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MEMORANDUM

DATE: August 5, 2009
TO: TechMIS Subscribers
FROM: Charles Blaschke and Blair Curry
SUBJ: Guidance Updates on Ed Tech Grants, Race to the Top “Clarifications,”
School Improvement Grants, and State Profile Updates

In July, subscribers received three Stimulus Funding Alerts, including:

- Draft USED Non-Regulatory Guidance on Waiver Requests, which could increase opportunities for firms to partner with districts operating their own SES programs (July 10th);
- The use of an “alternative comprehensive intervention” model or “transformation intervention” which is likely to be included in School Improvement Grants to turnaround lowest performing schools (July 21st);
- Special Report on draft Race to the Top guidance (July 24th).

This TechMIS issue includes an update on Race to the Top guidance, released on July 24th, with some of the changes from the earlier draft on which we based most of our Special Report. Comparison of the previous draft with the one which was published suggests that priorities and policies are evolving with a higher priority being placed on STEM initiatives, turning around lowest-performing schools, and linking student achievement and growth with teachers for evaluation purposes.

Also included in this issue is our analysis of the most recent guidance on the allowable and “encouraged” uses of E²T²/Ed Tech regular and stimulus funding which will total about \$900 million this year. For some firms which have, in the past, received E²T² funding in partnership with districts, there could be immediate and long-term opportunities depending on SEA policies and priorities.

The Washington Update address a number of issues and developments about which we are conducting in-depth monitoring and analyses, including:

- **Page 1**
During an SIIA breakfast summit at NECC, the new Assistant Secretary for Innovation and Improvement, Dr. Jim Shelton, who will be developing and implementing Guidance for the Innovation Fund grants program shared his

thoughts, which he indicated would be reflected in the guidance to be published shortly.

- **Page 2**
An update, based on interviews with state and other officials during SETDA/NECC, on the use of stimulus funds and Section 613 freed-up resources for technology purchases. Subscribers need to make sure district and SEA officials are aware of these new funding opportunities.
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Districts receiving large regular Title I increases will receive increasing ARRA stimulus funds under certain state conditions, thus providing even greater reasons for firms to target these districts.
- **Page 5**
The Institute of Education Sciences will seek applications to develop and evaluate specific interventions to address specific problems in chronically lowest-performing schools.
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House and Senate Education Appropriations Committees mark up their versions of the FY 2010 Education Appropriations Bill, differing with the proposed Obama budget on key money issues, while apparently agreeing with a new priority thrust related to middle school/high school literacy.
- **Page 8**
E-Rate update on districts with “potential” E-Rate refunds for purchasing non-eligible products and services.
- **Page 10**
Miscellaneous Washington Updates include:
 - Results from a recent Simba survey on technology purchases.
 - Nomination of Alexa Posny as Assistant Secretary for Office of Special Education and Rehabilitative Services which should be good news for virtually all TechMIS subscribers.
 - An unexpected announcement that the Phase II remaining amounts of IDEA and Title I ARRA stimulus funding, totaling almost \$12 billion, will be released to SEAs 30 days earlier than planned, on or about September 1st, and in turn to districts; this should prompt states to request waivers for Title I carryover and Title I 20% SES set-aside -- good news for most TechMIS subscribers.
 - NECC/SETDA interviews/discussion re Section 613.

State profile updates include information on the availability and use of Federal stimulus money, state budget problems, state assessments, charter schools, and IDEA’s Section 613 provision.

**Stimulus Funding Alert:
Race to the Top Proposed Guidance Update: “Clarifications”
Point to Evolving Priorities and Strategies**

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

Prepared by:
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August 5, 2009

A number of recent “clarifications” to the proposed Race to the Top (RTT) regulations and other directly related reform initiatives point to evolving priorities and strategies which could have implications for TechMIS subscribers wanting to partner with states that are planning to submit applications later this year after USED guidance is finalized. Some of these changes are reflected in differences between the “leaked” draft of the proposed Race to the Top guidance, which we reviewed a week prior to publication and on which we based most of our July 24th TechMIS Special Report. Other hints were gleaned from informal discussions and comments made by USED officials at a July 23rd Title I meeting and during a July 27th webinar. Some of these are highlighted below.

In the leaked draft RTT guidance, one of the three “Invitational Priorities” was emphasis on STEM -- science, technology, engineering and mathematics -- in which states would offer rigorous courses of studies, ensure cooperation with industry experts and others, and provide for more advanced study in STEM careers. However, in the final proposed guidance, the “Invitational Priority” was changed to the more rigorous “Competitive Priority,” which means that a state that meets the four component assurances of the Absolute Priority could receive additional points by including a large STEM component that meets a number of the Reform Plan requirements. One of the probable reasons for a higher priority being placed on STEM in the Race to the Top initiative can be attributed to a Hill briefing immediately prior to finalization of the guidance at which it is likely the House and Senate leadership pressed for such a higher STEM priority. Given this higher priority, states that currently have pilot STEM initiatives underway with participating districts will probably include this component in the application and possibly include all of the pilot districts in their proposed plan. This could provide opportunities for TechMIS subscribers with appropriate products and services fitting into STEM initiatives to discuss partnerships with the state and/or participating districts.

The draft RTT guidance included “School-Level Conditions” for reform and innovation as a component, under “turning around lowest-performing schools” (which is one of the

four assurances under the overall Absolute Priority in the final guidance). In the guidance published July 24, it was included as Invitational Priority Number 5, indicating an even higher degree of emphasis placed on creation of School-Level Conditions conducive to reform and innovation. These flexibility Conditions include local selection of staff, implementing expanded learning time, increased local school budget decision-making control, flexibility toward credits based on student performance, and “providing comprehensive services to high-need students (e.g., through local partnerships, internal staffing, and contracts with outside providers).” The earlier drafts emphasized creating state Conditions conducive to reform and innovation.

During USED’s July 27th webinar, Deputy Secretary Tony Miller distinguished the state’s plan for creating these Conditions from the plan to reform education by noting that the former is “what have you done” and the latter is “what will you do.” Indeed, part of the Obama/Duncan strategy might be to have states “set in motion” the wheels to create conditions conducive to the reform initiatives it seeks during the application process such that, even if a state and district does not receive RTT grants, the environment will have been at least partially created to implement such initiatives anyway using other funding sources. Indeed, to be eligible for submission, State Phase II plans for SFSF funds must be approved and the state will have to have removed any “legal statutory or regulatory barriers linking student achievement or growth to teachers and principals for evaluation purposes.”

Under the Absolute Priority of “turning around struggling schools,” there were some subtle but significant changes between the initial earlier draft and the proposed guidance that was published. Under State Reform Conditions criteria, evidence must be presented that the state has legal statutory or regulatory authority to intervene directly in the persistently lowest-performing schools and in districts that are in improvement or corrective action status. In the initial draft, the authority was only limited to LEAs in corrective action. If this guidance is also included in the School Improvement Grant guidance -- which has yet to be published -- then the number of districts which could receive School Improvement Grants would be increased dramatically, perhaps reducing the amount of the four percent SEA set-aside for school improvement per individual school.

In the earlier draft, the “new turnaround option” was referred to as a “comprehensive intervention” which would include a new principal, measuring teacher and principal effectiveness, rewarding effective teachers, an improved instructional program, extended learning, and community-oriented supports. In the final document, it is referred to as a “transformational intervention” and the “improved instructional program” would include differentiated instruction. In a presentation before State Title I directors on July 23rd, USED officials confirmed that the so-called “transformation” model is the same as the “comprehensive” intervention included in the draft.

Even though the Innovation Fund guidance (the \$650 million component of State Incentive Grants alongside Race to the Top) has yet to be released, during the July 27th webinar, USED officials indicated that 50 percent of the funds should go to LEAs and 50

percent to non-profit organizations. However, in response to a question, it was noted that many charter schools, for the purposes of Federal legislation such as Title I, are considered “LEAs” and could apply and be funded as an LEA. Many are also non-profit organizations and could apply as such. The inference is that the amount of money going to charter schools could be greater than that going to LEAs. In response to another question, it was noted that the Race to the Top is a four-year grant which will likely allow two to four months of planning during the proposal/development process before the submission date. On the other hand, the Innovation Fund is scheduled to be a two-year project with funds having to be obligated by September 30th, 2011 which may present a major problem.

**Stimulus Funding Alert:
New USED Guidance on State Education and Technology (Ed
Tech) Program Reflects ARRA/Race to the Top Priorities and
Emphases, Creating Both Immediate and Long-Term Potential
for Firms**

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

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While the regulatory framework for the Enhancing Education Through Technology (E²T²) program funded under Title IID remains intact, new USED “guidance” reflects the priorities and areas of emphasis which SEAs and LEAs are encouraged to consider when providing over \$265 million (regular E²T² funding) for FY 2009 and \$650 million ARRA stimulus funding (Ed Tech) to eligible entities/districts. Given the magnitude of the \$650 million stimulus funding increase, immediate and longer-term opportunities exist for firms that have products and services which can be used to implement the Administration’s ARRA/Race to the Top “conditions” and “reforms.” However, SEA’s discretion in “priority-setting” will vary among states as they balance the dual goals of expending such funds quickly, but expeditiously, and to build district capacity to implement technology while not “falling off the cliff” two years from now when stimulus funding ceases. Highlights, implications, and some opportunities are noted below.

On July 27th, both the guidance and total regular and ARRA allocations for E²T² at slightly over \$900 million were sent to states in accordance to previously approved state plans; ARRA portions are combined with regular E²T² funding but will have to be reported separately in terms of how the two different pots of funding are used. The funds have to be obligated by September 30, 2011. Up to five percent of the combined Ed Tech funds can be used by the SEA to carry out SEA activities such as delivery of specialized courses and curriculum, technical assistance, support for professional and curriculum development, and the development of a state performance measurement and evaluation system (which will measure the impact of Ed Tech funds for certain products). At least 95 percent of such funds must be allocated to “eligible local entities” which can include a “high-need local educational agency” (i.e., large numbers/percentages of poverty enrollments or one or more schools identified for improvement or corrective action)” or an “eligible local partnership” which must include one high-need LEA and can include “a for-profit business or organization that develops, designs, manufactures, or produces technology products or services or has substantial expertise in the application of

technology in instruction.” According to the most recent data collected by the State Education Technology Directors Association (SETDA), an increased number of E²T² grants were allocated last year to partnerships. At least 25 percent of 95 percent must be used for professional development, with some exceptions.

While SEAs are allowed to distribute 50 percent of funds through competitive grants and 50 percent through formula grants, an SEA may decide and allocate all of its regular and ARRA Ed Tech funding through competitive grants. “Strongly encouraged” in the new guidance, competitive grants “potentially will have a greater impact than smaller formula grants awarded across more districts.” If the SEA decides to award 50 percent through formula sub-grants, these funds must be allocated to districts based on the most recent Title I district allocation. Therefore some of the districts listed in the April 29th TechMIS Special Report on Preliminary District Title I Allocations (those receiving a 30 percent or greater Title I increase this year) would receive proportionately more Ed Tech formula funding than other districts. By the last week in July, at least seven states have decided to allocate 100 percent of their combined Ed Tech funds through competitive grants, while 15 states decided to use a combination, with the remaining states yet to decide.

For some TechMIS subscribers, two immediate opportunities could potentially exist as a result of the new guidance. For example, if an SEA so decides, the new guidance allows the SEA to allocate new funds to an eligible local entity, such as an LEA, that submitted a proposal which was highly rated in the prior grant competition which was not funded because of inadequate funds available. The SEA could allocate the new combined funding to the entity without going through a new grant competition. Similarly, an SEA may use ARRA Ed Tech funds or regular E²T² funds to make a continuation award to an LEA or eligible local entity that is implementing a multi-year project funded under a prior E²T² competition if an LEA is making “substantial progress to meeting previously approved objectives.” Both of these opportunities could exist immediately in states which decide to take advantage of this funding flexibility without holding a new competitive round. Some state education technology directors have responded positively to such opportunities for at least portions of the new funds. While the guidance encourages states to award Ed Tech grants as soon as possible “consistent with prudent management,” Ed Tech ARRA funds may be used to pay for obligations that occurred after February 17, 2009 when ARRA was enacted. This is another way to have districts draw down on the Ed Tech account as quickly as possible, even though it comes at the expense of obligating funds for new purchases.

Allowable local uses of Ed Tech funds remains those included in the legislation and regulations. However, the new guidance strongly encourages SEAs and LEAs to take into “consideration” the use of ARRA funds to implement “strategies that will help build sustainable capacity for technology integration, improve student achievement, and advance education reforms” in the following four areas of ARRA provisions and Race to the Top reforms:

- Increasing teacher effectiveness and equitable distribution (which could include technology-based support for collaboration in creating professional learning communities, recognition and rewards systems, improved working conditions,

and on-demand professional development based on formative assessment and feedback);

- Use of technology systems to implement longitudinal data systems to track student progress and foster continuous improvement
- Use of technology-enhanced strategies supporting rigorous college and career readiness standards, supplemented with high-quality assessments, especially those used with English language learners and students with disabilities;
- Use of advanced technology to turnaround lowest-performing schools through interventions (which could include RTI approaches and related staff development, formative and interim assessments and other data-driven decision-making tools, and technology supports for facilitating one-on-one or small group tutoring).

Time and again, the guidance emphasizes that funds should focus on “short-term investments with the potential for long-term benefits rather than make ongoing commitments that they may not be able to sustain once ARRA funds are expended.”

The guidance also suggests that district decision-makers should spend ARRA funds in such a way that they can answer yes to a number of questions including whether the proposed use of ARRA funds will:

- improve results for special needs students?
- increase long-term capacity to continue improving results?
- accelerate reforms called for in ARRA?
- avoid the funding “cliff” and improve productivity (defined more broadly than under NCLB which was limited to areas such as math and reading achievement)?
- foster approaches to implement consistent or continuous improvement which provides feedback on which strategies can be modified based on evidence?

In an appendix to the guidance, examples are provided regarding the uses of funds that are allowable under E²T² and that are “consistent with ARRA principles and core reform assurances.” While most of the examples can be inferred from some of the above guidance, several are worth noting, including:

- Developing and teaching 21st Century skills, including critical thinking, problem-solving and related skills.
- Implementing open-source software, which has been shown to be effective for interpreting formative student assessments and curriculum-based measurements, and otherwise inform instruction.
- Developing formative assessments to inform instruction on an ongoing basis, as well as to drive decisions related to curriculum, instruction, and professional development.
- Implementing commercial or open source (free) social software systems and learning management system activities promoting the use of emerging technologies, including digital media, audio and video podcasting, collaborative learning environments, online communications tools, and E-learning resources.
- Acquiring technology accessible to students with disabilities and English language learners.

The guidance reiterates the requirement that states develop evaluation and performance measurement systems to determine the effectiveness of education technology programs. Such systems will be used by USED for accountability purposes to ensure that progress has been made in integrating technology, technology literacy, and professional development. For the first time, LEAs must submit, in their annual performance reports: the percentage of districts that have fully-integrated technology; the percentage of classrooms with Internet access; the percentage of teachers who meet state technology standards; and the percentage of students who meet technology standards by the end of the eighth grade (which, under the prior Administration, were not required to be reported).

Given the magnitude of ARRA Ed Tech funding, another requirement which may generate more interest than in the past relates to equitable participation of private schools in the E²T² program. Consultation with private school officials must occur in developing local grant proposals and districts can use Ed Tech grants to purchase and provide to private schools certain products, such as computers used by students and teachers, but not wiring or infrastructure or access to the Internet. The USED guidance does not address the question whether district-purchased equipment using ARRA funds, which is provided to private schools, can remain in the private school for their use after stimulus funding is completed. In a meeting with State Title I Directors on July 23, USED officials stated that equipment purchased for newly-designated Title I schools could remain in use in such Title I schools after ARRA funds run out. One might infer that such equipment purchased with E²T² funds, while still owned by the district, could continue to be used in the private school under the initial conditions (e.g., it is not used to promote religious purposes). Perhaps this could be considered an incentive for generating interest on the part of private schools to participate with local districts in the E²T² program.

One of the issues addressed in the guidance is the treatment of ARRA Ed Tech funding if a district wishes to transfer up to 50 percent of the funds it receives under competitive grants to other Federal programs such as Title I. The guidance states that this is allowed; however, ARRA Ed Tech funds transferred to another program must continue to be tracked and accounted for separately and that the ARRA funds do not “lose their identity” after they are transferred -- which happens with the regular E²T² funds when they are transferred. This will reduce the probability of ARRA Ed Tech funds being transferred to other programs.

For a copy of the guidance go to: www.ed.gov/programs/edtech/legislation.html

Washington Update

Vol. 14, No. 8, August 5, 2009

New USED Assistant Secretary for Innovation and Improvement Shares Thoughts With SIIA Members

During the final presentation during the NECC conference to education technology advocates, Dr. Jim Shelton, formerly of the Gates Foundation and now Assistant Secretary for Innovation and Improvement which will have responsibility for funding Innovation Fund projects, shared a number of thoughts with SIIA members at a breakfast on July 1st.

First and foremost, he wanted to clarify what he had said in previous meetings that he felt there was a need for “Apple Easy” products, noting that he did not necessarily support Apple, but wanted to reinforce the need for “easy-to-use” technology. Moreover, the technology must be perceived by teachers and students as being “cool.” As a member of the “education technology sector” when he was responsible for investing funds in technology firms and in other related capacities, he predicted a rough road for the next four to five years, as the sector will be experiencing relative flat economies and therefore one of the primary uses of technology will be to improve productivity which is what the technology sector in business and other fields is doing. In addition to technology funds, other funds need to be used to come up with solutions to transform education which is the focus of a new “working group at USED.” Professional development is one key to such transformation. He is interested in partnering with firms that have products and

systems “that work.” However, he felt there was an overall need in the education technology sector for coming up with a plan, and hinted that his belief that we may be experiencing more increases in funding now that could be used for technology without having such a plan intact.

He also noted that he has been working with the new director of the Institute of Education Sciences, John Easton, who encouraged the development of a larger research base on the use of technology and indicated that one can expect more IES studies in the immediate future to be conducted on promise and practices such as online instruction, referring to a recent USED report.

In response to a question about the need to change teacher colleges in such a way that they provide preservice programs that focus more on technology use, he indicated that he didn’t have a good idea on “what works,” on how to change teachers’ colleges, and what can be justified by research in telling him what they need to do. However, he felt that by funding projects, two to four such colleges will come up with good solutions, and that others will adopt them over time. He also noted that while he was responsible for technology activities now, that a new Director of Education Technology would be appointed in the very near future.

Regarding soon to be released “What Works” and Innovation applications (i.e., Innovation Fund for \$650 million) which will be posted in the Federal Register for comment, he indicated that some of his

above comments would be reflected in such guidance. He also noted that his office will be issuing numerous RFPs soon on assessing different techniques to turn around lowest-performing schools. He volunteered that he felt there is both a plus and a negative in many districts being skeptical about receiving any of the stimulus funding in that they will not have already committed to a number of traditional approaches, such as using such funds to retain staff, as opposed to instituting major transformation initiatives through the use of technology as could happen when they get the unexpected funds. I raised the question as to whether or not the policy responsibilities for supplemental educational services (SES), as under the previous Administration, would also be in his Office of Innovation and Improvement and if it were, would there be more attempts to ensure SES is implemented in a more innovative way. He indicated that it would, however, reforming SES is a lower priority currently, but would definitely be a focus in the near future. In an offline discussion, he indicated that he would welcome some of the comments we have made in previous TechMIS reports on ways to improve the quality of SES and ensure opportunities for firms to partner more with districts which operate their own SES programs. In another offline discussion with Steve Pines, the Executive Director of the Education Industries Association, I asked him whether or not his Association would support improving the SES initiative, such as having some of the payment to third-party providers based on student performance to which he commented, "For some portions of the payment." Currently, firms offering SES tutoring get paid mostly based on attendance and seat time. He did indicate, however, that he felt many districts would be requesting waivers to be approved to

provide their own SES programs, and many would also request waivers not to have their stimulus Title I funds fall under the 20 percent SES set-aside which would reduce the amount of such allocations in the future.

In the end, Shelton encouraged all associations, including SIIA, to provide him with examples of technology applications that work, and to provide comments to future draft guidance, regulations, etc. coming out of his office in order to ensure and taking into account in final publications.

SETDA and NECC Conference Address IDEA Section 613 Provisions

Over the five-day period, during the State Education Technology Directors Association (SETDA) and NECC conferences in Washington, D.C., on several occasions opportunities arose to collect information on two important questions: (a) are SEA officials, including those responsible for E²T², aware of the possible availability of Section 613 freed-up resources for districts to purchase technology?; and (b) Are district officials, particularly technology coordinators and information technology officers, aware of or plan to use IDEA Section 613 freed-up resources for purchasing technology?

Regarding the first question, Virginia SEA officials have decided to allow all but about 20 districts to take advantage of the Section 613 option to use up to 50 percent of the increase in IDEA funds to free up local resources which then can be used to purchase products and services allowable under ESEA, including technology. At another conference, the Virginia State Superintendent cautioned, however, that

superintendents may be hesitant to treat such funds as a “slush” fund because they have to report in detail how the money is spent. Since Virginia made its determination in June, more than 20 states have followed in its footsteps, allowing some, if not all, of its districts to take advantage of the Section 613 option, as noted in the last TechMIS Special Report.

As of the first week in July, SEA officials in Maryland were “still meeting” to decide which districts would be allowed to take advantage of the Section 613 option. A number of Maryland districts, such as Prince Georges County, have been designated by the state as having “significant disproportionality,” thus having to set aside 15 percent for Coordinated Early Intervening Services; other districts found to have disproportionality could have the option removed or otherwise reduced. Maryland officials did confirm that they, along with Virginia and D.C., were planning to form a consortium to go after “Race to the Top” competitive funds.

In Texas, the office responsible for education technology has apparently worked out arrangements to allow slightly less than 50 percent of the districts to take advantage of the Section 613 option. In June, USED determined that the state of Texas “needs intervention” because a large number of districts did not “meet requirements” of IDEA and, therefore, would not be approved to use the Section 613 50% MOE freed-up resources for technology purchases.

In Alabama, the State has finalized a policy regarding districts’ use of Section 613 MOE freed-up resources; however, most superintendents who use Section 613 are likely to spend such freed-up resources on

retaining existing staff, although some will use a portion of the freed-up resources to purchase technology. On the other hand, a large portion of the Title I stimulus funding will likely be used to purchase technology.

The key technology SEA official in Wisconsin reported that the state had developed a formal policy which is on their website (<http://dpl.wi.gov/sped/pdf/moe-042009-letter.pdf>) which allows districts meeting certain conditions to take advantage of Section 613. In the April 20th SEA memo to districts, LEAs are “strongly encouraged” to take advantage of the Section 613 flexibility, noting that such funds could be used to pay for activities typically funded with other state or local funds or for new activities. Moreover, if a district sets aside up to 15 percent of its total IDEA funding for Coordinated Early Intervening Services (CEIS), this amount should be deducted from the amount that could be utilized to reduce the LEA’s maintenance of effort. The Wisconsin website also includes the amount of 50% MOE, Section 613 freed-up resources available for each LEA, including \$15.1 million in Milwaukee, \$3.3 million in Madison, \$1.8 million in Appleton.

During the NECC conference, discussions were held with more than 15 district officials, mostly technology coordinators. Less than ten percent were aware of the possible availability of such freed-up resources; one thought the IDEA funds the district was using to purchase technology were freed-up Section 613 funds. During a focus group involving Chief Technology Officers (CTO) from more than ten districts selected by SIIA and COSN, more than two-thirds of the districts, CTOs indicated they would be using some Title I or IDEA stimulus funds to purchase technology in

accordance with previously developed long-range plans. The vast majority of purchases were of a back office nature, such as creating data warehouses, expanding broadband access, and other infrastructure-type purchases. Only one CTO mentioned that some funds would be used for classroom courseware, or other instructional uses. However, more than half indicated that at least some of the Title I and IDEA stimulus money would be used to expand professional development activities. When asked whether the IDEA stimulus funds that were being used were freed-up local resources under Section 613, only one CTO from a growing mid-sized Texas district “thought so.” When asked who was responsible for making the decision, the CTO indicated that the superintendent was personally responsible for determining how the stimulus funds in Section 613 freed-up resources would be used.

Districts Receiving Large Regular Title I Increases Will Receive Proportionately More From a Growing Number of ARRA “Stimulus Buckets” Under Certain State Conditions, Thus Providing Greater Opportunities for Firms

In our April 29th Special Report on preliminary Title I district allocations, we identified approximately 500 districts receiving large absolute increases of \$400,000 more in regular Title I funding and a similar number receiving 30 percent or greater increases. Most of the districts, especially those receiving large percentage increases will perceive such regular Title I increases as “windfalls” and are much more likely to spend these funds on products or one-time services rather than on new staff.

Not only will these districts benefit from higher FY 2009 Title I regular funding (of which approximately one-third was allocated in July with the remainder after October 1st), under certain conditions, these districts are also receiving proportionately larger increases in funding under several ARRA stimulus “buckets” as noted below.

First and foremost, these districts are receiving proportionately more of the \$10 billion in Title I ARRA increases, 50 percent of which was allocated in July, with the remainder likely in September. As we reported in the June 26th TechMIS Special Report, in those states where funds remain under the State Fiscal Stabilization Fund (SFSF) bucket after states have restored state funding to achieve Maintenance Of Effort (MOE) targets, these same districts will receive proportionately larger amounts of remaining funds than districts receiving smaller amounts of Title I regular funding. According to the National Conference of State Legislatures’ July State Budget Update, states with relatively large FY 2009 “balances,” including large rainy day funds, were Alaska, North Dakota, Texas, Oklahoma, Montana, and West Virginia. These and a limited number of other states (including Arkansas, Louisiana, Maryland, Nebraska, New Hampshire and New Mexico) are among the most likely to have some of the SFSF funding remaining after state K-12 education funding is restored.

Any district receiving large absolute or percentage increases in Title I regular funding which participates in their state’s successful Race to the Top proposal will also receive a proportionately larger portion of the 50 percent or more of the Race to the Top grant received by the state. These funds are to be allocated in accordance with the

districts' proportionate share of regular Title I funding. However, the proposed Race to the Top guidance indicates that districts would receive funding for four years rather than the eighteen to twenty-four months project period for most other buckets.

Under certain conditions, some of these districts could receive additional funding if:

- The district is eligible for and receives School Improvement Grant funding (approximately six to ten times the amount schools in corrective action or restructuring currently receive);
- The state allocates the district a portion of the SEA four percent set-aside for School Improvement;
- The district applies for and receives funding under the \$650 million competitive Innovation Fund bucket for which guidance has not yet been made available.
- Up to 50% of E²T² funds are allocated to districts by formula not competitive grants (see related TechMIS Special Report).

While information is not available now on which districts meet certain state conditions, firms with products that could be positioned as a large, short-term investment to build long-term reform capacity in districts should seriously consider targeting some of the districts identified in our April 29th Special Report. Please call Charles Blaschke if you have any questions.

The Institute of Education Sciences Solicits Applications for Chronically Low-Performing School Initiative

The Institute of Education Sciences (IES), headed by John Easton who directed the Consortium on Chicago School Research, provides some hints as to what may be included in the yet-to-be published School Improvement Grant applications, totaling \$5 billion. The IES request for applications under the “chronically low-performing schools research initiative” solicited letters of intent (due August 3rd), with applications due October 1st, to conduct research, development, and evaluation of the promise of certain interventions to address specific problems which exist in chronically lowest-performing schools. This is also the primary target of the School Improvement Grant implementation initiative which many feel is Secretary Duncan’s highest priority. This IES application suggests several prescriptive items that are likely to be included in the School Improvement Grant guidance.

Based on research, Easton et. al. conducted in Chicago Public Schools, the application states, “In order to better guide policymakers in developing solutions, researchers have been working to identify the key factors responsible for drop-out. For example, research on the Chicago public schools has shown that the academic success in the ninth grade is critical for students’ progress toward high school graduation.” IES also cites the work of Robert Balfanz, *Locating the Dropout Crisis*, published by the Center for the Education of Students Placed at Risk Report #70.

The IES application also repeats several times the need for interventions addressing specific problems of chronically low-

performing schools through an iterative process, noting that “strategy development may require many iterations.” Later in the application, grantees are asked to “describe the iterative development process to be used in the design and refinement of the proposed intervention, and plans for acquiring evidence about the operation of the intervention according to the theory of change they describe....A useful byproduct of such testing is a set of fidelity of implementation measures that could be used if the intervention were evaluated in a efficacy trial using group designs.” One might reasonably expect that the SIG guidance will encourage the use of an iterative process in refining specific interventions and the quality control measures to be used to ensure the intervention is being implemented as intended.

The IES research document also calls for the creation of a “comprehensive diagnostic framework that can be used to evaluate a chronically low-performing school. One product of the projects funded through the Low-Performing Schools Initiative will be a diagnostic framework that can be used by school leaders to identify specific problems in their low-performing schools that need to be addressed to improve school performance.” A description of the “diagnostic framework” (or needs assessment) which will be used to identify the specific problems and then select appropriate interventions will likely be called for in the School Improvement Grant applications that districts submit to SEAs to turn around schools in restructuring.

For a copy of the IES request for applications go to:
http://ies.ed.gov/funding/pdf/2010_84305G.

[pdf](#)

House and Senate Education Appropriations Committees Mark Up Their Versions of the FY 2010 Education Appropriations Bill, Differing With the Proposed Obama Budget on Key Money Issues, While Apparently Agreeing With A New Priority Thrust Related to Middle School/High School Literacy

On July 17th, the House Appropriations Committee marked up the FY 2010 Labor, HHS, and Education Bill which differs on big money issues from the Obama Administration’s proposed budget, but signals support for some of the Obama/Duncan-proposed literacy initiatives for middle school/high school. On several occasions, the House Committee Report and Statement reflected the context in which the education budget was being proposed for floor debate -- namely, the economic crisis with over seven million jobs being lost and between 10-20 million people not working for over six months.

As we noted in the May 13, 2009 TechMIS Special Report, the Obama budget request called for reallocating approximately \$1.5 billion of ESEA Title I basic grants to support School Improvement Grants and early literacy, a move which many education groups opposed. Committee Chairman David Obey (D-WI) also opposed the reallocation, noting that, in 2009-10, School Improvement Grants would receive upwards of \$4 billion and that to increase that amount “would simply outstrip the ability of states and districts to use the funds effectively and wisely.” Another casualty in the Obama budget proposal would have been zero-

funding for the Even Start Family Literacy Program; the House Committee would reinstate level-funding at \$66 million for FY 2010.

Even though the House Committee did not go along with the magnitude of proposed White House increase for several middle school/high school initiatives for adolescent literacy, the Committee did approve a series of increases which reflects its general agreement with the evolving priority within the Administration. The Striving Readers program for adolescent literacy would double to \$70 million, while \$66 million would be used to provide early literacy grants to pilot test and evaluate new strategies in reading comprehension with an emphasis on vocabulary, fluency, and (for the first time) writing skills. The Committee mark-up would also provide more than \$400 million to pilot and evaluate new approaches for improving reading instruction; this should be considered a replacement for Reading First. The Obama proposal would provide competitive grants under this new initiative. IDEA special education state grants would be level-funded at \$11.5 billion under the mark-up.

The Committee supported the President's proposed \$50 million for the High School Graduation Initiative, which has already been authorized under School Dropout Prevention programs. The High School Equivalency program under Migrant Education, would be increased from \$18 million to \$36 million, as requested in the proposed Obama budget; \$10 million would be appropriated for New Promise Neighborhoods which provides community, behavioral, and instructional support to help struggling middle and high school students; and an additional \$20 million would be

provided to the \$870 million TRIO program and \$333 million for GEAR-Up program each designed to help low-achieving minority students prepare for college. The Smaller Learning Communities program would be level-funded at \$88 million to provide funding primarily for middle and high school students who are struggling with math and reading. The Adult Basic and Literacy Education State Grants program would be increased by the Committee by \$74 million to \$628 million. In addition, the 21st Century Community Learning Centers would receive an additional \$50 million with states and districts encouraged to spend up to 40 percent of the increase for after-school programs for middle and high school students.

The other big winner in both the Obama proposal and House Committee mark would be the Teacher Incentive Fund which would receive almost a \$350 million increase to a total of \$445 million. The Committee mark also would increase by \$40 million the Charter School Grants program, which would increase to \$256 million.

A big loser is the Drug-Free Safe Schools State Grant program -- down from almost \$300 million to zero -- while at the same time, the National Grants Competition component of the Act would increase by slightly over \$50 million to almost \$200 million, reflecting the Duncan philosophy of wanting to have more Federal control over the use of competitive grant funding along the lines of prescriptive initiatives the Administration supports. The E²T² Technology Grants program would also be reduced from \$270 million to about \$100 million.

The House Committee version also would

differ from the Obama budget request on policy-related matters as noted below:

- At least 50 percent of School Improvement Grants would be used to purchase evidence-based reading instruction.
- Within the group of schools in corrective action and restructuring, which would be the target of School Improvement Grants, the House would place a higher priority on schools with graduation rates of less than 60 percent.

Following on the coattails of the House, the Senate Committee took quick action on the FY 2010 Appropriations bill with some small differences from the House mark.

- Like the proposed Obama budget, Title I basic grants would be reduced, but only by about \$700 million which would be allocated to Chairman Harkins' priority for New School Facilities Renovation.
- Charter schools would receive an increase of \$40 million which is about \$10 million below the President's budget request.
- Title III English Language Acquisition state grants would receive a \$20 million increase above the FY 2009 level and the Obama request.
- The Teacher Incentive Fund would receive a three-fold increase, but about \$190 million below the President's request.
- Slightly over \$260 million would be appropriated for a new literacy comprehensive approach, to include Striving Readers and Early Reading First, which would be \$115 million

more than the combined FY 2009 level.

The House version can be viewed at: http://appropriations.house.gov/LH_F42010_FC_Summary_as_amended_07-17-09.pdf

E-Rate Update on Districts With “Potential” E-Rate Refunds for Purchasing Non-eligible Products and Services

As we attempt to do every quarter, we have included a list of districts that recently received funding commitments from the SLD for applications submitted over a year ago. We believe that most of the funding commitment letters from 2007 and earlier represent appeals that were filed by districts when they were notified that certain requests in their applications were denied. In many cases, these districts went ahead and purchased the product in question, paying the whole pre-discount price. Because the SLD eventually found many of these appeals to be meritorious, these districts can request a check instead of a credit through the so-called BEAR process. Those districts doing so can use the discount refund to purchase non-eligible E-Rate products and services such as instructional software and professional development. If a district staff person is interested in purchasing a non-E-Rate eligible product or service, then he or she should contact the district E-Rate office to determine whether a check was requested for the refund amount through the BEAR process and, if so, whether some of that money can be used to purchase the desired product or service. The accompanying chart shows the funding commitments greater than \$50,000.

E-Rate
Funding Year 2009, Quarter 2 (Apr-Jun) Commitments
(greater than \$50,000)

Applicant	City	State	Amount Committed
2007 Commitments			
SALT LAKE CITY SCHOOL DISTRICT	SALT LAKE CITY	UT	2,007,630.88
LAREDO INDEP SCHOOL DISTRICT	LAREDO	TX	1,535,387.41
SAN BENITO CONS INDEP SCH DIST	SAN BENITO	TX	882,476.06
TUBA CITY UNIF SCHOOL DIST 15	TUBA CITY	AZ	496,874.63
DANVILLE C C SCHOOL DIST 118	DANVILLE	IL	321,975.35
CRESCENDO CHARTER PREPARATORY WEST	LOS ANGELES	CA	242,854.27
CRESCENDO CHARTER PREPARATORY SOUTH	LOS ANGELES	CA	228,382.16
TEXAS EDUCATION TELECOMMUNICATIONS NETWORK	AUSTIN	TX	88,949.82
CRESCENDO CHARTER SCHOOL	LOS ANGELES	CA	50,059.19
2006 Commitments			
PUERTO RICO DEPARTMENT OF EDUCATION	SAN JUAN	PR	\$1,190,547
SAN BENITO CONS INDEP SCH DIST	SAN BENITO	TX	\$598,863
2004 Commitments			
LA JOYA INDEP SCHOOL DISTRICT	LA JOYA	TX	\$552,842
AL-MADRASA AL-ISLAMIYA	BROOKLYN	NY	\$89,212

Miscellaneous

- As reported in [eSchoolNews](#) (July), the most recent survey of technology use in K-12 districts conducted by Simba Information said that the majority of district education technology leaders expect a decrease in funds budgeted for technology next school year, even after taking into account the ARRA stimulus funding. A third of the respondents expect technology funding to remain the same, slightly over 20 percent expect somewhat of a decrease, while almost a third expect a substantial decrease in funding. About 15 percent expect their budgets will increase. The biggest increase over the last year was in the use of interactive white boards, with almost one in seven classrooms currently using them. Moreover, almost 90 percent of respondents said they would use interactive white boards, or use them more often, if digital content were available. According to Simba, distance learning implementation will increase about 30 percent each year at the district level, with 30 percent indicating a preference for using distance learning in the future.
- Kansas Chief State School Officer Alexa Posny has been nominated as Assistant Secretary of the Office of Special Education and Rehabilitative Services (OSERS). Under the Bush Administration she served as Director of the Office of Special Education Programs (OSEP), the largest component of OSERS. During her last stint at USED, she

was instrumental in implementing the new provisions in 2004 IDEA reauthorization related to Coordinated Early Intervening Services and Response-To-Intervention. It has been difficult to find any special education or disability advocacy group that is opposed to her nomination, with most being very pleased. Even groups such as AASA, which sometimes have been at odds with USED special education advocates, is very supportive of her nomination and feels that she will implement the new stimulus funding initiative in a fair and responsible way. Recent discussions with individuals close to her suggest that she will take a balanced and reasonable approach in the context of tight budgetary constraints confronting districts and states over such issues as interpretation and conditions under which LEAs can take advantage of Section 613 (which allows certain districts to free-up resources currently used to pay for special education programs up to 50 percent of the districts' increase in IDEA regular and stimulus funding). Neighboring state Missouri allows virtually all districts which are in compliance to take advantage of this option.

- On August 3rd, USED announced the remaining \$12 billion in Phase II for Title I and IDEA ARRA funding would be released to states and, in turn, to districts on or about September 1st, one month earlier than originally planned. While the

expressed justification is to “ramp up our efforts to put Americans back to work and rebuild our economy” as noted by Vice President Biden, some observers believe this early release is intended to pressure more states to request statewide waivers to allow all districts to carry over more than the allowed 15 percent limit by June 30, 2010 (vs. hundreds of LEA requests). It would also reduce the states’ portion of ARRA Title I funding from under the 20 percent SES set-aside which could free-up between \$2-3 billion to be used by districts to operate their own SES programs or for other district-operated afterschool programs. As more and more states request and receive approval for waivers, purchasing cycles among the states will vary significantly.

- During the recent NECC conference in Washington, D.C., discussions were held with more than 15 district officials, mostly technology coordinators. Few were aware of the possible availability of the freed-up resources associated with IDEA’s Section 613; one thought the IDEA funds the district was using to purchase technology were freed-up Section 613 funds. During a focus group involving Chief Technology Officers (CTO) from more than ten

districts selected by SIIA and COSN, more than two-thirds of the districts’ CTOs indicated they would be using some Title I or IDEA stimulus funds to purchase technology in accordance with previously developed long-range plans. The vast majority of purchases were of a “back office” nature, such as creating data warehouses, expanding broadband access, and other infrastructure-type purchases. Only one CTO mentioned that some funds would be used for classroom courseware, or other instructional uses. However, more than half indicated that at least some of the Title I and IDEA stimulus money would be used to expand professional development activities. When asked whether the IDEA stimulus funds that were being used were freed-up local resources under Section 613, only one CTO from a growing mid-sized Texas district “thought so.” When asked who was responsible for making the decision, the CTO indicated that the superintendent was personally responsible for determining how the stimulus funds in Section 613 freed-up resources would be used.

Alabama Update

August 2009

In April, Alabama received \$185 million in Federal stimulus funding including \$81 million for Title I and \$97 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which the State is eligible. On July 1, Alabama also became eligible for \$656 million under the State stabilization component of the stimulus package. According to Alabama'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 2009. After restoration of support for K-12 and post-secondary education, no funds will remain for reallocation to local school districts. The State will be eligible for another \$73 million in stabilization funds this Fall or sooner.

The Birmingham News reports that Governor Bob Riley has withdrawn another \$100 million from the State's rainy day fund to avoid further cuts in budgeted education spending. In December, the State cut funding from the State Education Trust Fund by 12.5 percent because of the State's fiscal situation. The rainy day money has also allowed the State to issue individual State income tax refunds totaling \$35.6 million.

According to the Press-Register, Alabama is considering a proposal by which students would take the five sections of the Alabama High School Graduation Exam as semester exams at the end of the respective courses. The State would then pay for all high school students to take the ACT college entrance test. The components of the Graduation Exams would still be used to rate schools as required by the Federal No child Left Behind Act. It is estimated that the State would save \$2.17 million on the Graduation Exam (because retests would be minimized); it would, however, pay out \$4 million for the ACT.

At the recent State Education Technology Directors Association in Washington, D.C., Alabama officials said the State has finalized a policy regarding districts' use of IDEA Section 613 MOE freed-up resources. Most superintendents who use Section 613 are likely to spend such freed-up

resources on retaining existing staff, although some will use a portion of the freed-up resources to purchase technology. On the other hand, a large portion of the Title I stimulus funding will likely be used to purchase technology.

Education Week reports that 76 Alabama school districts are allowed to reduce their local funding for special education because of IDEA's Section 613 and because they "meet requirements" on a number of performance indicators. Fifty-six districts do not rate the "meet requirements" category and, therefore, do not have the flexibility to reduce their local special education funding.

Alaska Update

August 2009

In April, Alaska received \$39 million in education funds from the Federal stimulus package including \$15 million for Title I and \$18 million for IDEA/Special Education. This is half of the total Title I and IDEA stimulus funds for which the State is eligible. In June, Alaska had available \$76 million under the State stabilization component of the stimulus. According to Alaska's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will not have to spend any of its initial SFSF allocation to restore support for K-12 education in FY 2009 and FY 2010. Alaska will have \$93,000 in stabilization funds for reallocation to local school districts. Another \$37.5 million can become available in the Fall.

Arizona Update

August 2009

The Arizona Daily Star reports that the State legislature has passed, and the governor has signed, a K-12 education budget of \$3.7 billion -- a \$100 million increase over the last school year. However, State officials acknowledge that Arizona's \$2 billion budget shortfall will mean that there is not enough money to support the K-12 spending plan.

A recent report from the Arizona Department of Education shows that 40,000 Arizona students will advance out of English language learner programs this coming school year, twice the number that did so just two years ago. In 2006-07, English language learners (ELLs) averaged 30-60 minutes of instruction per day and only 12 percent of all ELLs passed the exam. This past school year, 29 percent of ELLs -- most in K-6 grades, passed the exam. State officials attribute the improvement to a new four-hour-a-day course focusing on English grammar, reading, and writing which began in 2007-08. The new, more intensive course was mandated by the U.S. District Court. Schools requested \$274 million last school year to implement the program; the State provided only \$40 million. The Court will consider whether the State is adequately funding programs for ELLs as part of the 17-year-old lawsuit known as *Flores vs. Arizona*.

Arkansas Update

August 2009

In April, Arkansas received more than \$120 million in Federal stimulus funding including \$56 million for Title I and \$61 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which the State is eligible. On July 1, Arkansas also became eligible for more than \$297 million under the State stabilization component of the stimulus package. According to Arkansas' approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend none of its initial SFSF allocation to restore support for K-12 education in FY 2009 and FY 2010. A total of \$329 million in stimulus funds will be reallocated to local school districts through the State's Title I funding formula. The State will be eligible for another \$146 million in stabilization funds this Fall or sooner.

The Arkansas Democrat Gazette reports that Arkansas' education commissioner, Ken James, has resigned to become executive vice-president and chief operating officer for America's Choice, a Washington, D.C.-based school improvement firm. He will supervise the company's field offices and sales and business development departments.

California Update

August 2009

At long last, California Governor Arnold Schwarzenegger and the State legislature have reached agreement on the budget. The accord would cut public school spending by \$5.9 billion which education leaders say will lead to larger class sizes, teacher layoffs, and possibly shorter school years. The \$5.9 billion is in addition to earlier \$12 billion cuts to K-12 education and community colleges. As reported in Education Week, the budget plan does not suspend Proposition 96 that is intended to ensure that 40 percent of the State's budget goes to public schools. It does, however, use accounting maneuvers and deferrals to balance the current budget.

As reported in the San Francisco Chronicle, in June a key legislative committee voted to eliminate the California High School Exit Exam (CAHSEE) as a graduation requirement on the grounds that it was unfair to students given the severe budget cuts expected in education. Governor Arnold Schwarzenegger, as well as the State's school superintendent and Board of Education, are determined to retain the requirement. Preliminary results from the 2009 test support the latter view. The CAHSEE's overall pass rate moved up slightly in 2009 with English language learners and special education students showing the largest increases.

According to the San Francisco Chronicle, California's new budget agreement suspends the high school exit exam graduation requirement for special education students starting this school year. It is unclear whether the new law will have any impact on special education students from the Classes of 2008 and 2009 who failed to graduate because of the exit exam requirement. State officials say the change will have no impact on California's fiscal situation.

California's dire economic situation has put at risk all State funding for post-secondary basic skills programs. The State's February budget agreement cut funding for adult education classes provided by the State and community colleges. Moreover, the budget agreement folded Adult Education funding into a block grant for districts. And Governor Schwarzenegger has proposed additional cuts to State funding for schools and community colleges, including reductions for

programs that assess students' need for basic skills instruction, curriculum development, and teacher training.

According to Education Week, the Los Angeles school district has, in essence, decentralized control of much of its Federal stimulus money to local school site councils. Nearly \$114 million in Federal Title I stimulus funds will be allotted to the district's 700 school councils, doubling the Title I allocations of some schools. The district used its initial dollars from the stimulus' IDEA and state stabilization components to fill gaps at the district level. The Title I component, however, passed the Title I stimulus funds to the councils which could use the money as they see fit. Some are expected to bring back classroom teaching positions eliminated by the district. Other school councils could choose, for example, to maintain afterschool tutoring or hire instructional coaches to help teachers analyze data from student assessments.

The Los Angeles Times reports that Los Angeles Mayor Antonio Villaraigosa has proposed a reform that would allow non-district entities -- such as charter school groups and teacher cooperatives -- to bid on contracts to operate schools starting in the Fall of 2010. Prospective school operators must submit a detailed plan that is based on the operator's past record of success and educational vision. In late August, the district's school board will vote on the proposal.

The San Francisco Chronicle reports that Cyber High, a Fresno County online school has provided courses that allow high school students to take classes to replace Ds or Fs earned during regular courses. At least one participating school -- Galileo High School -- has seen the percent of its graduating seniors who go on to four-year colleges increase from 41 percent to 56 percent in just one year. School officials also believe Cyber High has allowed failing students to make up credits so they can graduate on time. A Cyber High courses fulfill qualifications for the University of California and the California State University system.

Colorado Update

August 2009

As reported in The Denver Post, Colorado has approved a new set of standards designed to align high school instruction with higher education and the workplace. The new standards are to be accompanied by a revision of the State's testing system which could include the elimination of the Colorado Student Assessment Program in favor of end-of-course exams. Under the State's three-year education overhaul, by the end of 2009, the State Board is expecting to adopt specific grade-by-grade, course-by-course curricula. During 2010, the State plans to revise assessments to align with the new standards in a way that will be relevant to college admissions counselors. And in 2011, the State plans to change its diploma structure to include an "honors diploma."

According to Education Week, Colorado is encouraging its local school districts to use some of their Federal education stimulus money -- such as the Temporary Assistance for Needy Families program -- to leverage State education funding. The State is also providing guidance to districts, in the form of materials and webinars, on the State's preferred uses of stimulus money such as expanding early childhood education programs.

A recent study by the Center on Reinventing Public Education found that transportation is a major hurdle limiting poor families' school choices. Entitled "Drivers of Choice: Parents, Transportation and School Choice," the study surveyed 600 low- to moderate-income families in Denver and Washington, D.C. Half of the 300 Denver families had their children in charter schools or some other school not in their neighborhood. More than 1,000 Denver students are eligible for transportation under NDLB's parent choice requirement for schools that have failed to make adequate yearly progress for at least two consecutive years.

Connecticut Update

August 2009

As reported in the Hartford Courant, scores for elementary and middle school students on the Connecticut Academic Performance Test showed improvement across most grade levels and subject areas. Scores for students in grades 3-8 improved by ten points in math and by five points in writing. There was also a slight closing of the achievement gap as black and Hispanic students improved more than white students, although minority students still lag 30 points behind across all content areas. Scores for tenth-graders, however, went down in most subject areas.

Delaware Update

August 2009

A recent study by a University of Delaware researcher has analyzed why some Delaware high schools had higher graduation rates and performed better on the Delaware Student Testing Program. Researchers identified six best practices: a transition program, a ninth-grade academy, extra instruction time during and after the school day, a mentoring program, and a Twilight program. Particularly cited were Twilight programs at Dover and Indian River high schools; these gave students a chance to retake classes necessary for graduation using online software called Ed Options for two afternoons a week over 6-14 weeks. A mentoring program at Sussex Tech has helped black male students who had historically graduated at a lower rate than other students.

District of Columbia Update

August 2009

According to the Washington Post, students in D.C.'s public schools have continued to improve their scores on the D.C. Comprehensive Assessment System exams. At the elementary level, 49 percent of students rated proficient in both reading and math, up from 46 percent and 41 percent, respectively in 2008. Secondary students showed more modest gains: the portion of students rating proficient increased from 39 percent last year to 41 percent in reading and from 36 percent to 40 percent in math. District officials attribute the increase to improved teaching methods (including "differentiated" instruction), more strategic use of test data to identify student weaknesses, and a new school staffing model which added 144 full-time "professional developers" to help teachers improve their skills.

Florida Update

August 2009

A recent study by an economics professor at Northwestern University has found that there is no significant difference between the standardized test scores of Florida students who attended regular public schools and those in the State's voucher program. The study compared test results from the 2006-07 and 2007-08 school years. Opponents of vouchers -- primarily the State teachers union -- have said the results confirm their longstanding argument that vouchers are no "quick fix." Voucher proponents, on the other hand, point out that a voucher costs the State \$3,950 per year compared with an average public school per-pupil cost of about \$7,000. The voucher program in Florida is funded by contributions from businesses who receive a dollar-for-dollar credit in return for their donations.

The Miami Herald reports that, in June, the Broward County school district laid off 394 teachers because of budget problems and a declining enrollment. However, the district is planning to fill 123 teaching vacancies (created by teachers who did not renew their certifications) by some of the laid-off teachers. Nearly 100 laid-off teachers have received job offers but the teachers union says it has not been involved in the process and doesn't know who or how many teachers will actually be rehired.

Georgia Update

August 2009

According to [The Atlanta Journal-Constitution](#), Georgia is in the process of establishing an education data system that will give the State a shot at Race to the Top money from the Federal education stimulus package. The first phase of the data system, which uploads student information monthly or quarterly, has recently been completed. The State is currently using \$8.9 million in Federal (non-stimulus) funds to improve the system to allow nightly uploads. Georgia hopes the data system will help its Race to the Top application which is due in December -- with awards expected in March 2010.

A report from the Georgia Department of Education indicates that, this year, 79 percent of the State's public schools made adequate yearly progress (AYP) under the Federal No Child Left Behind Act -- up from 69 percent last year. However, only 47 percent of the State's high schools made AYP, slightly lower than 2008. The report showed that 58 schools met AYP requirements for the second consecutive year and were, therefore, able to come out of the "needs improvement" category. A total of 334 schools were in "needs improvement" status compared with 340 last year. In the Fall, the State will release a final AYP report that will include summer retest scores.

A Georgia State Senator has called for a law which would make it illegal to alter student scores on standardized tests. As reported in [Education Week](#), it has been determined that student answers on the fifth-grade Criterion-Referenced Competency Tests were tampered with in order to help four elementary schools meet standards under the Federal No Child Left Behind Act.

Hawaii Update

August 2009

In April, Hawaii received \$40 million in Federal stimulus funding including \$17 million for Title I and \$22 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which the State is eligible. On July 1, Hawaii also became eligible for \$129 million under the State stabilization component of the stimulus package. According to Hawaii's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$110 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, no funds will remain for reallocation to local school districts. The State will be eligible for another \$63 million in stabilization funds this Fall or sooner.

As reported in the Honolulu Advertiser, despite improvement in Statewide test scores, only 34 percent of Hawaii's public schools made adequate yearly progress (AYP) under the Federal No Child Left Behind Act -- down from 42 percent a year ago. State testing shows steady gains, with 65 percent of students rating as "proficient" in reading compared with 39 percent in 2002. In math, 44 percent were "proficient" compared with 19 percent in 2002. Fifty-two percent of the State's schools faced Federal sanctions -- up from 44 percent last year -- and 91 schools (compared with 78 last year) were in "restructuring," NCLB's most severe sanction.

Illinois Update

August 2009

District Administration reports that the Illinois State Board of Education has approved a budget of \$7.26 billion -- a two percent (\$146 million) cut from FY 2009. Despite \$2 billion in Federal stimulus money over this and next year, many education programs will take hits, including early childhood education (cut \$123 million), bilingual education (cut by \$19 million -- 25 percent), gifted education (“zeroed out”), and afterschool programs (“zeroed out”).

According to Education Week, Illinois is using a new set of calculations that will allow more local school districts to comply with State performance requirements for students with disabilities. State officials say that the number of districts that “need assistance” has dropped to 159, from 321 under the earlier criteria, which allows more than 150 LEASs to take advantage of Section 613 to “free up” local funds under IDEA.

Indiana Update

August 2009

As reported in the Indianapolis Star, Indiana is one of the few states in the nation to provide a State funding increase for education this year. The school budget is projected to increase by 1.1 percent in 2010 and 0.3 percent in 2011. However, the new budget is expected to cut State funds to urban and rural school districts with the State's highest rates of poverty. Indianapolis, for example, because of its declining enrollment, will lose \$28 million -- a 2.8 percent drop in 2010 and a 4.3 percent drop in 2011. Gary loses 3.6 percent in 2010 and 4.1 percent in 2011. Statewide, funding for suburban schools and charter schools, in which enrollments are rising, are expected to increase by 1.49 percent and 19.2 percent, respectively, next year.

The Chicago Tribune reports that Indiana Governor Tony Bennett has proposed a revision in the State's teacher licensing process. Arguing that the current requirements focus too much on teaching methods, the Governor wants the process to concentrate on ensuring potential teachers have a deep understanding of the content they will be teaching. The proposed rules would allow anyone with a bachelor's degree to be certified as a teacher if they pass a test from the American Board for Certification of Teacher Excellence. The change would also give school districts more flexibility to hire teachers from outside traditional educational training backgrounds.

According to the Indianapolis Star, Indiana will provide cash bonuses for high-quality teachers who work in the lowest-performing schools and will tie teachers' pay to student test score. This coming school year, Indianapolis' Marshall Community High School will participate in a pilot program under which teachers will receive first-year bonuses no matter how their students perform. It is anticipated that schools that have failed to meet Federal and State benchmarks for at least five years will be eligible to participate.

As reported in The Journal Gazette, in June, the Indiana legislature approved a pilot virtual charter school program, effectively lifting the State's two-year moratorium on new programs. A virtual charter school is defined as one that provides more than half of its instruction through

distance learning. Currently, there are two charter schools that some provide instruction (less than 50 percent) through distance learning -- Hoosier Academies in Indianapolis and Munrie. The pilot virtual charter school will enroll up to 200 students chosen by lottery. The schools' grade coverage has not been determined. It is estimated that the program would cost about \$3.2 million over two-years. The school is likely to use technology to make the school interactive -- both verbally and through chat boxes.

The Center for Evaluation and Education Policy (CEEP) has released the second report of a three-part series that explores how Indiana schools are addressing response-to-intervention (RTI). The CEEP report notes that "no universal RTI model exists" in the State. In fact, nearly 13 percent of the survey's respondents said they were fully implementing RTI through 103 different intervention programs. Conducted in January, the survey found that 85 percent of respondents indicated that they were either conceptualizing their RTI framework or beginning implementation. Nearly three-quarters of the respondents said they received general professional development activities that supported capacity-building related to RTI; 11 percent said they participated in no RTI-related professional development. About 62 percent indicated that ongoing professional development is needed to sustain RTI implementation in their district or school.

Louisiana Update

August 2009

In April, Louisiana received more than \$324 million in Federal stimulus funding including \$89 million for Title I and \$101 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which the State is eligible. In July, Louisiana also became eligible for more than \$388 million under the State stabilization component of the stimulus package. According to Louisiana's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$95 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 \$139 million remaining will be reallocated to local school districts through the State's Title I funding formula. The State will be eligible for another \$191 million in stabilization funds this Fall.

As we have reported, Louisiana this Spring approved a program designed to reduce the State's high school dropout rate by implementing a "career-track" diploma for students who don't plan to attend college. Students in the career-track curriculum must be 15 years old, have parent permission, and take at least seven career/technical courses before graduation. As reported in The New Orleans Times-Picayune, the State has granted waivers to 19 school districts (including the New Orleans Recovery School District) who have said they do not wish to implement the career-track diploma.

Maine Update

August 2009

According to eSchoolNews, Maine, despite its budget difficulties, is continuing its expansion of the Maine Learning Technology Initiative (MLTI) which has provided laptop computers to all of the State's middle school students. The laptop package includes instructional software, professional development for teachers, technical support, and repair services. The MLTI is expanding to high schools this Fall by ordering 64,000 MacBooks for grades 7-12. It is expected that 57 of Maine's 119 high schools will participate in the MLTI next year; 54 schools have opted out for financial reasons. The total cost of the program over the next four years will be \$68 million -- at \$242 per laptop -- with the cost shared by the State and local schools.

As reported in the [Kennebec Journal](#), the U.S. Department of Education has denied Maine a waiver that would have permitted the use of Title I funds to buy laptop computers. The planned laptop purchases would have been part of the MLTI. Without the waiver, some districts will have to put laptops on carts rather than get to the hoped-for one-to-one ratio.

Maryland Update

August 2009

As reported in The Washington Post, average scores for students on the Maryland School Assessment tests -- given in third through eighth grade -- showed improvement across all subjects and grade levels. Most encouraging to State officials were the results in middle schools, the level at which many students begin to struggle. This year, 82 percent of Maryland middle school students are proficient in reading, up from 79 percent last year. And 71 percent were proficient in math compared with 69 percent last year.

At the recent State Education Technology Directors Association in Washington, D.C., SEA officials in Maryland indicated that, as of the first week in July, they were “still meeting” to decide which districts would be allowed to take advantage of IDEA’s Section 613 option. A number of Maryland districts, such as Prince Georges County, have been designated by the state as having “significant disproportionality,” thus having to set aside 15 percent for coordinated Early Intervening Services; other districts found to have disproportionality could have the option removed or otherwise reduced. Maryland officials confirmed that they, along with Virginia and D.C., were planning to form a consortium to go after “Race to the Top” competitive funds.

The Baltimore Sun reports that a new State law says that Maryland school administrators can no longer expel or suspend students for chronic absenteeism or lateness. During the 2007-08 school year, 16,500 Maryland students were suspended for attendance reasons -- approximately ten percent of all suspensions.

The Washington Post reports that Maryland, facing a \$700 million budget shortfall, has proposed cuts of \$281.5 million that would have significant impact on the State’s higher education institutions. In his proposal, Governor Martin O’Malley has protected funding for K-12 education. The package of proposed cuts includes \$40 million in reductions to colleges and universities, most to the University System of Maryland which was slated to receive \$420 million this year in State aid.

According to the Baltimore Sun, the need for college-level mathematics remediation among Maryland high school graduates has gotten more severe in recent years. An Abell Foundation report found that the proportion of State high school graduates who went on to college after taking a college preparatory curriculum needing remedial math classes has risen from 23 percent in 1997 to 32 percent in 2007. At the University of Maryland (College Park), 15 percent of incoming freshman had to take remedial math; at Baltimore City Community College the percentage was 98 percent. The Abell report called for the State to revise its math standards and curriculum and particularly noted the Algebra I standards which have been “watered down” because of the need to teach material specifically for the State’s High School Assessments. Maryland is currently reviewing its five-year-old standards and has agreed to support the development of common core standards by the National Governors Association (expected in the next few months).

Massachusetts Update

August 2009

The Boston Globe reports that Massachusetts is seeking legislative approval to take over as many as 30 of the State's lowest-performing schools, weakening their teacher contracts in the process. The proposal from Governor Deval Patrick calls for the establishment of "readiness schools," charter-like schools that would be overseen by the district and employ union teachers. Districts could create readiness schools by: (1) converting an existing school or starting a new one; (2) joining forces with a university to establish one; or (3) have the State take over operation of the school. In the latter case, the State would make necessary changes in the school's curriculum, leadership, staff, hours, and teacher contracts and then turn the school back to the district or to an outside operator.

In mid-July, Governor Deval Patrick set forth a proposal to increase the number of charter school seats in Massachusetts' lowest-performing school districts. As reported in The Boston Globe, the proposal would add about 27,000 new charter school seats in 30 districts, nearly doubling the State's current charter school enrollment. Previously the Governor had opposed lifting the State-imposed limit on new charter schools. Representatives of school administrators and teachers have sharply criticized the plan, arguing that students who leave public schools to attend a charter school take with them \$9,000 to \$15,000 per student in State aid. Similarly, Boston Mayor Tom Merino would like to be able to transform traditional public schools into district-controlled charter schools that would tie teachers' pay to student performance.

Michigan Update

August 2009

The Detroit News reports that the Michigan legislature is debating a bill that establishes restructuring options for failing schools. The measure allows for the appointment of a reform office to develop and implement a turnaround plan for failing schools. The reform officer could implement new building policies, assume full control of the school, or contract with a charter school operator. The State hopes to have the legislation in place this summer so that it can be competitive for Federal Race to the Top funds.

Also according to The Detroit News, the financially troubled Detroit school district is considering a number of options to address its continuing budget deficit. Looking at a \$260 million shortfall, district officials are considering the “last resort” possibility of filing for Chapter 9 bankruptcy.

The Detroit Free Press reports that, because its enrollment has dropped below 100,000, the Detroit school district is no longer designated as a “first-class” school district. This change in category eliminates the ban against new charter schools in the district. The ruling by Michigan’s Attorney General will likely mean the number of charter schools in Detroit will increase from the current 32.

According to The Detroit News, the struggling Detroit school district has contracted with four private educational management firms to turn around 17 of the district’s worst-performing high schools. A total of \$20 million in Federal stimulus money will be used to hire Edison Learning, Institute for Student Achievement of New York, EdWorks of Cincinnati, and Model Secondary Schools Project of Bellevue, Washington. The high schools to be restructured are: Central, Crockett, Henry Ford, King, Western, Cooley, Denby, Finney, Kettering, Mumford, Southeastern, Pershing, Detroit Tech, Southwestern, Cody, Northwestern and Osborn. Each of the schools will have a new principal this Fall as well as possibly new teaching staff, a subject of negotiations between the district and the local teachers union.

Minnesota Update

August 2009

As reported in the Star Tribune, the State-mandated 11th-grade test -- which was to be a graduation requirement starting with the Class of 2010 -- has been shelved because it is believed to be too difficult and could result in a sharp drop in graduation rates. An odd agreement between the legislature and the Governor means that, in order to graduate, high school students must either pass the test or fail it three times.

According to Minnesota Public Radio, scores on the State's science assessment showed improvement over last year. However, more than half of the students who took the science portion of the MCA-II scored below grade-level expectations. Given in grades five, eight, and high school, the computer-administered exam showed higher scores than last year. In the fifth grade, 45 percent of students rated "proficient" or higher in science -- up from 39 percent the year before. Eighth-graders rating "proficient" improved from 39 percent to 43 percent and high school students went from 43 percent to 50 percent.

Missouri Update

August 2009

Education Week reports that Missouri is suspending for one year a number of its district performance indicators for students with disabilities, such as graduation and dropout rates. Without these requirements, every district in the State will meet State benchmarks and will, thus be able to take advantage of IDEA's Section 613 which allows districts to use half of any increase in Federal IDEA (special education) funding to "free up" local money that can be diverted to other programs. An SEA official suggested that some of the "freed up" funds would be allocated to the lowest performing Title I schools. Over the next two years, IDEA stimulus funding means virtually every school district in the nation will receive massive increases in IDEA funds so a great deal of these dollars can be used for non-special education purposes.

Montana Update

August 2009

In April, Montana received more than \$67 million in Federal stimulus funding including \$17 million for Title I and \$20 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which the State is eligible. In July, Montana also became eligible for more than \$81 million under the State stabilization component of the stimulus package. According to Montana's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$25 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 \$67 million remaining will be reallocated to local school districts through the State's Title I funding formula. The State will be eligible for another \$40 million in stabilization funds this Fall.

Nebraska Update

August 2009

In April, Nebraska received \$67 million in Federal stimulus funding including \$24 million for Title I and \$40 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which the State is eligible. In June, Nebraska also became eligible for more than \$191 million under the State stabilization component of the stimulus package. According to Nebraska's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$94 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 \$140 million remaining will be reallocated to local school districts through the State's Title I funding formula. The State will be eligible for another \$94 million in stabilization funds this Fall.

The Lincoln Journal Star reports that Nebraska Governor Dave Heineman has urged that the \$234 million the State will receive in Federal education stimulus money over the next two years be used to increase teacher salaries. Some State education officials, however, are concerned about how local school districts would be able to sustain the raises after stimulus funds run out.

Nevada Update

August 2009

SEA officials indicated that Nevada will request waivers for most items allowed under new Title I regulations and ARRA. Two districts which were “identified” submitted SES proposals but were initially turned down. They expect to reapply later.

The Las Vegas Star reports that 171 of Clark County’s (Las Vegas area) 361 public schools failed to make adequate yearly progress (AYP) under the Federal No Child Left Behind Act. Of those schools that missed AYP, 38 missed in just one (out of 37) subgroup area and 37 missed in two subgroups. Overall, the district’s middle schools showed the most improvement -- two percentage point gains in each of reading, writing, and math. Poor and minority middle school students also showed steady gains in all three subjects. Eleven schools were rated “high achieving and six high schools were recognized for continued exemplary achievement. Conversely, 14 schools were on the “needs improvement” list for the sixth consecutive year.

New Hampshire Update

August 2009

In April, New Hampshire received \$42 million in Federal stimulus funding including \$15.5 million for Title I and \$26 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which the State is eligible. On June 22, New Hampshire also became eligible for more than \$134 million under the State stabilization component of the stimulus package. According to New Hampshire's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$80 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 \$80 million remaining will be reallocated to local school districts through the State's Title I funding formula. The State will be eligible for another \$66 million in stabilization funds this Fall or sooner.

According to the Manchester Union Leader, New Hampshire has a new school accountability law that requires schools to prove they are meeting the State's academic standards by demonstrating to the State that students have access to quality instruction in such key areas as language arts, math, and science. Beginning in 2011-12, schools may also demonstrate compliance through an alternative, to-be-developed, performance-based system that will include test scores, attendance rates, and the number of students in advanced courses. Starting in the Fall of 2012, State auditors will visit ten percent of the State's 500 schools each year to monitor the schools' self-reporting. Schools that fail to comply with the new requirements will be given technical assistance. Those missing compliance for three consecutive years could have the way they spend their State aid dictated by the State.

Virginia Barry has been sworn in as New Hampshire's new education commissioner. A former elementary school teacher and principal, Ms. Barry has been a professor and administrator at Plymouth State University for many years and in many roles, including acting President from June 2003 to January 2004.

New Jersey Update

August 2009

As reported in [The Newark Star-Ledger](#), New Jersey adopted new standards for third- and fourth-graders which require public school students who took the May assessments to get at least 50 percent of the answers correct to show proficiency on the language arts and math exams. In prior years the “cut” scores were 40-45 percent. Last year, the State raised passing scores in reading and math for students in grades 5-8 and approved new exams required for high school graduation.

According to www.nj.com, New Jersey’s investment in early childhood education programs is paying dividends. The State’s 31 State-funded “Abbott” districts have been offering free preschool since 1999. Conducted by the National Institute for Early Education Research at Rutgers University, a recent research effort -- called the Abbott Preschool Program Longitudinal Effects (APPLE) Study -- has found that first- and second-grade students who participated in Abbott district preschools performed better than similar students who did not attend preschool. The APPLE study also found that the number of students from preschools who had to repeat a grade was half of non-preschool students.

As we reported last month, New Jersey’s new, more rigorous graduation requirements will include, for entering freshmen in 2010-11, a half-year of economics/financial literacy. The State legislature has approved a bill that would establish a three-year pilot program requiring seniors in participating districts to take a one semester personal finance course. A total of six districts, distributed geographically, including urban, suburban, and rural districts, will receive grants to participate in the pilot.

New Mexico Update

August 2009

As reported in Education Week, the New Mexico affiliate of the National Education Association has sued the investment firm, Austin Capital Management, for failing to oversee the union retirement board's investments in Bernie Madoff's funds. Like many other plaintiffs across the country, the New Mexico union claims to have lost as much as \$25 million in public money through the Madoff Ponzi scheme.

In April, New Mexico received \$97 million in Federal stimulus funding including \$40 million for Title I and \$49 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which the State is eligible. In late June, New Mexico also became eligible for more than \$213 million under the State stabilization component of the stimulus package. According to New Mexico's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$165 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 \$91 million remaining will be reallocated to local school districts through the State's Title I funding formula. The State will be eligible for another \$105 million in stabilization funds this Fall or sooner.

New York Update

August 2009

According to the U.S. Census Bureau, in 2007, New York had the highest education expenditures in the country at \$16,195 per pupil -- a 7.5 percent increase over the year before and 65 percent higher than the national average of \$9,666 per student. New Jersey was next highest at \$15,691 per student and Utah was the lowest at \$5,700. The 2007 National Assessment of Education Progress showed that New York ranked 15th in the nation in fourth-grade reading scores and 23rd in eighth-grade reading.

The New York Times has documented abuses at several New York City schools' credit recovery and independent study programs. Although State officials believe most schools are "making a diligent attempt" with credit recovery, some were allowing students to earn credits through bogus work. A number of policies have been proposed to combat such abuse, including principal/teacher approval for each use of credit recovery, direct teacher oversight of credit recovery students, a requirement that students absent more than half the time would be barred from credit recovery, and superintendent approval of all credit recovery programs. Some believe that the improvement in New York City's high school graduation rate (56 percent in 2008, up from 46 percent in 2005) has been helped by easy credit recovery programs. In addition, the percentage of City public school graduates requiring remediation in community colleges is at 74 percent, down from 82 percent in 2002.

North Carolina Update

August 2009

As reported in Education Week, 53 out of North Carolina's 115 school districts are eligible to take advantage of IDEA's Section 613 which allows them to use an increase in Federal IDEA funding (including the IDEA stimulus) to free up local money that would otherwise be spend on special education to be used for other programs. It is unclear whether districts will use Section 613. Some have suggested that they will use IDEA funds to continue or expand a number of successful programs for students with disabilities, including literacy improvement and "tiered interventions" for academics and behavior. Other districts may use any freed up funds to retain teachers who might have been laid off.

According to The Raleigh News & Observer, a State Superior Court judge has ruled that Governor Bev Perdue's effort to assume control of the North Carolina Department of Public Instruction from the elected superintendent is not valid. Under the ruling, Superintendent June Atkinson will report to William Harrison who is Chairman of the State Board. But Harrison, as the Governor's appointee to run the Department will report to Atkinson. The State's Attorney General plans to appeal the Court's ruling.

North Dakota Update

August 2009

In April, North Dakota received \$31 million in Federal stimulus funding including \$14 million for Title I and \$15 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which the State is eligible. On June 22, North Dakota also became eligible for more than \$70 million under the State stabilization component of the stimulus package. According to North Dakota's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$86 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, no stabilization funds will remain for reallocation to local school districts. The State will be eligible for another \$35 million in stabilization funds this Fall or sooner.

Ohio Update

August 2009

In mid-July, the Ohio legislature approved a two-year budget that includes a 5.5 percent increase in funding for K-12 schools, all of which comes from Federal stimulus money. The new budget includes a new, “evidence-based” school funding system that allocates funds using the latest research findings. Overall, five of the State’s eight urban school districts will see increases in State aid under the new plan. Among the other urban districts, Toledo will get one percent less in the first year of the biennium and two percent in the second year, Akron will lose one percent and 1.5 percent in the two years, and Columbus will drop .1 percent in the first year but go up .75 percent in the second year.

The Columbus Dispatch reports that the budget resolution is projected to save \$4.4 million over the next two years by eliminating elementary school social studies testing as well as the fourth-grade writing exam. Normally given to 130,000 students each year, the writing test alone will save \$1.2 million a year. Now, third- and fourth-grade students will take only reading and math exams, while fifth-graders will be tested only in reading, math, and science. There is some uncertainty as to whether the budget includes elimination of seventh-grade writing and eighth-grade social studies tests as well as the elementary exams.

As reported in the Cincinnati Enquirer, Federal education officials have denied Ohio permission to count passing scores on non-standard exams for more than one percent of the students taking the Ohio Achievement and Ohio Graduation Tests. This year, nearly 370 Ohio school districts and charter schools had requested such a waiver which had been routinely granted in the past. As a result, State officials believe schools’ State report card scores could drop dramatically this year. Large urban districts are likely to be most affected. In Cincinnati, for example, 3.8 percent of its enrollment -- the most severely disabled students -- qualified for the alternative assessment.

It has been estimated that 14,200 students and young adults will find summer jobs as a result of Ohio’s share of the Federal stimulus package. With an unemployment rate of 10.8 percent, Ohio

expects to receive \$8.2 billion over the next three years. Stimulus funds make up about five percent of the State's general revenues in the \$54 billion 2010-11 budget and there is still a deficit that the Governor and legislature have not resolved. Some believe the political stalemate is keeping school districts from implementing long-term education reforms.

The Cleveland Plain Dealer reports that a third of the Cleveland school district's first- and second-graders were as much as one grade level behind in reading and mathematics skills. The district has been operating a summer school program intended to bring 1,238 first-graders and 1,144 second-graders up to grade level. The six-week program, which ended on July 30, is tuition-free, paid for with Federal funds. The district is using four elementary schools for the program and provides transportation to and from school as well as breakfast and lunch. Of the nearly 2,400 students in the program, only about 875 showed up for the first day. Another Cleveland area district -- Euclid -- offers a full-day of summer instruction in K-4 at a cost of \$150. Only 120 students -- six percent of the district's enrollment -- signed up.

Oklahoma Update

August 2009

In April, Oklahoma received more than \$243 million in Federal stimulus funding including \$55 million for Title I and \$79 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which the State is eligible. In July, Oklahoma also became eligible for \$317 million under the State stabilization component of the stimulus package. According to Oklahoma's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$173 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 \$222 million remaining will be reallocated to local school districts through the State's Title I funding formula. The State will be eligible for another \$156 million in stabilization funds this Fall.

Starting with the Class of 2012, Oklahoma high school students will have to pass a series of End-of-Instruction (EOI) exams in order to graduate. According to [The Daily Ardmoreite](#), students must score at "satisfactory" or better on EOI exams in Algebra I and English II, as well as in two of five other EOI tests -- Algebra II, Biology I, English III, Geometry, and United States History. Although the exams have been used for a number of years, making them a graduation requirement is new. The EIO exams are administered by computer -- except for the writing portions of English I and II -- and all students are able to take practice tests online. The State is considering alternative measures for students who fail one or more of the EOI tests.

In an effort to make Oklahoma's test standards closer to the National Assessment of Educational Progress (NAEP), the State is having its testing vendor -- Data Recognition Corporation -- review tests in reading and math for third through eighth grades. State officials are concerned because the 2008 State reading test showed that 92 percent of fourth-graders were proficient, but on the 2006 NAEP only 26 percent were rated proficient. New standards are expected to be presented to the State Board this summer.

Oregon Update

August 2009

Education Week reports that the Oregon legislature has overridden the Governor's veto and passed a \$5.8 billion school funding bill which left \$200 million in reserve for next year if the State's economy improves. The Governor had wanted to allocate \$5.6 billion with \$400 million in reserve. The legislature reconvenes in February 2010 to assess the budget situation further.

As reported in The Oregonian, Oregon has adopted a new way of calculating high school graduation rates. In the past, students earning GEDs or certifications of completion were not counted as dropouts, nor were students going into alternative education programs. Under the new algorithm, a total of more than 15,000 students who began school in the Fall of 2004 did not earn a diploma, yielding a graduation rate of 68 percent. This is far lower than the 84 percent rate calculated under the old method.

The Oregonian also reports that the Oregon legislature is debating a one-year moratorium on new or expanded online charter schools. A total of 4,000 Oregon students attend online charter schools; most attend Oregon Connections Academy. A Democratic majority in the State Senate, backed by the State teachers' union, has approved Senate Bill 767 which would ban the opening of new online charters until the Fall of 2011 and would not permit existing online schools to increase their enrollments.

Pennsylvania Update

August 2009

As reported in [eSchoolNews](#), Governor Ed Rendell has proposed addressing Pennsylvania's \$3.2 billion budget shortfall by a number of cuts including \$212 million from the State's education fund. These cuts would eliminate the State's \$22 million Classrooms for the Future program which provides technology equipment and training to schools across the State. The Governor has, however, recommended that schools use their Federal stimulus funds to "advance their technology needs."

Because of Pennsylvania's ongoing budget crisis the State has opted to suspend development of State public high school graduation exams -- known as Keystone Exams. As reported in the [Pittsburgh Post-Gazette](#), the State recently signed a seven-year, \$201 million contract with Data Recognition Corporation to develop the exams, along with a model curriculum and diagnostic tests. Development of the latter two components of the DRC contract will continue, but the Keystone Exams will be put on hold.

Results from the Pennsylvania System of School Assessment exams, given this Spring, show increased scores across grade levels and subject areas. Given to students in grades 3-8 and 11, PSSA scores indicate that 71.3 percent of students were at grade level in reading and 73.4 percent were at grade level in math. State officials attribute the improvement to "strategic" State investments in preschool, full-day kindergarten, tutoring, and State education funding. School-by-school and disaggregated results are expected to be available on the State's website later in August.

South Carolina Update

August 2009

In April, South Carolina received \$171 million in Federal stimulus funding including \$71 million for Title I and \$93 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which the State is eligible. On July 1, South Carolina also became eligible for more than \$625 million under the State stabilization component of the stimulus package. According to South Carolina's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$339 million and \$29 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, no stabilization funds will remain for reallocation to local school districts. The State will be eligible for another \$69 million in stabilization funds this Fall or sooner.

As reported in Education Week, South Carolina's State Superintendent, Jim Rex, in his plans for spending Federal stimulus money, has encouraged local school districts to spend stimulus funds on laptop computers for low-income students and on expanding public school choice, including establishing new Montessori schools and offering more single-gender classes.

Tennessee Update

August 2009

The Memphis Commercial Appeal reports that 88 of Memphis' 190 schools have failed to make adequate yearly progress (AYP) under the Federal No Child Left Behind Act. Thirty-two of the schools have missed AYP for two consecutive years ("high priority") -- up from 29 last year. Moreover, 56 additional schools have missed AYP for one year ("target") -- up from 34 last year. Eleven Memphis schools made enough progress to get off the high-priority list. The district has instituted a number of programs designed to catch reading and math problems early and to provide quicker follow-up interventions.

Texas Update

August 2009

Despite his criticism of the Federal stimulus program, Texas Governor Rick Perry has applied for the \$16 billion allotted to the State as part of the stimulus package. State legislators have already counted the education component of the stimulus in the State's budget. According to The Dallas Morning News, State education officials have been displeased that the legislature did not make use of the State's \$9 billion Rainy Day fund, but used \$3.25 billion in stimulus money to give school districts a two-percent funding increase, including a mandated, across-the-board \$800 teacher pay raise. The Governor based his about-face on accepting stimulus money on a determination that Federal rules do not commit Texas to future spending obligations.

As reported in Education Daily, the U.S. Department of Education has fully approved Texas standards and assessment system under Title I. Texas is also the first state to have approved modified academic achievement standards and alternate assessments for students with disabilities in reading/English/language arts, math, and science. The two assessments -- the Texas Assessment of Knowledge and Skills (TAKS) -- Alternate and the TAKS -- Modified have been approved to determine if special education students are meeting annual performance goals under the No Child Left Behind Act. These assessment variations will also be used to determine Federal school and district ratings. It is expected that State accountability ratings and preliminary AYP results for schools and districts will be available in early August.

In June, Governor Perry signed into law House Bill 3 which is intended to make Texas schools more accountable to parents and Texas students more attractive to colleges and employers. The new State law will allow all high school students, starting this Fall, to take fewer required courses and more electives. Students will no longer be required to take one semester of health education and two semesters of computer technology. And the physical education requirement will drop from three to two semesters. According to The Dallas Morning News, the law gives students the flexibility to take more math, science, and other electives. The Governor cited Turner High School's Math, Engineering, Technology, and Science Academy in Carrollton as a

model.

At a recent State Education Technology Directors Association in Washington, D.C., Texas education technology officials indicated that the SEA has apparently worked out arrangements to allow slightly less than 50 percent of the districts to take advantage of IDEA's Section 613 option. In June, USED determined that the state of Texas "needs intervention" because a large number of districts did not "meet requirements" of IDEA and, therefore, would not be approved to use the Section 613, 50 % MOE freed-up resources for technology purchases.

The Dallas Morning News also reports that the Dallas school district has finally settled the scandal involving bribery and money laundering through the Federal E-rate program. The district will be required to drop more than \$150 million in E-rate requests and must pay back \$750,000. Since 2005, the district has not been able to participate in the E-rate program because of the scandal.

Utah Update

August 2009

The Salt Lake Tribune reports that, under a 2008 law, Utah helps fund family literacy centers that teach English and other subjects to Spanish-speaking parents so they can be more involved in their children's education. In addition, most Utah school districts require teachers of English language learners to take REACH (Respecting Ethnic and Cultural Heritage) training, a program for teachers of minority students. The Granite school district requires every elementary school to have at least one teacher per grade level with an endorsement for teaching English as a Second Language; middle and high schools must have at least five or six ESL-endorsed teachers. The Salt Lake City and Ogden school districts require all teachers to earn ESL endorsements within three years of employment.

Virginia Update

August 2009

At the recent State Education Technology Directors Association in Washington, D.C., Virginia SEA officials indicated that they have decided to allow all but about eight districts to take advantage of the IDEA Section 613 option to use up to 50 percent of the increase in their IDEA funds to free up local resources which then can be used to purchase products and services allowable under ESEA, including technology. At another conference, the Virginia State Superintendent cautioned, however, that superintendents may be hesitant to treat such funds as a “slush” fund because they have to report in detail how the money is spent. Since Virginia made its determination in June, more than 20 states have followed in its footsteps, allowing some, if not all, of their districts to take advantage of the Section 613 option, as noted in the last TechMIS Special Report.

According to www.HamptonRoads.com, past rules barred home-schooled high school graduates from receiving financial aid from institutions of higher education. The Virginia Guaranteed Assistance Program (VGAP) covers college tuition, fees, and books for needy students but requires students to graduate from high school with a 2.5 GPA. Some colleges did not acknowledge GPAs for home-schooled students. New VGAP guidelines allow students to substitute an SAT score of 900 or an ACT score of 19 for the GPA requirement.

Washington Update

August 2009

The Tacoma News Tribune reports that the State of Washington is unlikely to be eligible for the Race to the Top component of the Federal education stimulus package. The Race to the Top money is intended to go to states that reform their education systems through such means as higher standards, improving low-performing schools, and having in place data systems to track student performance. But these requirements are likely to run into conflict with teachers unions, some of which are opposed even to the collection of student performance data because such data could be used to punish teachers. Improving low-performing schools could lead to the firing of low-quality teachers. Moreover, Washington is one of only a few states that bar charter schools, which U.S. Education Secretary Duncan has cited as a key to education reform.

As we reported last month, the Washington Assessment of Student Learning (WASL) is being replaced by a more streamlined test that takes less time to administer and gets results back sooner. The new exam, given to students in grades 3-8 and high school, will be primarily multiple-choice, with some short-answer questions and a writing section. A recent study by the Washington, D.C.-based Center on Education Policy has suggested that the new exam should incorporate some of the WASL's better features including "extended response" questions which appear to have been eliminated from the new assessment. The reading and writing sections of the new exam will still be required for high school graduation. It will include updated math sections and, in the near future, may be taken online.

West Virginia Update

August 2009

In April, West Virginia received \$74 million in Federal stimulus funding including \$31 million for Title I and \$41 million for IDEA/Special Education -- half of the Title I and IDEA stimulus funds for which the State is eligible. On July 1, West Virginia also became eligible for more than \$178 million under the State stabilization component of the stimulus package. According to West Virginia's approved application for funding under the State Fiscal Stabilization Fund (SFSF) component of the Federal stimulus package, the State will spend \$23 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 \$185 million remaining will be reallocated to local school districts through the State's Title I funding formula. The State will be eligible for another \$88 million in stabilization funds this Fall or sooner.

According to [The Charleston Daily Mail](#), West Virginia plans to change its textbook adoption policies in a way that would make it easier to purchase electronic textbooks. To take effect in 2012, the updated approach would also require that most print textbooks would have to be accompanied by interactive student materials. Currently, the State spends about \$150 million on textbooks during each six-year adoption cycle covering every grade level and subject. State education officials say that, in the next five years, print textbooks could be replaced by digital instructional material created or customized by the State as well as an online portal for educators.

Wisconsin Update

August 2009

The Milwaukee Journal Sentinel reports that Wisconsin's New School Approval Board has okayed only three new voucher schools this Fall, each of which is an existing non-voucher school. The Board rejected 16 schools that had expected approval. In past years, between eight and 15 new voucher schools have been approved for September operation. A key influencer of the Board is former Milwaukee Superintendent, Howard Fuller, a strong voucher advocate. Fuller has shifted his emphasis from favoring limited regulation of voucher schools to more regulation to improve quality.

The Wausau Daily Herald reports that more than 850 Wisconsin schools will receive a total of \$75-80 million from the State's settlement with Microsoft. The funds will be distributed in the form of technology vouchers through the *Microsoft-Wisconsin Cy Pres Program* which provides technology to schools in which at least a third of the students come from low-income families. The vouchers can be used for a range of technology products and services including hardware, software, Internet access, etc.

At the recent State Education Technology Directors Association in Washington, D.C., the key technology SEA official in Wisconsin reported that the state had developed a formal policy (on their website at http://www.dpl.wi.gov/sped/pdf/moe_ta.pdf) which allows districts meeting certain conditions to take advantage of IDEA's Section 613. In the April 20th SEA memo to districts, LEAs are "strongly encouraged" to take advantage of the Section 613 flexibility, noting that such funds could be used to pay for activities typically funded with other state or local funds or for new activities. Moreover, if a district sets aside up to 15 percent of its total IDEA funding for Coordinated Early Intervening Services (CEIS), this amount should be deducted from the amount that could be utilized to reduce the LEA's maintenance of effort. The Wisconsin website also includes the amount of 50% MOE, Section 613 freed-up resources available for each LEA, including \$15.1 million in Milwaukee, \$3.3 million in Madison, \$1.8 million in Appleton.

The Milwaukee Journal Sentinel reports that many Wisconsin school districts stand to lose more than ten percent of their State aid as a result of a general school and budget cut of 3.1 percent adopted by the State legislature. In Waukesha County, for example, more than half of the districts will see decreases of nearly 12 percent in general school aid. Milwaukee will receive a \$4.9 million cut (less than 1 percent) and some smaller districts will actually see increases in their aid payments.

The Milwaukee Journal Sentinel also reports that Wisconsin's new budget law will allow illegal immigrants, who have lived in the State for at least three years and who graduate from a Wisconsin high school, to pay in-State tuition at Wisconsin State universities. It is estimated that 400-650 illegal immigrants could be affected.