthorization Agree on Many Issues to Be Addressed, Along With Some Likely Solutions, But All Agree That Serious Reauthorization Efforts Are at Least a Year Off

Four key Congressional committee staff

who are directly involved in the NCLB/ESEA reauthorization reflected a strong consensus on most of the priority issues which need to be addressed and generally agreed upon some of the solutions which are likely to be included. However, all agreed that, for a variety of reasons, the actual reauthorization is a year or two off. During the Association of Educational Publishers (AEP) Annual Summit Capitol Hill Breakfast on June 10, the panel of staffers from the House and Senate, representing both Democrats and Republican committee leadership, shared their perspectives with about 50 members of AEP and the National School Supply Equipment Association (NSSEA) and their staff. The panelists included: David Jones, Senior Education Policy Advisor on the Senate HELP Committee representing Chairman Ted Kennedy (D-MA); Lindsay Hunsicker, Senior Education Policy Advisor also of the Senate HELP Committee representing ranking member Michael Enzi (R-WY); Kathy Brown, Policy Advisor on the House Education and Labor Subcommittee representing House Committee Chairman George Miller (D-CA); and Jessica Gross, Legislative Assistant to ranking member Mike Castle (R-DE) also of the House Education Committee. Because the session was considered a “backgrounder” with comments not to be attributed to specific persons, below we present interpretations of comments, which reflected some areas of agreement.

One clear observation is that the reauthorization will focus on ESEA, not “No Child Left Behind,” which Secretary of Education Arne Duncan earlier this year in testimony before the Congress said was a “toxic asset” which had to at the least be

renamed. However, all of the staffers made comments like, “We now know about what works, and we should not throw away what we have learned.” One noted that some of the NCLB programs such as Reading First in fact did work in certain situations and states, but the overall program was marred by inept management and ineffective implementation during its early years. This staffer also noted that a new “reading literacy” bill to replace Reading First and to improve the Striving Readers program was currently being drafted and a large number of cosponsors are expected.

All key committee staffers said their committee chairman or ranking committee member were “pleased” that the movement to develop and adopt “common core standards” among states was gaining traction and momentum with comments such as:

- “More progress that we have ever seen.”
- “Pleased that the states, not the Federal government, are taking a lead role.”

And most of the staffers and conference attendees agreed the “common core standards movement” had serious implications and challenges for publishers of both textbooks and supplemental materials.

According to comments made by key staffers, a consensus exists supporting the use of growth models as opposed to the NCLB static model for determining progress (e.g., adequate yearly progress (AYP) for subgroups of students). However, there appears to be less agreement on the types of measures that can or should be used, which was a major stumbling block two years ago after a draft version of the NCLB

reauthorization was made public. In an offline conversation with one of the key drafters, we asked if it is possible to support the goals of state-by-state and district-by-district comparisons which would be more valid as a result of “common core standards,” and the goal of using growth models which would measure individual student growth over time. He indicated that such conflicts could be minimized if enough resources are provided.

One issue that has been addressed in House committee hearings and appears to be the highest priority in the new Administration is the need to “turn around” the lowest performing schools -- the so-called 2,000+ “dropout factories.” While current Title I provisions, revised final Title I regulations, and the recently-funded School Improvement Grants provisions already address this issue, several groups have called for legislative changes to rectify potential conflicts, for example, between School Improvement Grant language and the SEA 4% set-aside also for school improvement. This conflict was identified recently by the Center on Education Policy which has been conducting the most intensive set of studies of efforts to turn around schools in restructuring under NCLB sanctions (see related [Washington Update](#) item)

Another issue addressed in recent House committee hearings included the growth of charter schools. Key staffers felt, to varying degrees, that support for charter schools is growing and would be addressed in the ESEA reauthorization as it is currently one of several high priorities in the Obama/Duncan Administration.

During the AEP panel session and

discussion period, the role of education technology in the reauthorization surfaced. The consensus appeared to be that the Federal government should not dictate the types of technology that should be used having those decisions to district and school levels. However, in order to get a return on the Federal investment in technology, legislation should ensure that staff are trained to use technology effectively. Indeed, most echoed support for one staffer who said that, "Teacher effectiveness would be included throughout ESEA in the reauthorization."

While all agreed that the actual reauthorization was a year or so off, each gave different reasons. One staffer noted that there is no urgency for immediate reauthorization because the prospects of "new money" are minimal, noting that when NCLB was passed, additional funding was made available immediately. Related to this reason, another staffer felt the principal concern for many in Congress is the economy and that no serious reauthorization effort will occur until the economy has turned around. Another felt healthcare action would trump education this year. Without the availability of any new money, most of the Congressional leaders are expected to focus on better use of existing funds and support "fix it" measures in the immediate future.

After the panel discussion, I met with three of the panelists collectively, asking them whether they were aware of the current, hotly contested IDEA "guidance modification" regarding Section 613 which included conditions which would not allow a very large number of districts the opportunity to take advantage of the flexibility of using up to 50 percent of their

district's IDEA funding increases to replace local funds that are currently being used to cover the cost of special education. One of the panelists was "very familiar with the current issues." This staffer was familiar with the background of Section 613, as codified in the 2004 IDEA reauthorization, but was introduced in the IDEA regulations in 1997 by former chairman of the education committee, Bill Goodling (R-PA). She did not volunteer what action, if any, was being taken by her office to clarify the situation; however, most likely it would provide districts greater flexibility.

Miscellaneous Items

- On June 15, Secretary Duncan announced a schedule for "Race to the Top" competitive grants, stipulating some specific uses of the \$4.35 billion included in the ARRA "Race to the Top" fund. About \$350 million would be allocated to states to create common standards -- in English/language arts and mathematics for grades K-12 -- which are evidence-based, internationally benchmarked, aligned with college and work expectations, and include rigorous content and skills. These funds will be used to develop high-quality assessments aligned to standards in at least the 46 states and three territories that have agreed to participate in the effort spearheaded by the National Governors Association and the Council of Chief State School Officers.

For the remaining \$4 billion in the "Race to the Top" fund, USED will publish a notice of proposed rulemaking in the Federal Register in late July, inviting public comment for 30 days on the

proposed grant application and criteria for awarding grants. In October, applications will be made available with proposals due in December and grants being awarded in March 2010. A second round of applications will be available in June 2010 with grants awarded in September 2010.

Separate from “Race to the Top,” but still part of the ARRA, \$650 million of competitive grants will be made available under the “Invest in What Works and Innovation Fund.” Grants will be made to school districts and non-profit organizations “with strong track records of results.” Guidelines of applications for this pot of competitive funds will also be posted in the Federal Register in July. Evidently, the public comment requirement for this set of competitive grants will be bypassed. It is not clear whether there will also be a second round of applications for the “Invest in What Works and Innovation Fund.” The overall goal for both competitions would be to fund innovative proposals to drive “substantial gains in student achievement” through the use of data to inform instruction, increase standards, turn around historically low-performing schools, and improve teacher and principal quality.

- The Federal Communications Commission (FCC) has published “notice” of proposed eligible services and products for which E-Rate discounts could be made available to school districts and library applicants. The draft eligibility list would be for funding year 2010. The FCC will issue the final eligible services list at least 60 days

prior to the opening of the ERate application filing window for 2010. The proposed list of eligible services include:

- listing Ethernet as an eligible digital transmission technology;
- clarifying that text messaging is an eligible telephone service component;
- expanding the categories in which applicants can seek interconnected voice over Internet protocol (VoIP) services by adding interconnected VoIP to the telecommunications and Internet access categories;
- clarifying that password-protected web pages are eligible as part of web hosting services;
- including wireless local area network controllers as eligible under internal connections;
- finding that user licenses for interconnected VoIP systems are eligible under internal connections as server-based software;
- adding unbundled warranty as eligible under the basic maintenance of internal connections category;
- adding virtualization software as an eligible software for which funding can be sought in the internal connections category; and
- specifying that the following products or services are not eligible for discounts: broadcast messaging; power distribution units; video-on-demand servers; softphones; interactive white boards; and e-mail archiving beyond the storage component that allows current emails that

have been received to be viewed by the user.

- The 21st Century Skills Incentive Funds Act, sponsored by Senator Jay Rockefeller (D-WV) and co-sponsored by Senator Olympia Snowe (R-ME), and Senator John Kerry (D-MA), would provide matching Federal funds to states that provide curriculum and related opportunities for students to develop 21st century skills. The expanded curriculum could include such areas as global awareness, entrepreneurial literacy, civic literacy, and health and wellness awareness, incorporating such skills as problem-solving, communications, innovation, collaboration, and media literacy, among others. The bill authorizes \$100 million is annually for grants to states implementing 21st century skills initiatives.

The Partnership for 21st Century Skills, which held its annual summit on June 11th, and West Virginia educators, under the leadership of State Superintendent Steve Paine, provided ideas and substance for the proposed legislation.

- On May 29th, Secretary Duncan sent a letter to Chief State School Officers encouraging them, in turn, to encourage districts to take advantage of the \$2.8 billion increase in bonding authority available to districts under the Quality Zone Academy Bonding (QZAB) program. Districts must apply for QZAB long-term, no-interest loans which can be used to develop and upgrade eligible school curricula to purchase equipment and up-to-date

technology and professional development, and to renovate and repair buildings (but not new building construction). In some states, such as California, districts have used QZAB funds to upgrade career and technical vocational schools and, in Texas, funds have been used to purchase laptop computers for all students in eligible schools located in Empowerment Zones or Enterprise Communities or which have at least 35 percent of their enrollment from low-income families. Once bonding authority funding is received by a state, it has approximately two years to allocate those funds or lose them. As the Secretary's letter notes, while, in the past, QZABs could be purchased only by banks, and insurance companies, effective October 2008, QZABs can now be purchased by an individual or a private business. This change should reduce the effect of the "credit crunch" among most banks and insurance companies. For a copy of the letter, fact sheets, and guidance documents, go to: www.ed.gov/policy/gen/guid/secletter/090529.html

- On May 27th, USED posted in the Federal Register the application which detailed activities and criteria for grants under Teacher Quality Partnership (TQP) grants. The application suggests the types of initiatives and outcomes to be evaluated under the "teacher quality" assurance/priority through the State Stabilization "Race to the Top." Such requirements may also be included under the School Improvement Grant guidance which should be published shortly. Under Absolute Priority 1, one of the outcomes would be that teachers should

“understand empirically-based practice” and the applicability of such practice and research, including through the effective use of technology, instructional techniques, and strategies consistent with the principles of “universal design,” and through positive behavioral interventions and support strategies to improve student achievement. Technology would be used to “collect, manage, and analyze data to improve teaching and learning for the purpose of improving student achievement.” Under Absolute Priority 2, “Teacher Residency Programs” (as Secretary Duncan initiated in Chicago Public Schools) would be established. A number of initiatives would support the collection and use of student achievement data that would be tied to individual teachers, which, in turn, would be tied back to an institution’s training curriculum. The data can then be used to improve the professional development curriculum. A Competitive Priority also encourages a partnership with “digital education content developer,” such as a public broadcast station or other entity that “develops digital education content for the purpose of improving the quality of pre-baccalaureate teacher training programs or to enhance the quality of pre-service training for prospective teachers.”

- USED has issued new guidance for the Striving Readers Program and plans to award slightly more than \$7 million for

new grants under this competition over 48 months. The application form is in the Federal Register (June 11th) which includes greater details on eligibility and absolute priorities. Absolute priority 1, entitled “Supplemental Literacy Intervention for Struggling Readers in Middle and High School Grades,” would: supplement English/language arts instruction; provide instruction primarily in the regular school day; include nationally normed, reliable, and valid diagnostic reading assessments; and use a research-based literacy model which is flexible and includes direct and explicit comprehension strategy instruction, instruction in reading foundation skills such as decoding and fluency, and engaging course content. Also included is instruction in writing. Perhaps even more important than the amount of funds for this competition, which will greatly increase under the proposed literacy bill currently in the Senate, are the definitions that will likely be included in guidance for School Improvement Grants and 21st Century Community Learning Centers. Under both of these programs, up to 40 percent of School Improvement Grants and 21st CCLC funds are encouraged to be used for middle and high school students. For a copy of the Striving Readers Application package, go to: www.ed.gov/programs/strivingreaders/applicant.html

Alaska Update

July 2009

Education Week reports that Alaska's FY 2010 budget for K-12 education will increase to \$1.026 billion from \$977 million the year before -- a five percent increase. That does not include about \$170 million from the Federal stimulus package. The FY 2010 budget includes an increase from \$40 million to \$61 million in funding for students with severe disabilities and a new \$2 million pilot preschool program.

Arizona Update

July 2009

In April, Arizona received \$209 million in education funds from the Federal stimulus package including \$97.5 million for Title I and \$97 million for IDEA/Special Education. This is half of the total Title I and IDEA stimulus funds for which the State is eligible. On June 10, Arizona had available more than \$681 million under the State stabilization component of the stimulus. According to Arizona's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$250 million and \$223 million of its initial SFSF allocation to restore support for K-12 education in FY 2009 and FY 2010, respectively. After restoration of support for K-12 and post-secondary education, Arizona will have no stabilization funds remaining for reallocation to local school districts. Another \$335.5 million can become available in the Fall.

The Arizona Daily Star reports that the Arizona legislature has approved a program that would support private school vouchers through tax mechanisms. The program replaces a direct voucher system for special needs students that was ruled unconstitutional by the State Supreme Court. The new plan uses donations from private firms which receive dollar-for-dollar credits against their State income taxes. It is limited to the same amount as the State was providing these students in direct vouchers. The State also provides more than \$60 million in tuition tax credits through two existing programs.

According to eSchool News, Arizona has recently revised its educational technology standards to align with ISTE's National Education Technology Standards for Students (NETS-S) and the Partnership for 21st Century Skills (P21). State education officials are working on a new resource guide to help teachers implement the new standards.

Arkansas Update

July 2009

Education Week reports that Arkansas is discouraging local school districts from using Federal education stimulus funds to hire new employees whose jobs could not be sustained. The State is also not recommending an extended school day because it would be too expensive. It is suggesting that districts use stimulus money to develop or expand summer and after-school programs and to purchase technology. The Bentonville school district, for example, will use a large portion of its \$5.4 million in stimulus money for teacher professional development, as well as for new technology for all of its classrooms -- an overhead projector, an interactive whiteboard, and a student-responder system.

Arkansas is undertaking a new program known as “The Modern Workplace” designed to get teachers out of the classroom to learn the skills their students will need to succeed in the workplace. The voluntary program calls for teachers to attend a one-day workshop at which a workplace is simulated and then tour a number of businesses to learn the skills companies find desirable in employees. According to State officials, the estimated \$800-\$1,000 cost for each participating teacher could be paid by districts using funds from the Federal Perkins Vocational/Technical program.

As reported in The Benton County Daily Record, the Rogers school district has developed a plan to spend its \$10.5 million allotment of Federal education stimulus money. Included in the plan are: software for all district elementary schools (approximately \$2 million); professional development (\$2 million); and energy projects (\$2.2 million).

California Update

July 2009

California's dire financial situation has been the impetus for Governor Arnold Schwarzenegger's initiative to identify digital textbooks that are free and downloadable. According to the Sacramento Bee, free providers have submitted materials to the California Learning Resources Network which hopes to have links to high school math and science textbooks online by mid-August. The Governor believes the State -- which allocated \$419 million for instructional materials two years ago and \$350 million last year -- could save hundreds of millions of dollars a year by using free digital texts. Others believe such an approach would not save much money in the short term. Districts would have to provide training and technical support and would have to ensure that all students had computers available to them both in school and at home. Moreover, much of the free, online material may not meet California's rigorous K-12 standards for core subjects. Along the same line, the California legislature is considering a bill that would approve electronic readers (e.g., the Kindle) as allowable alternatives to print textbooks.

As part of the effort to address the State's \$24 billion budget deficit, the California Legislative Budget Conference Committee has voted to save \$10 million by eliminating the State's requirement that students must pass the California High School Exit Exam (CAHSEE) in order to graduate, likely because test prep funding would be reduced. Under the proposed plan, California tenth-graders would have to take the CAHSEE to meet Federal requirements under the No Child Left Behind Act but would not have to pass the exam to receive a diploma. Governor Schwarzenegger has said he would veto a plan that weakened the CAHSEE requirement.

The San Francisco Chronicle, the number of California schools that rank at the top levels of the State's Academic Performance Index (API) has continued to increase and is, in fact, triple what it was when the API was introduced in 1999. State data show that nearly 40 percent of the State's 6,000 elementary schools scored at least 800 on the API, up from 37 percent last year. Similarly, more than 30 percent of the 1,400 middle schools hit 800 API, up from 24 percent last year. The State is still concerned about persistent performance gaps. White, Asian-American,

and Filipino-American students, as groups, scored above the 800 mark. On the other hand, Black, Latino, and low-income students scored below 600, as did English language learners and students with disabilities.

The Center on Educational Governance at the University of Southern California has published a report on the performance of California's 678 charter schools. Entitled "2009 Charter Schools Indicators," the report summarizes the financial status, staff quality, school performance, and academic productivity of the State's charter schools. The report concludes that California's charters schools have serious data reporting problems (primarily because there are no incentives for timely reporting), there is no check for data completeness, and reports must be filed with districts, not directly to the State. The report also provides detailed reports on individual charter schools using 12 specific indicators. The report is available by going to:

www.usc.edu/dept/education/cegov

According to Education Daily, the Los Angeles school district, in response to lower revenues and the State's financial crisis, has cancelled most of its summer school programs for elementary and middle school students. Two summer programs will be continued: a credit recovery program for high school students and the Extended School Year program for eligible students with disabilities. Needing to cut \$131 million before the end of the school year, the district estimates the summer school closings -- which could affect 225,000 students -- will save about \$34 million.

Colorado Update

July 2009

In April, Colorado received \$140 million in Federal stimulus funding including \$55.5 million for Title I and \$80 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which the State is eligible. On June 10, Colorado also became eligible for more than \$509 million under the State stabilization component of the stimulus package. According to Colorado's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$152 million of its initial SFSF allocation to restore support for K-12 education in FY 2010. After restoration of support for K-12 and post-secondary education, the \$168 million remaining will be reallocated to local school districts through the State's Title I funding formula. The State will be eligible for another \$251 million in stabilization funds this Fall.

Education Week reports that Colorado Governor, Bill Ritter, has indicated that he may use the bulk of the State's \$8.7 billion in state stabilization money for new education initiatives, including the development of improved data systems, a State-level teacher incentive program, and more intensive dropout prevention efforts.

According to The Denver Post, Colorado charter schools enroll proportionately fewer students with disabilities than do traditional K-12 schools. State data show that, in 2007-08, 6.9 percent of charter school students had disabilities compared with 9.7 percent in all schools. And, of the 22 charters with higher than average enrollments of special education students, most were rated "low or average" on the State accountability reports. State lawmakers and educators are seeking ways to make charter schools equally accessible to all students. The Denver school district and charter school officials have created a task force to look into the issue.

Colorado State University's new online *Global Campus* has suffered extreme growing pains in its start-up phase. Designed to serve working adults, *Global Campus* currently has 757 active students in its first year of operation; it hopes to expand to 12,000 students by 2012. Having

failed to attract the expected enrollment, it has, in recent months, laid off more than 25 percent of its staff.

Connecticut Update

July 2009

In April, Connecticut received more than \$109 million in Federal stimulus funding including \$35 million for Title I and \$71 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which the State is eligible. On June 11, Connecticut also became eligible for more than \$363 million under the State stabilization component of the stimulus package.

According to Connecticut's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$270 million of its initial SFSF allocation to restore support for K-12 education in FY 2010. After restoration of support for K-12 and post-secondary education, the \$174 million remaining will be reallocated to local school districts through the State's Title I funding formula. The State will be eligible for another \$179 million in stabilization funds this Fall.

As reported in the Hartford Courant, the Connecticut legislature is debating a bill that would require the State to assign a unique identifier to each student before they take State-mandated tests. Proponents of the bill say such a system could track individual students' progress, identify places where the curriculum needs to be improved, and help the State close achievement gaps.

Faced with expectation that close to a third of its teachers will retire within the next four years, the Connecticut legislature has approved a bill that would make it easier for professionals in other fields to meet the State's certification process. As reported in the Hartford Courant, the bill would allow mid-career professionals to get a teaching certificate without having to take content-areas classes in subjects they already know. It would also streamline the certification of teachers certified in another state.

Delaware Update

July 2009

According to Education Week, Delaware expects to use its share of the state fiscal stabilization fund to replace budget cuts caused by the State's \$800 million budget deficit. The State is also encouraging districts to use a portion of their Title I and IDEA stimulus money for improvement efforts, including professional development and expanding after-school programs.

District of Columbia Update

July 2009

According to Education Daily, the District of Columbia could lose a large part of its Federal IDEA Part B funding, having received a failing grade on the U.S. Department of Education's 20-part indicator system. With a rating of "needs intervention," the District is likely to have withheld the 20 percent of IDEA funds that is typically retained for State-level administration and activities (this amounts to about \$480,000). Moreover, it will be unable to use the Section 613 50% MOE option. The District could have received a lower, "needs substantial intervention," rating but USED felt that the District was planning to make several changes to its special education program.

In April, the District of Columbia received more than \$29 million in Federal stimulus funding including \$19 million for Title I and \$9 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which the State is eligible. On June 16, D.C. also became eligible for \$60 million under the State stabilization component of the stimulus package. According to D.C.'s approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$18 million of its initial SFSF allocation to restore support for K-12 education in FY 2009. After restoration of support for K-12 and post-secondary education, the \$54 million will remain for reallocation to the schools. The State will be eligible for another \$29 million in stabilization funds this Fall.

Florida Update

July 2009

The Miami Herald reports that, on the Florida Comprehensive Assessment Test (FCAT), 71 percent of Florida's third-graders performed at or above grade level, down one percentage point from a year earlier. On the math FCAT, 78 percent of third-graders were at grade level, up two percentage points. FCAT scores have five categories, the third meaning "at grade level." Students in the lowest category -- nearly 38,000 third-graders this year (17 percent of those taking the FCAT) -- are subject to retention in grade. About half of those subject to retention can be promoted to fourth grade based on exemptions (students with disabilities, English language learners) or extra work (summer reading camps, reading portfolios, mentoring).

According to The Miami Herald, 62 percent of Florida public schools received a rating of "A" on their annual State report cards. However, only 23 percent of schools made adequate yearly progress under the Federal No Child Left Behind Act. The 62 percent of A schools is 237 more than last year; 17 percent earned "B," 14 percent scored "C," six percent got "D," and only one percent (44 schools) failed with an "F." A total of 2,043 schools got an A or raised their grades by at least one letter, earning rewards of \$75 per student.

According to eSchoolNews, the Florida Virtual School (FLVS) is planning to pilot test a complete online game-based course for high school students. Known as *Conspiracy Code*, the game-based course was created by 360 Ed Inc. FLVS assigned a curriculum specialist and other staff to guide the development of the game. The course is aligned with national and State standards and fulfills a full credit of high school history. Student performance is tracked through a web-based student/teacher interface. Teachers will also use embedded written and verbal assessments to monitor student performance and mastery of concepts and content.

As reported in the Miami Herald, the Brevard County school district has contracted with the Princeton Review to tutor struggling students in 16 high schools. Students who fail the FCAT three times can still receive a high school diploma if they get a high enough score on the ACT

college entrance exam. Under the \$333,000 contract (paid for out of Federal Title I funds), the Princeton Review would provide ACT exam prep and teacher training, a summer enrichment program for 480 students, student access to online help, and certification for 100 teachers in ACT prep to benefit students next year. The participating high schools are: Blanche Ely, Boyd Anderson, Coconut Creek, Coral Springs, Deerfield Beach, Dillard, Fort Lauderdale, Hallandale, Hollywood Hills, McArthur, Miramar, Northeast, Piper, Plantation, South Broward, and Stranahan.

Hawaii Update

July 2009

The Honolulu Advertiser reports that Hawaii's education budget of \$1.8 billion over the next two years includes a total of \$245 million in cuts. Federal stimulus money will offset about \$53 million of the cuts but the remaining \$192 million represent an unprecedented amount for the State to cut from its budget. Among the areas where cuts are likely include athletics and extracurricular activities. The State will also review contracts with outside consultants who work with schools facing sanctions under the Federal No Child Left Behind Act.

The Honolulu Star Bulletin reports that 20 Hawaii public elementary schools participated in a five-year experiment with "Positive Action," a K-12 curriculum that provides students with a comprehensive framework to guide their behavior. The study, whose interventions began in first grade, showed that fifth-graders in Positive Action schools were half as likely as were their peers in other schools to engage in risky behavior (drugs, alcohol, weapons, and sex).

Idaho Update

July 2009

In April, Idaho received \$48 million in education funds from the Federal stimulus package including \$17 million for Title I and \$29 million for IDEA/Special Education. This is half of the total Title I and IDEA stimulus funds for which the State is eligible. On May 26, Idaho had available \$165 million under the State stabilization component of the stimulus. According to Idaho's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$179 million of its initial SFSF allocation to restore support for K-12 education in FY 2010. After restoration of support for K-12 and post-secondary education, Idaho will have no stabilization funds remaining for reallocation to local school districts. Another \$81 million can become available in the Fall.

Illinois Update

July 2009

Based on data from the 2006-07 school year, Illinois had a Statewide student-to-counselor ratio of 690, the fifth worst in the country. As reported in the Chicago Tribune, the ratio is calculated by dividing a state's total pre K-12 enrollment by the reported number of guidance counselors. National associations recommend a ratio of 250 students per counselor, believing higher ratios make it difficult for students to receive adequate attention, particularly in high school where a ratio of 100:1 is considered more appropriate. Less than 20 percent of Illinois' high schools had ratios of 250:1 or lower in 2005-06.

As reported in the Chicago Sun Times, the Chicago school district is developing a series of new assessments designed to provide data on student skills. The tests are expected to be short -- 30 minutes to one hour -- and to be administered quarterly. The assessments will be taken online to ensure that students and teachers get quick feedback. To implement the tests, the district plans to make a large technology investment for the coming school year.

According to ABC News, Chicago's "Paper Project," which last Fall began paying students for good grades, may not be continued for a second year. The project was aimed at ninth-graders in 20 Chicago high schools who earned \$50 for each A, \$35 for a B, and \$20 for a C. The project was funded by donations from private contributors who have been hurt by the economy and may not be able to fund the program next year.

Indiana Update

July 2009

As reported in the Indianapolis Star, Indiana Governor Mitch Daniels has proposed a budget that includes more money for education reform as well as a number of changes in State funding of schools. Under the Governor's proposal, the State funding formula would be simplified to include only students enrolled. The old complicated formula attempted to ease problems for districts losing students. The proposed budget includes \$10 million for the Woodrow Wilson Teaching Fellowship Program which would double to 300 the number of math and science majors who would become teachers. There is also \$5 million in matching grants to convert 30 high schools into New Tech High Schools which would focus on technology and hands-on learning.

According to the Journal & Courier, the Indiana Department of Education is hoping to adopt a "growth model" for assessing the performance of schools rather than the grade-level comparisons currently used under the Federal No Child Left Behind Act. To be adapted from a growth model used in Colorado, the State hopes to have parts of the new model in place by the Fall.

Education Week reports that the National Education Association has taken over control of Indian's largest teachers union, the Indiana State Teachers Association (ISTA). The takeover is due to Federal and State investigations of the association's insurance component. Those investigators have found that the ISTA insurance trust has a \$67 million negative net worth and that much of its investments are not sufficiently liquid.

Iowa Update

July 2009

In April, Iowa received \$94 million in education funds from the Federal stimulus package including \$26 million for Title I and \$65 million for IDEA/Special Education. This is half of the total Title I and IDEA stimulus funds for which the State is eligible. On June 1, Iowa had available \$316 million under the State stabilization component of the stimulus. According to Iowa's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$40 million and \$218 million of its initial SFSF allocation to restore support for K-12 education in FY 2009 and FY 2010, respectively. After restoration of support for K-12 and post-secondary education Iowa will have \$25 million in stabilization funds remaining for reallocation to local school districts. Another \$156 million can become available in the Fall.

The Ames Tribune reports that, according to State data, the number of Iowa high school students dropping out of school rose from 3,067 in 2006-07 to 4,438 in 2007-08 -- a 23 percent increase. State officials say part of the increase could be attributed to an anomaly in the tracking system. It is estimated that Iowa schools spent approximately \$101 million last year in dropout prevention programs.

Kansas Update

July 2009

In April, Kansas received more than \$98 million in Federal stimulus funding including \$35 million for Title I and \$58 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which the State is eligible. On June 3, Kansas also became eligible for more than \$301 million under the State stabilization component of the stimulus package. According to Kansas' approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$251 million of its initial SFSF allocation to restore support for K-12 education in FY 2010. After restoration of support for K-12 and post-secondary education the \$33 million remaining will be reallocated to local school districts through the State's Title I funding formula. The State will be eligible for another \$148 million in stabilization funds this Fall.

Education Week reports that the budget shortfall in Kansas has resulted in a \$84 million cut in FY 2010 funding for K-12 public education -- a reduction of \$120 per student. Overall, the State's education budget will drop from \$3.75 billion this year to \$3.67 billion in FY 2010. The legislature has approved a bill that would include financial literacy as part of the math curriculum across all grades.

Rumors abound within the Beltway that Kansas Commissioner of Education Alexa Posny will be returning to Washington as Assistant Secretary for OCERS, a former Kansas director of special education, Posny served in the previous administration as Deputy Assistant Secretary within USED. She has been an ardent supporter of response-to-intervention as have several university centers within the state. In terms of current policy issues, Kansas has discussed the option of providing greater flexibility to allow more districts, particularly those that under current USED "indicators" are in need of assistance which precludes them, under new USED guidance, from taking advantage of the Section 613, 50% maintenance of effort provision. No decision has been made, even though neighboring Missouri has provided greater flexibility to allow over 160 districts to take advantage of such an option. Like other states, Kansas is awaiting the official

USED guidance on School Improvement Grants; however, currently, less than five schools -- most in large urban districts -- are in corrective action or restructuring. Slightly over 35 schools this year were in at least one stage of needs improvement. In the past, Kansas City did get approved by the state to operate its own SES program during the early part of this decade, but was precluded from doing so when the district was identified for improvement. Currently, none of the five districts which have to provide SES are operating their own programs, but rather are contracting with approved third-party SES vendors. However, this could change if the number of districts/schools needing improvement increases. This possibility most probably exists to a greater extent after the stimulus funds are used, because districts will use part of their 20% SES set-aside to cover operating costs by the afterschool programs which were expanded during the two years of stimulus funding.

Kentucky Update

July 2009

The Lexington Herald-Leader reports that the Kentucky legislature has proposed a plan that would spend \$1.34 billion for new buildings and equipment at public schools based on revenues from racetrack slot machines. Included in the plan are:

- payments on \$850 million in bonds for public school construction (about \$144 million a year);
- capital spending for school districts based on student enrollment (\$19 million a year); and
- a science research center at the University of Kentucky (\$130 million).

Louisiana Update

July 2009

The Louisiana legislature has passed, and the Governor is expected sign, a bill that would allow high school students, with parental permission, to leave a pre-college curriculum in favor of a “career option” program designed for students going into the workforce or to two-year colleges. Currently, eighth-graders must pass the Louisiana Education Assessment Program (LEAP) test before going on to ninth-grade. Under the new bill, students who fail the English or math portion of the LEAP could still be promoted if they took remedial classes. Supporters of the bill believe the new curriculum would reduce the number of dropouts. Opponents, including a number of national education groups, argue that the legislation reduces academic standards beginning in the eighth grade and could produce high school graduates who will be unable to find work because they haven’t mastered basic skills.

The Louisiana legislature is also considering a bill that would eliminate the current cap of 70 on the number of charter schools allowed in the State. Legislators hope that the measure, HB 519, will allow the State to compete for Federal “Race to the Top” grants.

Maine Update

July 2009

As reported by Education Daily, Maine has agreed to repay the U.S. Department of Education (USED) \$1.5 million to settle a Federal claim that the State misled USED about its eligibility to receive funds under the Migrant Education Program designed to provide educational services to migrant children. USED has alleged that, between 2002 and 2004, a number of State entities -- including the State Education Department and the Portland school district misrepresented the number of migrant children in the State.

According to the Kennebec Journal, the Maine Senate has rejected a bill that would have, for the first time, allowed charter schools in the State. Most Republicans supported allowing charter schools, but nearly all Senate Democrats were opposed. Maine is one of only ten states that do not allow charters schools, a stand which could make it “ineligible” for funding under the Federal “Race to the Top” program.

Maryland Update

July 2009

In April, Maryland received \$180 million in education funds from the Federal stimulus package including \$68 million for Title I and \$107 million for IDEA/Special Education. This is half of the total Title I and IDEA stimulus funds for which the State is eligible. On June 1, Maryland's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$297 million of its initial SFSF allocation to restore support for K-12 education in FY 2010, respectively. After restoration of support for K-12 and post-secondary education, Maryland will have \$422 million remaining for reallocation to local school districts. Another \$290 million can become available in the Fall. Maryland's K-12 funding formula, through which stabilization funds will be allocated to school districts, includes a Supplemental Grant component, which guarantees each school district at least a one-percent funding growth each year for 2009 and 2010, and a weighted At-Risk Students component that provides additional funds for special education students, economically disadvantaged students, and English language learners.

Massachusetts Update

July 2009

In April, Massachusetts received \$236 million in education funds from the Federal stimulus package including \$82 million for Title I and \$149 million for IDEA/Special Education. This is half of the total Title I and IDEA stimulus funds for which the State is eligible. On May 27, Massachusetts had available \$660 million under the State stabilization component of the stimulus. According to Massachusetts' approved application for funding under the State Fiscal Stabilization fund (SFSF) component of the Federal stimulus package, the State will spend \$322 million and \$168 million of its initial SFSF allocation to restore support for K-12 education in FY 2009 and FY 2010, respectively. After restoration of support for K-12 and post-secondary education, Massachusetts will have \$111 million in stabilization funds remaining for reallocation to local school districts. Another \$328 million can become available in the Fall.

According to Education Week, Massachusetts will soon require all elementary teachers to pass a math-specific test, rather than pass all subjects, for State licensure. State officials have expressed concern that new teachers could meet licensure requirements without basic math skills. The requirement would apply to teachers in grades 1-6 and special education teachers in preK-8. It is expected that there will be a three-year grace period for teacher candidates to pass the math test.

Boston Superintendent, Carol Johnson, has become the new chair of the Council of Great City Schools Board of Directors. Johnson has headed school districts in Minneapolis, Memphis, and Boston.

Michigan Update

July 2009

In April, Michigan received \$421 million in education funds from the Federal stimulus package including \$195 million for Title I and \$213 million for IDEA/Special Education. This is half of the total Title I and IDEA stimulus funds for which the State is eligible. On June 3, Michigan had available \$660 million under the State stabilization component of the stimulus. According to Michigan's approved application for funding under the State Fiscal Stabilization fund (SFSF) component of the Federal stimulus package, the State will spend \$429 million and \$805 million of its initial SFSF allocation to restore support for K-12 education in FY 2009 and FY 2010, respectively. After restoration of support for K-12 and post-secondary education, Michigan will have no stabilization funds remaining for reallocation to local school districts. Another \$525 million can become available in the Fall.

According to [Phi Delta Kappan](#), the Michigan legislature is considering S.B. 1039 which would allow intermediate school districts to provide early intervention model programs for grades K-3, including literacy/numeracy supports, sensory/motor skill development, behavior supports, and consultation for teachers.

As reported in the [Detroit Free Press](#), five years ago the Michigan legislature eliminated the requirement for a minimum of 180 days of instruction each year in order to give districts more flexibility to restructure the school day. While districts have saved money by cutting school day (but maintaining the total of 1,098 hours of instruction), many in the State are urging the legislature to specify the minimum number of days at 170, 180, or even 200 (the current Michigan average is 171 days). They are concerned that the shorter school year leaves U.S. students non-competitive with students from Europe and Asia who typically have much longer school years.

Nevada Update

July 2009

According to the Las Vegas Sun, many Nevada educators believe they will miss out on Federal “Race to the Top” funding because of the State’s conservative spending practices. The State has increased basic support for the schools by \$38 per student, but local districts are likely to see less money because of lower property and vehicle registration taxes. Rather than undertake the type of innovative programs that could make Nevada competitive for “Race to the Top” grants, most State and local officials are unwilling to launch new initiatives using stimulus funds because the Federal money will disappear in two years.

As reported in the Las Vegas Sun, the Nevada legislature has left in place a number of barriers to applicants for charter schools. In 2006, the State’s cap on the number of charter schools expired. But since then, only 11 new charter schools have been approved, bringing the State’s total to 22. During its recent session, the legislature rejected a proposal for the establishment of the Nevada Charter School Institute which would have had authority for approving charter applications (a role currently filled by the State Board) and which could have streamlined the cumbersome application process. In Nevada, charter schools receive the same per-pupil funding as traditional public schools, but have more flexibility in operations and often have long waiting lists. Many State educators believe the continuing barriers to charter schools make the State a “hostile” environment for the charter movement.

New Jersey Update

July 2009

In April, New Jersey received \$289 million in education funds from the Federal stimulus package including \$91 million for Title I and \$192 million for IDEA/Special Education. This is half of the total Title I and IDEA stimulus funds for which the State is eligible. On June 5, New Jersey had available \$891 million under the State stabilization component of the stimulus. According to New Jersey's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$61 million and \$957 million of its initial SFSF allocation to restore support for K-12 education in FY 2009 and FY 2010, respectively. After restoration of support for K-12 and post-secondary education, New Jersey will have no stabilization funds remaining for reallocation to local school districts. Another \$439 million can become available in the Fall.

As reported in Education Week, the New Jersey Supreme Court has upheld Governor Jon Corzine's new school funding plan. The ruling could mean the end to nearly 30 years of court action regarding the 31 so-called Abbott districts -- traditionally poor districts that have been receiving special funding allotments from the State. The Governor's new plan channels funds to all students in need, not just those in the Abbott districts. Under the court's ruling, the Abbott districts must be fully funded for the next three years. But, the new formula indicates that some Abbott districts will lose funding in future years.

According to Education Daily, New Jersey State officials have highlighted the benefits of special funding through the "Abbott districts," particularly an intensive, early literacy program for PreK-3 students. The Abbott order is extremely prescriptive, going beyond mandated funding to require full-day kindergarten for all three- and four-year olds, as well as an intense focus on direct instruction of literacy in all 300 elementary schools" as part of "whole school reform."

As reported on NorthJersey.com, Governor Corzine's plan to expand New Jersey's prekindergarten program has been put on hold because of the State's budget crisis. Under the

plan, the State would have guaranteed full-day preschool for every low-income three- and four-year-old in the State -- at an additional cost of \$350 million per year. Currently, the State spends more than \$500 million a year to serve 40,000 preschoolers through the court-ordered Abbott program. It appears that 6,100 new preschool children will not be starting school in the Fall as was planned.

New Jersey plans to toughen its high school graduation requirements between now and 2016. The new rules will require all students to earn 120 credits graduation (up from 110) and to take three years of more rigorous math courses, three years of lab science, and a half-year of economics/financial literacy. Students will also have to take up to seven end-of-course exams (although it has not been determined whether students must pass all seven to graduate). The math requirement will be phased in as follows: Algebra I for this year's entering freshmen; Geometry for 2010-11 ninth-graders; and a third course for 2012-13 entering freshmen. The science requirement will include biology for this year's (2009-10) ninth-graders; either chemistry, physics, or environmental science for 2010-11 freshmen; and a third lab science course in 2012-13. The economics/financial literacy requirement will begin with entering freshmen in 2010-11.

New Mexico Update

July 2009

As reported in Education Week, Governor Bill Richardson has signed into law a budget for FY 2010 that includes \$2.36 billion for K-12 education, a slight reduction from \$2.38 billion in the current year. Included in the budget is \$164.7 million from the Federal stimulus package. Other new laws allow New Mexico schools to attach student identification numbers on transcripts to facilitate longitudinal tracking systems and require districts to provide 180 days of instruction per year. The legislature did not approve a bill that would have adjusted the State's education funding formula by giving greater weight to small and high-poverty districts.

According to Phi Delta Kappan, New Mexico is planning to implement a high school readiness assessment system that includes: (1) a process for identifying short-cycle diagnostic assessment instruments for grades 9 and 10; (2) identification of acceptable college placement and workforce readiness assessments; and (3) requirements for alternative demonstrations of competency in the State's academic content standards required for high school graduation. By this September, the State must approve at least one Statewide assessment and one college placement assessment. All assessments must include accommodations for students with disabilities and English language learners. By this Fall, all eleventh-graders must participate in a college placement assessment, a workforce readiness assessment, or an alternative demonstration of competency. By the Fall of 2010, the State must approve at least one workforce readiness assessment.

New York Update

July 2009

According to Newsday, passing rates for eighth-graders on the State math test increased for the sixth straight year -- from 69.8 percent last year to 80.2 percent this year. More detailed analysis of results indicates that the gains are significant. Some State officials have argued that the “cut” scores which determine student proficiency should be raised.

The New York Times reports that the New York State legislature is expected to approve a bill that would continue New York City Mayor Michael Bloomberg’s control of the city’s public schools. Some elected officials, legislators, and parents have argued for a limit on the Mayor’s power.

North Carolina Update

July 2009

According to The News & Observer, Governor Beverly Perdue has proposed a budget that eliminates testing not required for high school graduation or to comply with Federal law. Among the tests to be dropped are algebra II, geometry, chemistry, physics, physical science, and eighth-grade computer skills. Earlier, the State chose to eliminate tests in reading and math that would have been given to all third-graders at the beginning of school next Fall.

The Asheville Citizen-Times reports that, in early June, North Carolina distributed information about the State's Find-a-Book website (www.lexile.com/findabook), an "easy-to-use, free online tool" through which students and parents can use Lexile scores to find books that match their interests and reading levels. As part of end-of-year test results, students in grades 3-8 and high school students taking the English 1 assessment have received their Lexile score. For more information about Find-a-Book, contact Sara Clark at: sclark@dpi.state.nc.us.

Ohio Update

July 2009

In April, Ohio received more than \$432 million in Federal stimulus funding including \$186 million for Title I and \$233 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which the State is eligible. On June 10, Ohio also became eligible for more than \$1 billion under the State stabilization component of the stimulus package. According to Ohio's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$399 million of its initial SFSF allocation to restore support for K-12 education in FY 2010. According to the State's application, after restoration of support for K-12 and post-secondary education, the \$756 million remaining will be reallocated to local school districts through the State's Title I funding formula. The State will be eligible for another \$590 million in stabilization funds this Fall.

As reported in [Class Notes](#), the Ohio legislature is debating changes to the budget proposed by Governor Ted Strickland. In particular, the Governor's budget cut per-student funding for Ohio's virtual schools by 75 percent, from \$5,700 to \$1,500 per year. The version released by the Republican-controlled State Senate restores all funding for charter schools to the current level through 2011.

As reported in [The Chronicle of Higher Education](#), nearly two thirds of the entering freshmen at Cleveland State Community College are required to take at least one remedial course. Moreover, historically, close to half of the remedial students were failing the remedial courses. In 2008, the College implemented a math "emporium model," from the National Center for Academic Transformation, that replaced traditional math lectures with computer lab work in which students solve math problems with the help of on-site faculty and tutors. Cleveland State has found that, with the new remedial program, the percentage of remedial students earning a C or better in the three math courses jumped from 55 percent to 72 percent and the enrollment in college-level math has increased by 42 percent. The College has also found that the new program is less expensive with the overall number of students served by each faculty member is up 23 percent.

Pennsylvania Update

July 2009

As reported in the Philadelphia Inquirer, there is an ongoing budget battle between Governor Ed Rendell and Republicans in the Pennsylvania legislature. A plan in the State Senate would use \$730 million in Federal stimulus money to replace basic State education funding and would make another \$723 million in cuts to the Governor's education proposals, including his signature laptop program. The Governor argues that using all the money to replace basic State funding would force school districts to raise taxes when stimulus money runs out. He wants to use \$418 million to replace basic State funding and \$317 million stimulus dollars as a one-time payment to balance next year's budgets. Although the traditional deadline for passage of State budget is July 1, no recent budget has been passed on time.

The Pittsburgh Post-Gazette reports that the Pennsylvania Senate has approved a measure -- Senate Bill 281 -- that would prohibit implementation of Statewide high school graduation requirements a proposed by Governor Rendell. Some senators also criticized the seven-year, \$201 million contract with Data Recognition Corporation for the development of ten exams in a range of subjects to begin with the Class of 2014. The Senators argue that such tests duplicate existing exams and are too expensive given the State's \$3 billion budget deficit. State officials counter that the contract cost only \$8 million in FY 2008-09 (ending June 30) and \$21 million for 2009-10.

The Pittsburgh Post-Gazette also reports that teachers at the PA Learners Online Regional Cyber Charter School have voted to join the State teachers union, the first time a public online charter school has voted to unionize. The charter school is open to any K-12 student in the State and is managed by the State's Allegheny Intermediate Unit.

According to the Philadelphia Inquirer, Philadelphia Superintendent Arlene Ackerman has said that the district will tighten its standards for teacher performance. Last year, only 13 teachers out of a total of 10,700 in the district received "unsatisfactory" ratings and only five were fired for

academic reasons. No principals (out of 300) were removed for failure to meet academic standards. The Superintendent has warned 30 principals that dramatic improvement will be necessary if they expect to keep their assignments after next year. She expects considerable opposition to the more rigorous teacher standards from the teachers' and principals' unions.

Puerto Rico Update

July 2009

In April, Puerto Rico received \$259 million in Federal stimulus funding including \$193 million for Title I and \$59 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which it is eligible. On May 28, Puerto Rico also became eligible for more than \$434 million under the State stabilization component of the stimulus package. According to Puerto Rico's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$359 million of its initial SFSF allocation to restore support for K-12 education in FY 2010. After restoration of support for K-12 and post-secondary education, the \$63 million remaining will be reallocated to local school districts. The State will be eligible for another \$214 million in stabilization funds this Fall. Because Puerto Rico has only one school district, it has no K-12 funding formula.

Rhode Island Update

July 2009

The Providence Journal reports that the largest union representing Rhode Island teachers plans to implement a rigorous teacher evaluation and mentoring program that has been used effectively in other states. Currently, the State requires teachers to be evaluated every two years, but the standards are determined solely by local school districts. The union expects to spend a year modifying the Peer Assistance Review for Teaching Excellence begun 28 years ago in Toledo, Ohio. The union, which has the participation of the State's largest school districts, hopes to roll out the program in the Fall of 2010. The program, as instituted in Toledo, uses a veteran "consulting" teacher for every ten new teachers. During the school year, the consulting teacher visits and mentors new teachers and provides recommendations to a teacher evaluation team.

South Carolina Update

July 2009

The Charleston Post and Courier reports that South Carolina will receive a total of \$2.8 billion in Federal stimulus money. Governor Mark Sanford has said that he will not accept \$700 million of the total because of Federal requirements imposed on the funds. In early June, the South Carolina Supreme Court ruled that the Governor must accept the \$700 million in stimulus funds. The State's two-year allocation of \$700 million includes \$184 million to be divided among the State's 85 school districts for the 2009-10 school year.

In mid-May, South Carolina's new standardized test -- the Palmetto Assessment of State Standards (PASS) -- was administered to students in elementary and middle schools. The PASS, which replaces the Palmetto Achievement Challenge Test, is expected to provide parents and teachers with more detailed results in June instead of September or October. This will give students and parents more time to prepare for the next school year.

Tennessee Update

July 2009

The Chattanooga Times Free Press reports that, unlike other states which are targeting K-12 education, Tennessee is spending most of its Federal education stabilization money on the State's colleges and universities. This is because the State must restore prior year cuts to institutions of higher education which had been more severe than cuts to K-12 education. Also unlike other states, Tennessee is saving more than 43 percent of its stabilization allocation until FY 2011.

The Tennessee legislature is in the process of approving a law that would change the eligibility rules for charter schools. The Memphis Commercial Appeal reports that the measure would raise the Statewide cap on charter schools from 50 to 90 (35 of which must be in Memphis). Charter school enrollment would be available to any student in school districts with at least 14,000 students and three or more failing schools. These districts include Memphis, Nashville, Knoxville, Chattanooga, and Murfreesboro.

Texas Update

July 2009

Data from the Texas Education Agency show that 14 percent of Texas students in the Class of 2009 failed at least one section of the Texas Assessment of Knowledge and Skills (TAKS) and, therefore, did not graduate. As reported in The Dallas Morning News, that percentage had been dropping in recent years until showing a slight increase this year. While only seven percent of White students failed to pass all four sections of the TAKS (English, math, science, social studies); Black students (about 25 percent) and Hispanic students (about 20 percent) failed at much higher rates. The difficulty of the State's graduation requirements are expected to get much higher in 2011-12 when the State begins phasing in a series of 12 end-of-course exams.

Governor Rick Parry has signed into law House Bill 4294 which allows local school districts to use State textbook money to purchase computers and other technology needed to access electronic teaching materials. Supporters of the measure said it is designed to give schools the flexibility to update curricula. Opponents of the bill, including some members of the State Board of Education, argue it diminishes the Board's authority. The Governor did issue an executive order that says the State Board has responsibility "to review and approve" content and that gives the Board seats on the panels that recommend materials.

Governor Perry has vetoed House Bill 130 which would have established new quality standards for pre-kindergarten classes, including class size limits and teacher training. As reported in the Austin Statesman, an original bill would have expanded pre-K classes to full day for students at risk, but would have cost \$623 million. The final bill provided \$25 million in grants to districts that already had full-day kindergarten but would have lost State Funding. The districts will still get the money but the quality standards will not be implemented.

Education Daily reports that the U.S. Department of Education has approved Texas as the first state with modified academic achievement standards and assessments for reading, English/language arts, mathematics, and science. The modified assessments for special

education students are modifications of the Texas Assessment of Knowledge and Skills (TAKS). The TAKS-Modified is an on-grade-level exam that has fewer items and fewer answer choices. The TAKS-Alternate is designed for students with significant cognitive disabilities.

The Houston Chronicle reports that Texas has said it will not participate in the effort to establish voluntary national academic standards. State officials have said that Texas has recently updated its standards and estimates the State's cost of starting over at \$2-3 billion. The State expects to look at any final national standards that are created to ensure that "Texas standards are always higher."

According to a blog in the Austin American-Statesman, the Austin school district plans to spend a portion of its allocation from the Federal stimulus package to improve instruction for English language learners (ELLs). The district has proposed using \$8.4 million in stimulus money for new programs for ELLs, middle school students, low-income students, and students at risk of dropping out.

According to the San Antonio Express-News, the State legislature has approved a bill that gives Texas public school teachers raises of at least \$800. But, because funding for the measure is coming from Federal stimulus dollars, the raises are contingent on Federal approval. The State is preparing a request for a ruling to the U.S. Department of Education, with some State education officials arguing that using Federal money is supplanting, not supplementing, State funds. The indecision leaves many school districts in the uncomfortable position of preparing budgets for next year without full information as to how much money they will have.

Utah Update

July 2009

The Salt Lake Tribune reports that Larry Shumway will become Utah's new State school superintendent, effective July 1. A former district superintendent and director of teacher licensing for the State, Shumway has served as deputy State Superintendent since 2008.

As reported in The Salt Lake Tribune, two Utah school districts -- Sevier and Juab -- have for the past school year been piloting a new State testing program for possible Statewide implementation. Unlike the traditional State assessments, the new tests are given three times a year and are adaptive, adjusting their degree of difficulty to student performance and providing quick results to inform instruction. Last year, the legislature passed a bill authorizing five school districts and five charter schools to drop the State's regular testing system in favor of the adaptive tests. Next year, at least five more schools will join the pilot—the Millard School District, two elementary schools in the Alpine district, the John Hancock Charter School, and the Summit Academy charter school. The new tests have been criticized for not providing the right kind of information to schools and for requiring students to spend too much time testing. Moreover, the U.S. Department of Education has said Utah may not use adaptive tests to meet the requirements of the No Child Left Behind Act.

The Salt Lake Tribune also reports that five Utah schools will participate in a two-year pilot test of performance-based pay for teachers. The five schools will receive a total of \$300,000 a year to establish performance pay pilot programs for elementary school teachers and aides. The staff will receive extra pay based on quality of instruction (40 percent), students' academic progress (40 percent), and parent/students satisfaction (20 percent). The money given to the schools in the first year will be used to develop plans and measures of success. In the second year, the money will go to teacher rewards. The pilot program was opposed by the Utah Education Association, the State's largest teachers union. The participating schools will be: Midway Elementary (Midway), Manila Elementary (Pleasant Grove), Ashman Elementary (Richfield), Canyon Rim Charter Academy (Salt Lake City), and Wasatch Peak Charter Academy (North Salt

Lake).

Virginia Update

July 2009

In April, Virginia received \$240 million in education funds from the Federal stimulus package including \$83 million for Title I and \$151 million for IDEA/Special Education. This is half of the total Title I and IDEA stimulus funds for which the State is eligible. On May 26, Virginia had access to \$806 million under the State stabilization component of the stimulus. According to Virginia's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$104 million and \$554 million of its initial SFSF allocation to restore support for K-12 education in FY 2009 and FY 2010, respectively. After restoration of support for K-12 and post-secondary education, Virginia will have no stabilization funds remaining for reallocation to local school districts. Another \$397 million can become available in the Fall. Virginia also expects to compete for a portion of the \$5 billion stimulus money under the Federal "Race to the Top" initiative.

As reported in [The Washington Post](#), all four candidates in the Virginia gubernatorial race -- three Democrats and one Republican -- have said they favor expanding preschool programs. Four years ago, current Governor Tim Kaine promised free preschool for all four-year-olds at a cost of \$300 million, but lower State revenues and political infighting meant he had to settle for a \$22 million program that enrolled about 4,000 new students. It is not clear that economic and political prospects will allow the new governor to achieve the goal of universal preschool.

Also reported in [The Washington Post](#), the use of alternative assessments in Virginia has nearly doubled in recent years well beyond students with serious cognitive disabilities, to include learning disabled students and English language learners. In 2006-07, there were 15,400 alternative assessments -- generally in the form of portfolios; in 2007-08 there were more than 30,000 with another increase expected for the just-completed school year. Proponents of portfolio tests say they are a fairer way to measure student knowledge than a one-day exam. On the other hand, they are very expensive to complete and grade and the high pass rates (compared to multiple-choice tests) suggest that many schools are using them to meet academic benchmarks

under State and Federal accountability systems.

According to IDEA Money Watch, Virginia is one of the few states in which all school districts were rated as “Meets Requirements” using criteria specified by the U.S. Department of Education’s Office of Special Education Programs for individual state determinations.

Virginia has been active in encouraging the expansion of early intervening services/RTI for at-risk students who are not yet placed in special education. One high State priority is to focus both funding and staff development on at-risk students at middle and high schools. Governor Kaine, was, until recently, head of the Southern Regional Education Board which, over time, became a major proponent of this type of activity. Given the encouragement by USED for districts to use increased portions -- up to 40% -- of 21st Century Learning Community Center grants and School Improvement Grants to address middle and high schools, a significant expansion in districts can be expected. One approach which is likely to be adopted is the model for providing professional development for the implementation of EIS/RTI developed at the University of Kansas Center for Research on Learning, headed by Dr. Don Deshler. A Virginia district that is identified for having disproportionality and has to set aside the 15 percent for EIS is not allowed by the State to take advantage of IDEA’s Section 613 maintenance of effort provision.

Washington Update

July 2009

In April, Washington State received \$194 million in education funds from the Federal stimulus package including \$68 million for Title I and \$119 million for IDEA/Special Education. This is half of the total Title I and IDEA stimulus funds for which the State is eligible. On May 27, Washington had available \$672 million under the State stabilization component of the stimulus. According to Washington's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$362 million and \$357 million of its initial SFSF allocation to restore support for K-12 education in FY 2009 and FY 2010, respectively. After restoration of support for K-12 and post-secondary education, Washington will have no stabilization funds remaining for reallocation to local school districts. Another \$331 million can become available in the Fall. The State's funding formula, through which stabilization funds will be allocated to school districts, includes components for: Reduced Class Size and Improved Targeted Services/Professional Development (currently \$460 per student); Struggling Students (\$230 per student eligible for free or reduced price lunch); and English Language Learners (\$900 per eligible student).

In mid-May, Governor Christine Gregoire signed into law a major overhaul of Washington State's K-12 education system. [The Seattle Times](#) reports that, among the features of the new law are smaller classes, full-day kindergarten, a longer high school day, and a new formula for distributing State education funds. It has been estimated that the changes could cost the State as much as \$4 billion on top of the approximately \$7 billion it already spends each year for K-12 education. The Governor vetoed two sections of the law, one mandating preschool for at-risk children and the other providing money for gifted education. Preschool for at-risk children would cost an estimated \$170 million annually and preschool for all students -- the Governor's preference -- would cost more than \$1 billion each year.

As we reported in April, the Washington Assessment of Student Learning (WASL) is being replaced as the State assessment by a shorter test that will eventually be taken online. According

to The Seattle Times, new State superintendent Randy Dorn has pledged to focus his attention on reducing the dropout rate which is estimated at 21 percent. He is also concerned about the math scores reported for the Class of 2011 who took the test this Spring. Only 45 percent of these students (tenth-graders in the Spring) passed the math portion of the WASL (73 percent of the Class of 2009 passed the math WASL). Currently, students who do not pass the math exam can still graduate if they take two credits of math after tenth grade.

West Virginia Update

July 2009

Projections from the West Virginia Department of Education suggest that scores on the State's end-of-year standardized test could drop by as much as 40 percent this year because a more rigorous exam is being used for the first time. As reported in the Charleston Daily Mail, the WESTEST 2 was administered in mid-May to students in grades 3-11.

As reported in eSchool News, West Virginia has initiated a project called "Assessing 21st Century Skills through Relevant and Engaging Content Applications," which has designed "standards-focused, project-based" learning units for teachers of English, math, science, and social studies. These learning units incorporate opportunities to develop and assess 21st century skills.

According to Education Daily, West Virginia Governor Joe Manchin has been elected to chair the Southern Regional Education Board and its efforts to improve K-16 education. Manchin says he will emphasize the need to increase college graduation rates in the SREB's 16 states.

Wisconsin Update

July 2009

The Milwaukee Journal Sentinel reports that 850 Wisconsin schools will receive a total of \$75-\$80 million from the State's settlement with Microsoft Corporation. The money will be distributed in the form of vouchers to be used to purchase technology products, not necessarily from Microsoft. The vouchers will go to schools at which at least a third of the students are classified as low income. Schools will receive \$265 per student; Milwaukee, for example, will get approximately \$24 million.