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MEMORANDUM

DATE: October 29, 2009
TO: TechMIS Subscribers
FROM: Charles Blaschke and Blair Curry
SUBJ: Approved Title I Waiver Requests Opportunities; Draft Regulations on Innovation Funds; Section 613 Update; Districts Likely to Receive School Improvement Grants

Attached is a Special Report analyzing the potential impact of between \$2-3 billion of Title I ARRA funds and how such funds will be allocated and spent based on USED's recent approval of waiver requests from almost 30 states. The report highlights states that are likely to provide increased opportunities for: firms which wish to partner with districts who are allowed to provide their own SES tutoring; firms with professional development products/capabilities; firms offering professional development which can turn around failing schools; and firms with formative assessment and directly related data-driven decision-making tools for teachers. Attached for convenience is the July 10th TechMIS Special Report which details the eight waiver areas.

A second Special Report analyzes the recent draft regulations for the \$650 million Investing in Innovation (i³) Fund and suggests a number of considerations firms should take into account in deciding whether to participate, and if so, with what LEAs or other entities. One can expect the involvement of many of the non-profit foundations and other entities which Secretary Duncan has mentioned in numerous speeches, including recipients of Gates Foundation funding.

The Washington Updates include the following:

- **Page 1**
Center on Education Policy's comments on draft School Improvement Grant regulations recommends high priority be placed on the transformation model, which is based on its recent findings of a study of four states implementing Differentiated Accountability Models. It also recommends that the "so-called restart model," which it says is a "code word" for charter schools, should be eliminated or should not be the only model used in any district receiving SIG grant funding. A recent report from the Brookings Foundation, by former IES

Director Russ Whitehurst, also recommends a lower priority be placed on use of charter schools, but rather replacing curriculum in lowest-performing schools with a research-based curriculum.

- **Page 5**

While USED policy guidance on IDEA Section 613 remains unclear and continues to be contested by education groups such as AASA, the proposed date by which states have to report on whether each district meets conditions in order to take advantage of the option has been extended to May 2011, which can provide opportunities for firms with specific types of products and services following SEA policy and guidance.

- **Page 9**

International Association for K-12 Online Learning comments on USED guidance would support open source integration into School Improvement Grants.

- **Page 9**

New policy brief from Alliance for Excellent Education Focuses on nation's dropout factories, identifying districts with the largest numbers which could be the districts which will be receiving large portions of School Improvement Grants targeting Tier II schools.

- **Page 11 - Miscellaneous**

We have also included several miscellaneous items with contacts for additional information for those who are interested, including:

- **Page 11** A recent report of the Rockefeller Institute of Government which predicts a new round of budget shortfalls which will likely lead to mid-year budget cuts plus further spending cuts and tax increases; the Institute also predicts that most states will face budget gaps in this fiscal year and the next and probably for one or two additional years.
- **Page 12** A recent Institute of Education Sciences report found little differences between the use of structured, enhanced math and reading programs and regular tutoring programs used in after-school programs. Only in mathematics were the first year's results better than the comparison group. Other studies have found that well-implemented after-school academic and enrichment programs have been effective.
- **Page 12** A new report from GAO found that 30 states have reported recent cuts or plan future reductions in spending on testing required under NCLB because states have to make trade-off decisions between the cost of development and scoring versus security. The report suggests that opportunities may exist for firms providing assessment services in the area of increasing test security.

- **Page 13** The number of returning Iraq war veterans applying for tuition and other reimbursements under the new GI bill has increased to over 250,000, but processing claims has taken longer than expected according to recent testimony by Department of Veterans Affairs officials. Discussions with VA officials indicate that any compilation of new enrollees having to take tutoring and remedial courses, for which they are allowed an additional \$1,200 above tuition, is difficult to ascertain now and such data will not be available for another four or five months.
- **Page 14** During the last several weeks, a number of teacher groups or projects have received grants that fit into Secretary Duncan's priorities. Some of these grantees or entities directing recently funded projects could represent potential partners for some TechMIS subscribers in joint efforts under the Innovation Fund grant program.

State profiles include information on state budget issues, charter schools, and state RTI frameworks.

For the convenience of TechMIS subscribers, we have attached an index of issues covered in our Washington Update over the past 12 months.

Special Report:
**USED Approval of Waiver Requests from States Strongly
Suggests the Nature and Extent of Immediate and Future Sales
Opportunities Created in Districts in Waiver States**

A Technology Monitoring and Information Service (TechMIS)
SPECIAL REPORT

Prepared by:
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October 29, 2009

In mid-October, USED posted waiver approval letters from 29 states that had requested waivers as allowed under the July 8th Non-Regulatory Guidance (NRG) to states and districts. Our TechMIS Stimulus Funding Alert (July 10th) detailed eight Title I regulatory areas along with the process used to ensure uniformity among the states requesting specific waivers. In all cases in which USED approved an SEA's waiver request, individual districts must also submit a waiver request for SEA approval if the district wants to take advantage of the new flexibility on the amount and use of freed-up funds. Some districts, for whatever reason, may not wish to take advantage of such options; however, most will. SEAs, in drawing up their waiver requests, consulted with the state Title I Committee of Practitioners and most of the districts' Title I coordinators in the state.

As we suspected in our report on interviews with several key state Title I directors (see TechMIS Special Report August 20), virtually all of the states received approval to exclude their Title I ARRA allocation from the calculation of the 20 percent set-aside for SES/parent choice and the 10 percent set-aside for professional development in districts and schools identified for school improvement (see Exhibit 1). If all districts (in the 29 states as well as the remaining states whose waiver request approvals have not been made available) decide to take advantage of such new flexibilities, then the total amount of freed-up Title I funds which can be used to support regular Title I operations will be between \$2 and \$3 billion. While districts in some states may use some of these freed-up Title I funds to retain Title I teachers and possibly other staff that otherwise may have had to be released (e.g., in schoolwide programs which, under certain conditions, do not have to report on how Title I funds are spent), the vast majority of these funds are likely to be used to make investments in teachers through professional development and/or to purchase products and materials with little or no reoccurring costs to minimize the "falling off the cliff" effect after September 2011 by which time stimulus funds have to be "obligated." Districts in the states which did not request waivers to exclude ARRA funds from the 20 and 10 percent set-aside calculation could decide to follow the NRG which presented an argument for the districts not to exclude a large portion of the 20

percent set-aside in order to provide higher per-pupil allocations for students with disabilities and ELLs: “For example, an LEA might provide the per-pupil amount based on its regular FY 2009 allocation to most students but provide a higher amount (based on its regular allocation plus some or all of its ARRA allocation) to students for whom it is more costly to provide SES, such as students with disabilities, limited English proficient students, or students in remote areas.” Secretary Duncan and other high-level officials have noted that distance learning may be the best means of providing SES in rural schools. And, if a district decides not to exclude, as we noted in our September 15th TechMIS Special Report on final USED guidance issued on September 2nd, a district is now allowed to use Title I funds to invest in online capabilities and to provide after-school SES/tutoring to students in a Title I school identified for improvement and to provide similar after school tutoring services, paid for out of state or local funds, for similar students needing remediation, but not being served in Title I schools, without violating the “supplement not supplant” rule. Also included in the September 2nd guidance is a new flexibility which allows districts identified for improvement to use Title I funds to provide professional development to Title I teachers and to “any or all” teachers in the district in areas related to the reason why the district was identified for improvement. Hence, by not excluding the ARRA portion from the 10 percent set-aside, the amount of funds for professional development could almost double.

About two-thirds of the states received waiver approval to allow districts and schools identified for improvement to provide their own SES if the district is approved to do so by the SEA. In some states which have not requested such waivers, such as Virginia and Minnesota, either the state had no districts identified for improvement, or no district had asked the SEA to request such a Federal waiver. However, in virtually all of the states which requested and received approval to allow districts identified for improvement to provide their own SES, state Title I directors indicated to us that most districts would do so. This increases dramatically the opportunities for firms to partner with districts providing training, instructional materials, and support to districts that conduct their own after-school SES tutoring programs. Also, in states which did not request a waiver to exclude the ARRA portion from the 20 percent SES set-aside fee calculation, the amount of funds allocated to after-school SES tutoring fees could increase by more than 50 percent, providing greater opportunities for any SES providers. Or, following the July USED guidance noted above, the district could decide not to exclude the ARRA portion from the 20 percent fee calculation which would also increase by over half the amount (per eligible student) provided for SES for special education students or students with limited English proficiency.

As we emphasized in the July 10th TechMIS Stimulus Funding Alert, if a district which has been identified for improvement receives a waiver allowing it to provide its own SES, it still must be approved as an SES provider by the SEA. Moreover, the district must use the funds freed-up by the waiver to address identified needs based on data such as formative assessment results and must use “effective methods and instructional strategies that are based on scientifically based research” for students which would otherwise most likely be eligible for SES. Hence, expanded opportunities exist for data driven decision-making tools and proven effective programs.

More than half of the states on Exhibit 1 received waiver approval to provide SES in schools identified for improvement for the first time and to count the funds allocated for SES in these schools, newly-identified for improvement, against the 20 percent set-aside. The states which have participated in the USED National Pilot approved two years ago -- Alabama, Alaska, Arkansas, North Carolina, Tennessee, Utah, and Virginia -- did not have to request a new waiver to do so, although some did. Districts that take advantage of this waiver will increase, by 50 percent or more, the number of students participating in SES, especially in "identified" districts that take advantage of the opportunity to provide their own SES. As we noted in our July 10th Special Funding Alert, in some districts there could exist opportunities for extending revenue streams beyond the September 30, 2011 obligation deadline. For example, if a district uses a large portion of its stimulus funding to invest in SES through training and purchase of technology and instructional materials with low recurring cost, then the district could continue to provide after-school programs after September 30, 2011, relying on the ARRA-funded investment in people and programs and then using other Federal funding such as 21st Century Community Learning Centers to maintain the programs.

Over two-thirds of the states have received approval to carry over more than 15 percent of Title I funds from this school year to next. Some of the states which did not request such waivers were EdFlex states which are automatically provided "blanket" waivers to carry over more than 15 percent in any one year. The bottom line is that districts and states which have not received waivers of the 15 percent of limitation of carryover funds may have unexpended SES set-aside or Title I funds in excess of 15 percent will likely have to be obligated by June 30, 2010. This is particularly true for districts in states which have been approved to waive the 14-day notice. Under USED's final Title I regulations, promulgated last October, a district may not be approved by the SEA to reallocate unspent SES set-aside and other Title I funds to purchase other allowable goods and services if it has not notified parents of students eligible for SES 14 days before the beginning of the school year.

While most of the states' requests for waivers and subsequent USED approvals were pretty straight-forward according to the letters sent to the SEAs several have requested additional waivers beyond those outlined in the waiver Non-Regulatory Guidance solicitation. Ohio submitted two additional requests, one for lowering the eligibility threshold for schoolwide programs from 40 percent to 20 percent and the other to redirect up to 45 percent of funds provided under Title VII of the ARRA and falling under the provisions of School Improvement Grant Part G for district improvement. It appears that Ohio is hoping to be allowed to redirect more funds to districts and schools eligible to participate in School Improvement Grants and then replenish these funds with School Improvement Grant Part G funds when they become available next spring. It remains to be seen whether USED will approve such a waiver request. In the case of Kentucky, USED approved a waiver of the 14-day notification requirement due to delayed administration of the state assessment in certain districts because of flooding in May. Tennessee received waiver approval in all of the specified areas and requested additional waivers in five other areas; USED indicated in a September 16th letter that its approval

decisions would be forthcoming “as soon as reasonable.”

In Exhibit 1, we also provide the date of the waiver approval letter sent from USED to the various SEAs. In several states, there were two letters, separated by about a month, regarding different waiver requests. The date of the waiver approval letter could be very important in certain states. Even though USED’s July waiver guidance indicated that SEAs could provide “conditional approval” for districts on the waivers the SEA had requested, the actual effective date of implementation would have to await receipt by the SEA of a USED approval letter. Our discussions with selected district and state Title I directors indicated that many districts would not seek waiver approval at the SEA level until the SEA received formal approval from USED for certain waiver requests such as allowing districts identified for improvement to provide their own SES. In some states, districts seeking approval to become SES providers may also take a while. Hence, one can expect, in these states, some districts would not be actually implementing their district-operated SES tutoring program until after January 1st. Similarly, implementation of waiver requests by districts to exclude the ARRA funding from calculation of the 20 percent SES set-aside could affect the effective date of contracts with third-party providers because of uncertainty as to what the maximum full amount per eligible student could be. In general, one might assume that the earlier USED sent approval letters to SEAs, the earlier the implementation would have occurred. In the 20 or so states whose waiver requests have not yet been formally posted, effective implementation dates will likely have to be pushed further into the school year.

TechMIS subscribers are encouraged to contact Charles Blaschke directly (703-536-2310) to discuss the most likely best states offering the best opportunities: for partnering with districts who operate their own SES programs; providing professional development; for selling a range of products and services used in regular Title I programs; and for targeting districts which are likely to reallocate unspent Title I funds before June 30th.

Exhibit 1

State Waiver Letters

Types of Waivers

State	Letter Dated	LEAs Provide own SES		Exclude ARRA				Carryover	14-Day Notice
		LEAs Provide SES in First Year		20% Set-aside	10% LEA Set-aside	10% School Set-Aside	20% SES Calculation		
Alabama	8/14			X	X	X	X	X	X
Alaska	8/13	X		X	X	X	X	X	
Arizona	8/24 & 9/16	X	X	X	X	X	X	X	X
Colorado	8/11	X		X	X	X	X		X
Connecticut	9/11	X	X	X	X	X	X	X	
Georgia	8/13	X		X	X	X	X	X	
Illinois	9/16 & 9/16	X		X	X	X	X		X
Indiana	9/23	X		X	X	X	X		
Iowa	8/31	X		X	X	X	X	X	
Kentucky	9/4	X	X	X	X	X	X	X	X
Louisiana	8/27			X	X	X	X	X	X
Maine	9/23			X	X	X	X	X	X
Massachusetts	8/24	X	X	X	X	X	X		X
Michigan	9/23	X	X	X	X	X	X	X	
Missouri	8/7	X	X	X	X	X	X	X	X
New Hampshire	9/23		X	X	X	X	X	X	
New Mexico	8/3	X	X	X	X	X	X	X	X
North Carolina	9/4 & 9/16	X	X	X	X	X	X		
Ohio	8/14	X	X	X	X	X	X	X	
Pennsylvania	8/27	X		X	X	X	X		X
Rhode Island	8/24	X	X	X	X	X	X	X	
South Dakota	8/14	X		X	X	X	X	X	
Tennessee	8/27 & 9/16	X	X	X	X	X	X	X	X
Utah	9/16		X						
Virginia	9/4 & 9/16		X						X
Washington	8/31		X		X	X	X	X	
West Virginia	8/24 & 9/23		X	X				X	X
Wisconsin	8/13	X	X	X	X	X	X	X	
Wyoming	9/16	X	X	X	X	X	X	X	X

Special Report:
**Draft Regulations on Investing in Innovation Fund Suggest a
Number of Considerations Firms Should Take Into Account in
Deciding Whether to Participate and, if so, With What LEAs
and/or Entities**

A Technology Monitoring and Information Service (TechMIS)
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October 29, 2009

On October 6, USED released a pre-publication copy of a notice (which appeared in the *Federal Register* on October 9) on the Investing in Innovation (i³) Fund, soliciting comments on proposed priorities, requirements, definitions, and selection criteria which will be used in awarding to LEAs or entrepreneurial, non-profit organizations grants totaling \$650 million early next year. Several of the requirements and selection criteria suggest a number of important considerations firms should take into account in deciding whether they wish to partner with lead entities such as LEAs or non-profit organizations in seeking one of three types of grants.

As stated in the notice, “The purpose of the program is to provide competitive grants to applicants with a record of improving student achievement, in order to expand the implementation of, and investment in, innovative practices that are demonstrated to have an impact on improving student achievement or student growth....for high-need students....as well as to promote school readiness, close achievement gaps, decrease dropout rates, increase high school graduation rates, and improve teacher and school leader effectiveness.” Funds can be used to allow LEAs and non-profits to expand or further develop models of best practices and to form partnerships with the private sector and philanthropies in taking to scale demonstrated successful best practice models.

The absolute priorities are the same four key “assurances” in Race to the Top or reform areas (i.e., teacher effectiveness, enhanced data systems, college and career-ready standards and rigorous assessments, and turning around low-performing schools). USED has also included four proposed “competitive preference priorities” including improving early learning outcomes, innovations that support college access and success, innovations addressing needs of students with disabilities and limited English proficiency, and innovations serving rural areas.

For these priorities, three types of grants will be awarded. “Scale-up” grants of

approximately \$50 million to serve up to one million students would require the strongest evidence of effectiveness of proposed practices or strategies in improving student achievement or student growth, closing achievement gaps, decreasing dropout rates, or increasing high school graduation rates. Moreover, the notice states, “We recognize that LEAs are not typically responsible for taking to scale their practices, strategies, or programs to other LEAs and States. Applicants can and should partner with others (e.g., service centers, State educational agencies, institutions of higher education) to disseminate and take to scale their effective practices, strategies, and programs.” “Validation” grants of up to \$30 million would support practices and strategies that show promise but “for which there is currently only *moderate evidence*....that the proposed practices, strategy, or program will have a statistically significant effect...” The guidance reiterates that LEAs “can and should partner with others to disseminate and take to scale their effective practices, strategies and programs.” The third category, “Development” grants, would support “new, high-potential and relatively untested practices, strategies, or programs whose efficacy should be systematically studied.” The applicant “must provide a rationale for the proposed practice, strategy or program that is based on research findings or reasonable hypotheses, including related research or theories in education and other sectors.” Unlike the other two types of grants, the award process for Development grants will be two steps, the first of which will be pre-application in which interested parties will submit brief proposals; if they are approved, then formal proposed applications will be solicited. The notice also states that the proposed priorities and the levels of funding could be changed in the final regulations.

Several provisions under the four absolute priorities are worth noting. For example, “Innovations That Support Effective Teachers and School Leaders” should include the use of teacher and school leadership evaluations that are tied to student growth and measures should be designed and developed with teacher involvement. “Innovations that Improve the Use of Data” should include a heavy focus on providing information to families and other stakeholders. “Innovations That Complement the Implementation of High Standards and High-Quality Assessments” should include practices related to implementation of high-quality curricular instructional materials and assessments and delivery of high-quality professional development to support the transition to new standards, assessments, and instructional materials. Practices should also focus on increasing the development and use of formative assessments or interim assessments or other performance-based tools and metrics aligned with student content and academic achievement. For the absolute priority “Innovations That Turn Around Persistently Low-Performing Schools,” the notice “would provide funding to support strategies, practices, and programs that turn around persistently low-performing schools through either whole school reform or targeted approaches to reform.” Inclusion of “whole school” reform models for the *i*³ program is different from other sets of guidance, such as School Improvement Grants; “targeted approaches” include practices which extend student learning, increase instructional time for core academic subjects and create multiple pathways for students to earn regular high school diplomas including dual enrollment, and reward credit based on demonstrated evidence of student competency.

The proposed competitive preference priority to improve early learning outcomes is very

similar to the proposed Early Learning Challenge Initiative which the Administration was able to include in HR 3221, as noted in our last TechMIS report. The competitive preference priority to support college access and success is very similar to initiatives which have been supported by the Gates Foundation over the last several years. The preference priority to address students with disabilities and limited English proficient students would support best practices that address the “unique learning needs” of students with disabilities or “the linguistic and academic needs of limited English proficient students.” And the last preference priority is serving schools in rural LEAs which was included due to comments from rural LEAs received on RTTT and other previous guidance notices, which argued that what works in rural areas often differs from what works in urban and suburban communities.

The notice requires that grantees “participate in, organize, or facilitate, as appropriate, communities of practice for the Investing in Innovation fund,” defining a “community of practice” as a “group of grantees that agrees to interact regularly to solve a persistent problem or improve practice in an area that is important to them.” Such “communities” are often used by “venture philanthropists” for collective problem solving according to the New American Foundation. One might surmise that an effective model that has a large users group would have a leg up. Among the “scale-up” selection criteria, the most important appear to be the strength of the evidence that the practice or strategy has been effective in improving student growth and the “past performance of the applicant in implementing large complex and rapidly growing projects.” Another important selection criterion is the rigor and quality of a project evaluation which could be “either an experimental study or quasi-experimental study” which also provides high-quality implementation data, performance feedback, and periodic assessment of progress achieving intended outcomes. Another important criterion is “sustainability” and whether support is adequate to continue the proposed project after the grant period ends, through evidence of broad support from stakeholders which could include philanthropic organizations.

Concurrent with the release of the pre-publication notice, Secretary Duncan and Assistant Deputy Secretary Jim Shelton, who heads the i³ team, made brief announcements during a telephone conference call and answered questions posed by reporters. Sam Dillon of The New York Times noted that, in addition to the absolute priorities (which are the same as four assurances in Race to the Top), four competitive preference priorities were included for the first time and wondered whether these competitive priorities may also be included in the final Race to the Top guidance. The response suggested that such may be under consideration, but no commitment either way was confirmed. Another reporter raised a question as to whether an LEA must have met AYP for two consecutive years to become eligible even to apply for i³ grants. Shelton welcomed the question, noting that the existing eligibility criterion regarding meeting AYP for two consecutive years was in the ARRA language when passed, but that both the House and Senate appropriations bills for FY 2010 would remove that criterion; however, until such changes occur in the appropriations act, the current eligibility criteria will remain as in the language under ARRA. Secretary Duncan also noted that the language change was designed to “increase the number who can compete for i³ funding.” This uncertainty may affect whether an

LEA decides to submit an i³ funding application.

One question which appeared to be uppermost in the minds of reporters was what level of evidence of previous success would meet the selection criteria and who would be reviewing such evidence to determine the quality and rigor of the study designs. Shelton noted that his office would rely heavily on reviewers currently in the Institute of Education Sciences (IES) which includes the What Works Clearinghouse. Several years ago, the WWC found, in two large-scale randomized trial control design experiments, that technology interventions generally have not been effective in increasing student performance. He indicated that the number of reviewers would vary among the three types of grants and that the total overall number of reviewers would be about 200. In response to a question as to whether or not a 20-percent matching of funds was required on the part of eligible LEAs or non-profits, Secretary Duncan noted that the contribution could be in the form of “cash” or “in-kind,” emphasizing that the language in the law emphasized the need to have stakeholders (e.g., foundations, non-profits) actively participate in such projects and that they should be very “entrepreneurial” with the capability of helping LEAs scale-up implementation beyond the LEA-specific setting. He also cautioned that while they were interested in providing funding for the “best ideas as great ideas are out there,” he compared this “education moon shot” to venture firms who make significant investments, some of which can be expected to fail. In response to another question regarding Race to the Top, the Secretary noted that the final applications should be available “in the next couple of weeks.”

While TechMIS subscribers thinking about whether to participate and, if so, how in the \$650 million i³ program have different product offerings and perceived strengths, and hence should be asking different specific types of questions, there appear to be some general questions which should be asked. The first is whether or not there exists current evidence from rigorous research that would be acceptable to many reviewers currently in the Institute of Education Sciences. If, for example, the What Works Clearinghouse has found positive evidence of effectiveness of certain products in high-quality, scientifically-based research study designs this could be good news. Or, if a firm’s product has been included in one or more recently published Practice Guides by the Institute of Education Sciences that could also be an important factor. Or if a firm has an intervention-type product/service which has undergone in-depth study among users, but such reports have not been submitted to the What Works Clearinghouse, then one might wish to do so, although only a limited number of studies have met the “gold bar” standard initially used by the Clearinghouse. The i³ application does request that commenters suggest the range of “effect sizes” which should be acceptable to reviewers for the different types of grants. In many cases, the best chances may be to target development grants designed to support “new promising practices” with high potential that need to be studied further.

A second general question is whether a current LEA or non-profit user of a firm’s product is seriously considering applying for one of the three i³ grants and whether there exist opportunities for the firm to partner with the district or non-profit group. If a firm has a “user group” with several LEAs achieving significant results, then another related

consideration is whether or not an LEA has received funding from philanthropic organizations which have been cited by USED officials (such as the Bill and Melinda Gates Foundation). During the press conference, an AP reporter asked whether or not Secretary Duncan would like to give additional examples, beyond the New Teacher Project, of non-profits and/or foundations that might be considered to have a leg up -- such as the Gates Foundation. He noted that, "There are hundreds of examples out there," and otherwise skirted the issue. In addition to Gates' direct involvement in providing funding for at least 15 and most likely additional states to hire specific consultants to draft the Race to the Top applications, the Gates Foundation has, over the last few years, supported a number of districts and other agencies which are noted on their website to implement both K-12 and post-secondary initiatives which are very similar to the absolute priorities and competitive preferences in the i³ draft document. (See also Education Week October 26th entitled "Gates Seek to Leverage Race to Top Aid")

Another important consideration is the requirement, stated in the notice, "An applicant receiving funds under this program must comply with the requirements of any evaluation of the program conducted by the Department. In addition, an applicant is required to conduct an independent evaluation....of its proposed project and it must agree, along with this independent evaluator, to cooperate with any technical assistance provided by the Department or as contractor." The apparent rationale for this requirement is to encourage commonality among the evaluation approaches of cross-funded projects. One can legitimately question whether a similar evaluation design should be applied to "scale-up" projects which, by definition, have already proven to be effective and should be the same evaluation designs for developmental projects where one evaluation goal may be to determine the conditions under which a targeted approach works best, in what settings, and with what types of students. Perhaps the most important factor is the requirement that the LEA or local evaluation entity must abide by any recommended changes by the third-party USED independent evaluation or which could affect the planned implementation of the targeted intervention. Many of the contractor-operated experimental studies conducted with IES funding in the past have been accused by Congress and others of having "flawed research designs" (e.g., the most recent study of Reading First), or the nature of the evaluation design conflicted with the planned implementation to such an extent that the fidelity of implementation was eroded, thus resulting in no significant differences between experimental and control groups. The bottom line is a potential risk to the firm whose targeted intervention is to be evaluated if recommended implementation procedures are not followed, and hence the effectiveness will be understated.

If anyone wants to discuss possible strategies or other matters, call Charles Blaschke directly 703-536-2310. The *Federal Register* notice is available at: <http://edocket.access.gpo.gov/2009/pdf/E9-24387.pdf>

Washington Update

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Center on Education Policy's Comments on Draft School Improvement Grant Regulations Are Based on Study Findings from Four States Implementing Differentiated Accountability Model Components Which Are Likely to be Continued Under the \$3.5 Billion School Improvement Grant Initiative in Those States

The Center on Education Policy, which has conducted field research since 2004 on schools in restructuring under NCLB in 26 districts in six states submitted its comments on draft SIG regulations, which were posted on the CEP website (not USED website) shortly after the September 25th deadline. Some of the most important comments (highlighted below) were based on CEP's most recent in-depth field study of the implementation of Differentiated Accountability Models, approved more than two years ago by USED (and which has thus far been supported by the Obama/Duncan Administration), in Maryland, Ohio, New York and Georgia. Even though the final SIG regulations may trump the previously approved procedures and allowances under the Differentiated Accountability Models in these study states and five others, because of the apparent success of the mechanisms already in place in the four states, it is likely that these SEAs will add requirements and provisions in their LEA guidance for SIG allocations and require districts already funded under SIG to continue or expand their implementation initiatives with the increased funding next March. While

restructuring strategies undertaken in six states were reported in previous CEP reports, the strategies for these four states, along with critical policies, are highlighted in the August 6th *Mining the Opportunities in "Differentiated Accountability"* report which firms targeting SIG funding should review.

Some of the positive provisions in the SIG draft regulations, which CEP recognized, were:

- Allowing states to consider "districts' commitment" to serve "struggling schools" in providing them SIG funding;
- The requirement for multiple approaches to school improvement among some, but not all, of the proposed models;
- Allowing school closures which is a positive step for SEAs to monitor performance of students who leave closed schools and to go to other settings.

CEP's suggestions on revisions to the proposed requirements call for an increased LEA role in the development of needs assessment frameworks to help diagnose lowest-performing schools' challenges and in conducting site visits. Districts and schools should be required to use data to make decisions about the "rigorous" interventions" it will select, and the SEA should allow districts and schools the flexibility to meet identified needs. CEP also recommends that the restart model "should be eliminated or refined because

“The Restart Model is simply a new name for an unproven and unpopular strategy: becoming a charter school.” In its earlier study of six states, only two percent of the schools in Maryland, one percent in California and Ohio, and none in Georgia, Michigan or New York became charter schools as a response to restructuring. CEP emphasized, “It should never be the sole strategy for turning around a low-performing school.”

CEP also advises that staff should be replaced only if their district finds this is a feasible and potentially beneficial option noting, “In districts with multiple low-performing schools, officials [in their study] noted that replacing staff at a restructuring school sometimes resulted in a ‘dance of lemons’ with dismissed staff being rehired by other district schools that were struggling to fill positions.” Furthermore, “Instead of requiring a blanket replacement of staff, schools should have to do a feasibility study to determine whether replacing staff would be a promising practice at the particular school.”

And finally, CEP posed a question needing clarification, “How will these proposed requirements apply to states with ED-approved Differentiated Accountability Pilots?...How will ED resolve these conflicts between these policies for struggling schools?”

In its August 2009 report, CEP identified common themes across the four states implementing Differentiated Accountability Models and some of the diverse approaches which may or may not fit into the final regulations. CEP reported that all four states changed their school “labeling” systems and “all increased requirements for schools and

districts to use data to inform instructional decisions, and all included opportunities for on-site monitoring of schools.” Citing a 2007 survey of a representative example of districts implementing NCLB, CEP had found that 97 percent of district officials reported “increasing in the use of student achievement data to inform instruction and other decisions” to help schools in improvement. The four states in the study “have tightened these requirements to use data.” In Georgia, “identified” schools must analyze AYP data, and state evaluators must apply the “Georgia Analysis of Performance on State Standards (GAPSS) for all “state directed” schools (the state’s label for schools that have been identified for improvement for five or more years). In Ohio, schools must use student data achievement to make decisions while a State Diagnostic Team has to evaluate districts and schools that need “high support.” Maryland requires a needs assessment for all identified schools, and requires a school climate survey for schools with more intensive needs.

CEP also found that none of the four states relied solely on the five Federal restructuring options, but added other initiatives for their lowest-performing schools. In Ohio, district and school leadership teams must be created to oversee improvement process, with on-site reviews by the State Diagnostic Team. In Maryland, the state board has to approve schools’ alternative governance plans. Georgia’s lowest performing schools are assigned a “state director” and must agree to a contract to follow specific instructional strategies. In New York, during 2009-10, its first year of implementation of differentiated accountability, restructuring schools will be assigned a Joint Intervention Team which

makes recommendations for change.

CEP also reported on district perceptions about the SEA's Differentiated Accountability provisions. In Georgia, state directors got high marks from principals and teachers for "thoughtful, focused coaching and a collaborative rather than directive approach." Many of the district and school officials interviewed in Maryland were uninformed about specific mandates under the Differentiated Accountability system, while, in Ohio, district and school respondents provided "mixed reviews" with urban districts generally less positive than other districts according to a report conducted by a watchdog group called Policy Matters Ohio. CEP also identified some of the unique features of each of the four states' Differentiated Accountability Models.

- In Georgia:
 - Schools are required to offer SES during their first year of improvement and school choice later, hoping that tutoring will help schools out of Year 2 of improvement; this suggests Tier III schools will likely be considered a high priority in Georgia under SIG funding;
 - The lowest quintile of schools are prescribed corrective actions by the Georgia Department of Education;
 - In the lowest-performing schools (contract monitored schools), the SEA provides mandatory professional development and on-site coaching for teachers and administrators which, in 2008, has resulted in 12 of 19 such schools making AYP using some of that year's SIG allocation.
- Some of the new initiatives in Maryland included:
 - Increased focus and resources on state and local interventions for schools in Years 2 and 2 of improvement or corrective action as a preventative measure;
 - Differentiated interventions between Comprehensive Needs Schools, in which the all-students group, or three or more subgroups, failed to meet annual targets, and Focused Needs Schools where a lesser number of students or subgroups failed to meet targets.
- In New York, where implementation is occurring for the first time this year, schools are grouped into three phases regardless of whether they receive Title I funds:
 - Supplemental educational services were implemented earlier than school choice;
 - Schools in restructuring are assigned a Joint Intervention Team which conducts on-site evaluation of the schools and makes recommendations for changes (Joint Intervention Teams were created by a 2007 state law which became effective this school year)
 - Schools Under Registration Review (SURR), under a 2007 state law and under the Differentiated Accountability system, move directly into restructuring if it does not make AYP.
- Ohio has renamed the Differentiated Accountability Model as the Ohio Improvement Process (OIP) which:

- Focuses state assistance on the district not just the school;
- Provides new interventions to be used with districts with different levels of needs, with districts identified as “high-support” providing the options of reopening the school as a public charter school, contracting with the outside entity to operate the school, or replacing all or most of the building staff;
- In low, medium, and high-support districts implementing SES as required, ten percent of Title I funds must be allocated for professional development.

The August CEP report can be reviewed at:
<http://www.cep-dc.org/index.cfm?fuseaction=Page.viewPage&pageId=575&parentID=481>

If USED allows the implementation of nine state’s Differentiated Accountability Models to continue, perhaps under a waiver request where conflicts exist with the final SIG regulations, then at least some of the new School Improvement Grant funding expected next spring will likely be allocated to districts with the lowest-performing schools. It is also likely that, in these states, the number of Tier III schools will also be greater than in other states as SIG funds are also likely to be used as preventative measures. It is also clear that, under such a situation, firms need to become very familiar with and perhaps have conversations with SEA teams that are currently working with districts receiving SIG grants and should obtain information from the SEAs which have conducted needs assessments identifying the major problems in specific schools or required districts to conduct needs assessments.

While USED Policy Guidance on IDEA Section 613 Remains Unclear and Contested by Education Groups, the Proposed Date by Which States Have to Report on Each District's Conditions Which Have to be Met to Take Advantage of the Option Has Been Extended to 2011; in the Meantime, State Policy and Interpretations of USED Guidance is Likely to Prevail With the General Effect of Allowing More Districts Greater Flexibility in Using Freed Up Local Funds Equal Up to 50 Percent of IDEA/ARRA Increase this Year (About \$6 Billion) in a More Flexible Manner

As we have reported in several TechMIS Washington Updates over the last eight months, USED policy guidance has increasingly reflected a stricter interpretation of IDEA's Section 613's "local adjustment" affecting the conditions which districts would have to meet in order to take advantage of the option to free up local resources currently used to pay for special education programs -- up to 50 percent of the amount of the IDEA/ARRA increase for FY 2009 (which is about \$6 billion nationwide). These freed-up resources can be used for any purchase of products/services allowable under ESEA, which is a much more flexible use than allowable uses under IDEA. Special education advocates within USED, various associations, and even Senate leadership have argued that a number of conditions should be met by districts. These conditions, at least initially, were reflected in USED policy guidance which was hotly contested by Section 613 advocates such as AASA and other school groups. Based on USED's Office of Special Education

Programs legal staff and other advocacy groups' interpretations of Section 613, and related Section 616, the initial USED guidance last August would allow a district to take advantage of the flexible funding option only if the district's special education program received a compliance rating by the state of "meets compliance." If the SEA rated the district as "needs improvement," "needs assistance," "needs intervention," or other negative ratings, the district should not be allowed to use the option. The guidance also stated that, if the district was identified as having significant disproportionality (i.e., over representation of minorities in special education programs), and was required by the state to set aside 15 percent for Coordinated Early Intervening Services to serve at-risk students not yet placed in special education, the district would not be allowed to take advantage of the option. In his "Dear Colleague" letter of October 21st, Secretary Duncan also "urged" states to also take into account whether or not a district has met certain performance indicators in its special education program. The letter then states, "However, SEAs also have the option of using indicators related to SES to LEA performance and other critical areas such as graduation rates or performance on assessments in determining which LEAs will achieve 'meets requirements' status." While the Dear Colleague letter does not have the effect of law, it does clearly recognize that inclusion of performance indicators in determining whether a district "meets requirements" is an option that the SEA has.

Because historically states had been required to report only on groups of districts by category, and not specific districts in their Annual Reports to USED, in August, OSEP received approval from OMB to allow it to

require states to start reporting on whether individual districts have received a “meets requirements” rating and whether a district had taken advantage of a rating of “meets requirements” in order to free up a certain amount of local funds. Subsequently, in early October, USED developed a revised information collection and reporting form that has to be approved once again by OMB. As reported by Mark Sherman in Education Daily (October 6th), one of the several changes includes a new reporting deadline of May 1, 2011 for turning in the forms for the first time. This is six months later than the original deadline of November 1, 2010. USED also requires that states report on the actual status of each special education program/district, even those that have been graded as “meets requirements.” By extending the reporting deadline almost to the deadline for the 2009 IDEA stimulus funding to be obligated (September 30, 2011), USED almost opens the door to allowing policy and guidance based on SEAs’ interpretations to prevail. This would result in more districts having greater flexibility in the use of local freed up funds equal to a portion of the IDEA stimulus funding increase included in the FY 2009 regular and stimulus appropriation.

On the other hand, several groups, such as the National Association of State Directors of Special Education, have argued that the new more detailed district-by-district reporting requirements should not become effective until the policy guidance regarding the conditions under which a district can take advantage of Section 613 are clarified. As reported in Education Daily, Mary Watson, President of NASDE, stated, “I just don’t understand the ‘value’ of collecting this data and reporting it to [ED].....The determinations help us as a state agency in

planning our technical assistance and follow-up for LEAs, but collecting and reporting the number of LEAs in each category seems to be an unnecessary data collection. My big question is ‘Why? What purpose does this serve?’” In the article, NASDE’s original comments to USED’s initial data collection plan stated that, “NASDE believes that there should be a resolution of this outstanding issue prior to putting any kind of data collection into effect.”

As a reflection of the level of interest in how states are interpreting USED guidance and in rating districts, the National Center for Learning Disabilities has created a new state-by-state “meets requirement scorecard” in addition to providing special education enrollments for students with specific learning disabilities (SLD). The individual state report cards also include, for 2005, 2006, and 2007, the percentage of students with IEPs who graduate with regular diplomas, drop out of school, or score proficient on state assessments in reading and math. The scorecards also provide USED’s rating of each state as “meets requirements,” “needs assistance,” “needs intervention,” “needs serious intervention,” and then refers the reader to each state’s latest annual performance report (APR) which is available at: www.nclld.org under “Special Education Scorecards.”

Aside from each states’ annual performance report on USED’s website, which can be extremely time-consuming to review, the most friendly database on states’ ratings of all districts in the state continues to be *IDEA Money Watch* which is directed by Candace Cortiella, Director of the Advocacy Institute. As of mid-October, *IDEA Money Watch* had compiled ratings for each district in 40

states. The results of our analysis of the compilations are included in Table 1. *IDEA Money Watch*, however, has not been able to collect information on how much IDEA or other funding has been allocated by districts with significant disproportionality that have to set aside an amount up to 15 percent of the IDEA allocation for Coordinated Early Intervening Services. Not surprisingly, Cortiella, as reported in the October 6th Education Daily article noted that, “The information about which districts have spent money on CEIS and whether they were required to do so will also be useful.” She added, “We have been wanting to know how we would get that information, which is essentially hooked by the finding of the state on significant disproportionality.”

(See Table 1)

As we have argued in previous TechMIS reports, a district which “meets requirements” has the highest probability of freeing up resources in an amount equal to 50 percent of the increase in IDEA funds which can be used for other allowable uses under ESEA. If a firm is confronted with the following situations, such freed-up local funds might be the answer:

- If a district would like to use Title I funds to purchase one or more products for use in Title I with Title I regular or ARRA funds and then to use the freed-up resources to purchase the same products for use by students in non-Title I schools, according to most official interpretations, this would not violate the supplement-not-supplant rule.
- If a district would like to purchase a certain type of product which would be on the borderline of being an allowable use of funds for either

Title I or IDEA regular/stimulus funding, then the freed-up money could be used to purchase the product if it falls under allowable uses for other ESEA programs, such as Adult Basic Education, Perkins Act, Even Start, Safe Schools, among others.

To view the rating of a district go to:
www.ideamoneywatch.com

Table 1			
School District Ratings on Implementation of IDEA			
State	Meets Requirements*	Needs Assistance	Needs Intervention or Serious Intervention
AZ	214	105	-
CA	983	3	-
CO	26	22	9
CT	132	34	-
DC	-	-	1
FL	51	16	-
GA	143	41	2
HI	1	-	-
IA	364	7	-
ID	114	-	-
IL	734	159	-
IN	288	38	-
KS	291	5	-
KY	154	20	-
LA	54	41	-
MA	297	24	15
MD	3	14	6
ME	102	53	-
MI	553	-	-
MN	400	17	-
MO	524	-	-
MT	No data available		
NC	No data available		
NJ	544	51	3
NE	532	4	-
NH	No data available		
NM	47	31	11
NV	No data available		
NY	620	56	25
OH	611	2	-
OK	518	21	-
OR	183	13	2
RI	Comparable data not available		
SD	174	-	-
TN	110	23	10
TX	429	736	76
UT	99	9	-
VA	134	-	-
VT	19	39	-
WA	252	23	22
WI	437	-	-
WV	49	6	-
Total	10,186	1,613	182
*Estimated			
Source: ideamoneywatch.com			

International Association for K-12 Online Learning Comments on USED Guidance Would Support Open Source Integration into School Improvement Grants

In its comments on draft School Improvement Grants regulations, the International Association for K-12 Online Learning, headed by Susan Patrick, recommended that, "...the final School Improvement Grants framework require state and local education agencies to make freely available all outputs produced through these grants, in order to promote the greatest possible impact on this important investment on the widest range of the nation's low performing schools and districts. Publicly-funded educational content should be open for use, sharing, adapting, and redistributing to all public schools and students." As a general comment, the Association supported priorities and requirements in the draft Race to the Top guidance, which would make "freely available all of the outputs (e.g., materials, tools, processes, systems) that it or its designated partners, produce related to its grant..." Likewise, she applauded recent guidance for the Enhancing Education Through Technology (E²T²) program that allowed such funds to provide "secondary school students with access to high-quality, open/free or commercial online courseware and instructional learning activities in core subject areas..."

During a policy forum in October, Patrick also recommended making "removal of online learning enrollment caps and restrictions a condition and requirement for states to receive grants from US ED Office of Innovation and Improvement," which is responsible for competitive grants for Race to the Top and Innovation Fund grants. She

also called for Congressional support for initiatives in Texas and California to adopt digital curriculum and called for USED to provide funding to help other states move in a similar direction. Observing that online learning has grown at an estimated annual rate of 30 percent, representing a "\$50 million market," Patrick noted that 44 states now have supplemental, full, and part-time distance/online learning programs. She suggested even greater growth would occur with the removal of obstacles, mostly at the state level, that would result in "individualized and customized instruction." For example, the Association supports the integration of "mastery concepts" into Title I requirements and called for states to move away from funding based on seat time. For a copy of the recommendations go to: <http://www.inacol.org/>

New Policy Brief from Alliance for Excellent Education Focuses on Nation's Dropout Factories, Identifying Districts with the Largest Numbers Which Could be the Districts Which Will be Receiving Large Portions of School Improvement Grants Targeting Tier II Schools

In September, the Alliance for Excellent Education issued a Policy Brief entitled "Prioritizing the Nation's Dropout Factories" which identified the need for Federal policy that targets the lowest-performing high schools. The Alliance's database includes, by state, the names of high schools with "promoting power" of less than 60 percent over a three-year span. These schools have been branded as "dropout factories" which produce more

than half of the nation's dropouts. Districts with the largest numbers of such schools could be the districts receiving large portions of School Improvement Grants in states which place a high priority on Tier II schools as categorized by the draft regulations on School Improvement Grants (see September 15 TechMIS Special Report). These were mentioned in the draft regulations as the 2,000 high school dropout factories which is a subset of the 5,000 lowest-performing schools nationwide that Secretary Duncan has argued should be the primary target of the School Improvement Grant initiative.

The Policy Brief includes a number of important statistics which should be useful to subscribers that are developing strategies to target and partner with districts which could be receiving School Improvement Grant funding which could increase by a factor of five to ten the amount of Title I funding allocated to targeted schools. The Policy Brief notes:

- 2,000 dropout factories together produced an estimated 470,000 dropouts from the Class of 2007 alone.
- Only 61 percent of dropout factories are eligible for, and even fewer actually receive, Title I funds; a provision in the draft regulation allows them to participate and receive School Improvement Grants in Tier II schools.
- Despite having extremely low graduation rates, 41 percent of dropout factories made AYP in 2004-05.
- Arguing that dropout factories are not solely an urban problem, the brief identifies the percentages by

locale: city (49%); suburb (19%); town (10%); rural (22%).

- While the average dropout factory enrolls 1,200 students, 53 percent have more than 1,000 students and 20 percent have enrollments of less than 400; and more than 150 dropout factories are charter schools.
- Three-quarters of the total enrollments in dropout factories are minority students with dropout factories having 72 percent of all black and almost 60 percent of all Hispanic dropouts in the Class of 2007.
- Dropout factories comprise high numbers of students living in poverty; an estimated 40 percent have enrollments of 40 percent or more students eligible for free or reduced-price lunch.

The Alliance's database measures the "promoting power" of each high school in each state shown as a three-year average. Those high schools with promoting powers of 60 percent or less are categorized as dropout factories. California has 144 dropout factories which constitute 13.3 percent of all high schools in the state and these dropout factories enroll almost 16 percent of high school students. Texas has almost 200 dropout factories representing about 15 percent of all high schools and serve almost 23 percent of all high school students enrolled.

As the Policy Brief notes, about 40 percent of the so-called dropout factories do not currently receive Title I funding because of low-poverty counts based on student self-reporting, the way districts determine Title I school eligibility, the amount of Title I

funding needed to serve high schools, and other reasons. Hence, the draft regulations for the School Improvement Grant initiative allows a district to request a large amount of funds to serve the schools that are designated as Tier I and then, when the LEA receives a portion of the funds, it can allocate funds as it wishes to Tier II high schools and middle schools, which do not often generate Title I funding. It is likely that, in large cities, a large portion of Tier I schools, mostly elementary, and some of Tier II high schools that are recipients of School Improvement Grants will be in the same district. In states such as California and New York, not all LEAs include all grade levels.

Miscellaneous

- The most recent State Revenue Report from the Nelson A. Rockefeller Institute of Government reported that state tax revenues showed a record drop for the second consecutive quarter -- slightly over 16 percent -- the sharpest drop on record. Thirty-six states reported double-digit declines with total state tax collections declining \$63 billion or 8.2 percent from the previous year; this was approximately twice the amount states gained in fiscal relief from the stimulus package. In 36 early-reporting states, tax collections dropped eight percent in August-September. At the same time, local tax revenues were down by almost three percent, marking the first decline since 2003. On the other hand, local property taxes rose slightly over three percent during the quarter.

According to the Institute, "One way to

gain insight into which states have been hurt most by this crisis is to compare current tax revenue to its recent peak -- a period that is different in different states." To do so, it compared the percent change in real per capita tax revenue from the most recent peak. Accordingly, it found the lowest percent change from the most recent peak in the following states: Wyoming and North Dakota (both zero), South Dakota (2.1%), Iowa (2.4%), Indiana (3.9%), West Virginia (4.1%), Vermont (4.5%), Montana (4.9%), Arkansas (5.1%), and Maryland (6.2%). States with the largest percent changes from the most recent peak included: Alaska (37%), Florida (28%), Arizona (20%), South Carolina (20%), Georgia (20%), Virginia (18%), Utah (18%), and Idaho (17%). As the report notes, "States with large declines, even if they have been slowing of late, still will struggle to finance budgets because they are unlikely to have raised cut services or raised nontax revenue by enough to fill the gap, and are likely relying on federal stimulus and other forms of nonrecurring revenue to finance a large share of their budget." The report also predicts that, in most states, there will be a new round of budget shortfalls which are likely to lead to mid-year budget cuts plus further spending cuts and tax increases in governors' proposed budgets this January. While the number of states with "declining economies" has dropped from 48 states to 41 states over the last several months, the report concludes "Despite the recovery, most states will face budget gaps this fiscal year and next, and probably for at least one to two additional years."

For a copy of the report go to:
www.rockinst.org

- The Institute of Education Sciences has released the final report of a two-year random assignment study of structured enhanced mathematics and reading programs versus regular after-school tutoring and related programs in after-school settings. The study found that only the math program produced statistically significant positive results during the first year. The structured enhanced reading program showed no positive gains in the first year. In the second year, student progress was lower for the mathematics enhanced intervention program, *Mathletics*, published by Harcourt. The reading intervention program was *Adventure Island* developed by the Success for All Foundation. Assuming that the research design was rigorous and valid and that the implementation over the two years had fidelity, the findings suggest that structured enhanced reading programs are not any more effective than regular after-school tutoring and similar programs and that more success in math is likely to occur during the first year of implementation than in the second. However, given the history of IES reporting and questionable interpretations by the media, it is likely that the results will be interpreted that after-school programs are not effective in teaching reading or math. In fact, a large number of studies conducted independently by groups such as Policy Studies Associates have found that well-implemented after-school programs -- regardless of the type of academic instruction and enrichment programs -- were much more effective in producing

positive results than in students attending them, especially over extended time frames, than similar students who were not provided such after-school instruction and experiences. Go to:
<http://ies.ed.gov/ncee/pubs/20094077/index.asp>

- A new GAO report has found that almost 30 states have reported recent cuts or plan future reductions in spending on state testing required under NCLB. The GAO has identified several major challenges which could provide opportunities for creative firms. Based on surveys completed by 48 states and in-depth studies of four states and eight districts, assessment development has been the largest NCLB expense for most states. As of 2007, 19 states reported assessment budget cuts due to overall state fiscal cutbacks, with ten more expecting reductions in the immediate future. To cope with tighter budgets, most states are using more multiple choice items, which are less costly to score, than they did previously. Officials in a number of states reported development was the most expensive assessment activity, followed by scoring; and in selected states, alternative assessments for students with disabilities were more costly than general population assessments. GAO reported that, "State officials also reported facing trade-offs between efforts to assess highly complex content and to accommodate cost and time pressures." Although GAO reported that USED monitoring in most areas was adequate, the report stated, "However, education has not made assessment security a focus of its peer review process and has not incorporated best practices in assessment

security into its peer review protocols. Unless Education takes advantage of forthcoming best practices that include assessment security issues, incorporates them into the peer review process and places proper emphasis on this important issue, some states may continue to rely on inadequate security procedures that could affect the reliability and validity of their assessment systems.” USED indicated that it believes its current practices are sufficient to ensure that appropriate test security policies and procedures are implemented.” USED also noted that such security methods “are typically included in contractual agreements with test publishers or collective bargaining agreements and that details on these additional provisions are best handled locally based on the considerations of risk and cost.”

In addition to potential opportunities for creative firms in the test security area, it is also clear that as more and more states move toward multiple choice, which are easy to score quickly at lower cost, the demand for embedded formative assessments, as well as interim and benchmark assessments, may be in higher demand. One requirement across the Race to the Top, School Improvement Grant, and Innovation Fund Grant programs is increased use of formative and other assessment data to help teachers inform instruction and monitor student progress.

For a copy of the GAO report go to: <http://www.gao.gov/new.items/d09911.pdf>

- The enrollment of post-9/11 Iraq war veterans applications for in the new GI

bill -- which became effective August 1st -- is getting off to a fast start in applications for enrollment, but a slow start in VA payment for tuition, tutoring, and other reimbursements. Since May 1st, approximately 275,000 individuals have been deemed eligible, but only about 50,000 had received payment by the end of September. A September 25th article in The New York Times estimated that just 20,000 applicants have been notified of tuition payments being made to the colleges at which they are enrolled, with 13,000 additional payments made for various other expenses. Our discussion with the Congressional Affairs Office at the Veterans Administration (202-273-8454) indicates that, thus far, the VA has not been able to determine the absolute number or percentage of eligible applicants to be receiving additional payments of \$100 per month for up to 12 months of tutoring or remediation and refresher courses prior to or during initial enrollment. In recent testimony before the House Veterans Committee, Keith Wilson, Director of the VA’s Office of Education Service, indicated that since May 1st, almost one million claims have been filed for education benefits under all VA education programs with about 800,000 claims being processed. These enrollments included not only the new post-9/11 GI Bill, but also the prior Montgomery GI bill. The VA originally thought veterans would transfer eligibility from the older Montgomery GI bill to the new bill; this has not happened to the extent that they planned. Moreover, the original contractor who was hired to develop the claims processing system failed to meet its contract specifications resulting in the

VA having to merge three separate processing systems into one using internal staff. VA expects that the current average of 35 days to process the new GI bill applications will be reduced over time as more applications with the new bill are received. A discussion with House Veterans Committee members and staff, as well as the VA Congressional office, indicates that it is likely to be several months before any information will be available on how many applicants applied and received payments for tutoring which can be provided by colleges and universities, or eligible third-party providers. In testimony a year ago, Keith Wilson estimated that most tutoring courses would likely be delivered online because of convenience and other factors.

- During the last several weeks, a number of teacher groups or projects have received grants that fit into Secretary Duncan's priorities. Some of these grantees or the entities directing these recently-funded projects could represent potential partners for some TechMIS subscribers in joint efforts under the Innovation Funding grant program.

Under the AFT Innovation Fund, sponsored and funded by the American Federation of Teachers, eight affiliates will be initiating or scaling-up new models for teacher bargaining, recruitment, evaluation, or compensation, including tying pay to student performance, using \$1.2 million of the first round of funding under the AFT's initiative. According to Education Week (October 14th), the Innovation Fund, which totals \$3.3 million, has received foundation support

from the Broad Foundation, Carnegie Corporation, Ford Foundation, Gates Foundation and Mott Foundation, in addition to \$1 million from union dues. Among the eight winning grantees, three affiliates -- the Broward Teachers Union, New York State United Teachers, and Rhode Island Federation of Teachers -- will experiment with incorporating student-achievement information into decision making by teachers. The Illinois Federation of Teachers will design a new contract negotiating model, while the Philadelphia Federation of Teachers, in collaboration with the University of Pennsylvania, will expand a Community Schools Program. The St. Paul Federation of Teachers will expand an aggressive recruiting model that provides outreach to high school students and includes multiple pathways to become a full-fledged teacher. The San Antonio Alliance of Teachers and support personnel will increase the number of in-district charter schools, using models such as community schools or two-way bilingual schools in San Antonio. The ABC Federation of Teachers in South Los Angeles County will extend centralized decision-making to ten high-needs schools then launch a Teacher Center West which will provide technical assistance for unions and districts in western states that are working to turn around low-performing schools.

Under the Teacher Quality Partnership Initiative, USED recently announced 28 grants primarily to university-based partnerships that will receive a total of \$43 million. According to Education Week (October 14th), all but seven of the grantees include a residency component

similar to an initiative undertaken by then CEO Duncan while heading the Chicago Public Schools. Other sites, in which residency initiatives with extensive student teaching, teacher preparation pathways and alternative routes have occurred, include Boston and Denver which new grantees will be taking to scale. The list of grantees is available at:

<http://www.ed.gov/news/pressreleases/2009/09/09292009.html>.

Early in October, National Education Association (NEA) President Dennis VanRoekel, testifying before the House Education and Labor Committee, stated, “Great teachers, with the right policy supports, are the ideal agents of meaningful and sustainable change in our most challenged schools.” He called for comprehensive strategies to address working conditions, and teacher quality, and announced the launching of NEA’s \$6 million Priority Schools Campaign which will provide \$1 million each year to “pursue comprehensive strategies and policies that will increase teacher effectiveness in high-needs schools,” and ensure “a great public school for every student.” While most of the

funding will be allocated to projects addressing member recruitment and collective bargaining, some will be provided to recipients who support mentoring programs for new teachers in high-needs schools. It is likely that grantees or recipients of grants will be identified on the NEA’s website at www.nea.org.

In a speech at Columbia University in October, Secretary Duncan accused many of the nation’s schools of education of doing “a mediocre job of preparing teachers for the realities of the 21st century classroom.” The two biggest deficiencies he stated are “a bad job teaching students how to manage disruptive classrooms” in low-income areas and failing to train new teachers “how to use data” to improve student instruction. Good programs, on the other hand, have a shared vision of what constitutes good teaching and best practices, including a single-minded focus on improving student learning and using data to inform instruction.”

Alabama Update

November 2009

Governor Bob Riley has declared a 7.5 percent, across-the-board spending cut in the Education Trust Fund for the new fiscal year because of below-expected tax collections. For the fiscal year that ended in September, the Governor imposed an 11 percent cut and used all of the State's rainy day fund. The cut for FY 2010 means that State funding for K-12 and higher education will drop from \$5.7 billion to \$5.3 billion. The Governor has said he made the proration (as cuts are called in Alabama) at the beginning of the fiscal year so school districts will know what to expect from the State. It is possible that some of the proration could be restored if the economic situation improves.

Arkansas Update

November 2009

Arkansas' new education commissioner, Tom Kimbrell, has said that free preschool programs should be available to all three- and four-year-olds in the State. Funded at \$111 million annually, the *Arkansas Better Chance* and *Arkansas Better Chance for School Success* programs serve more than 25,000 children from low-income families. The new commissioner is a former superintendent of the Paragould and North Little Rock school districts and was recently Executive Director of the Arkansas Association of Educational Administrators.

California Update

November 2009

The *L.A. Now* blog from the [Los Angeles Times](#) reports that Governor Arnold Schwarzenegger has vetoed California Senate Bill 84 that would have reversed “unplanned-for cuts” in supplemental funding of \$400 million Statewide. The Governor does, however, plan to address district budget shortfalls by accelerating the spending of Federal stimulus money. This fix will help address the immediate deficits of local school districts but will mean that only ten percent of the Federal funds will be available for the 2010-11 school year.

As reported in [Education Week](#), the Federal economic stimulus package includes a new program -- Qualified School Construction Bonds (QSCB) -- that can provide funds to build, upgrade, or repair school facilities. California school districts applied for QSCB tax credits for \$3.7 billion in projects. Because the State has only \$700 million in construction bonding authority, it plans to use a lottery to determine how the zero- or low-interest bonds will be allocated.

A report from the California Budget Project addresses California’s Adult Education Program and community colleges which, in combination, provide 1.5 million adult learners with classes in basic English literacy, basic math, and English-as-a-Second-Language. According to the [San Francisco Chronicle](#), the report shows the two programs, which spent a total of \$1 billion on basic remediation in 2007-08, have seen deep budget cuts over the last two years. The report also noted that, although the two systems serve somewhat different populations, they should work together to help students move from remedial programs into advanced academic or vocational training.

Colorado Update

November 2009

As described by *inForum*, from the National Association of State Directors of Special Education, Colorado uses a three-tiered framework for Response-to-Intervention (RTI) that is designed to promote an integrated system connecting regular, compensatory, special, and gifted-and-talented education. The State provides training while RTI implementation is focused at the district and school levels. Colorado's regulations require the use of RTI and do not allow "severe discrepancy" for identification. The State provides online classes for problem-solving, consultation, and progress monitoring to support establishment of State communities of RTI practice. The State has developed *RTI: A Practitioner's Guide to Implementation* and offer regional training sessions on RTI leadership. Colorado also encourages the use of designated case managers to support problem-solving teams consisting of educational staff and parents. The *inForum* website is: www.projectforum.org/docs/RTI-SelectStatePrograms-final.pdf.

Florida Update

November 2009

The Tallahassee Democrat reports that Florida's new online reading assessment, FAIR (Florida Assessments for Instruction in Reading) has seen a number of technical problems during its initial implementation. FAIR is a series of computer-based tests (developed by the Florida Center for Reading Research at Florida State University) that predicts how well students will perform on the Florida Comprehensive Assessment Test (FCAT). After a one-year pilot test of FAIR, it was expected that 100,000 to 200,000 students could be on the system at the same time. In fact, the program slowed down dramatically with 13,000 users. Despite the technical issues, most schools have been quite pleased with the results of FAIR.

According to an *inForum* analysis, from the National Association of State Directors of Special Education, Florida uses a three-tiered Response-to-Intervention model to help reduce disproportionality, promote the achievement of all students, and integral general and special educational. For students with specific learning disorders (SLD) and emotional/behavioral disabilities (E/BD), the evaluation procedures call for appropriate interventions and progress monitoring in the general education environment. Florida State offices use Federal IDEA funds to support LEAs which are encouraged to use Title I, Title II, Title III, IDEA, Federal stimulus, and State funds to support interventions. Seven Florida school districts with 34 schools are participating in a pilot study that provides training and technical assistance to develop demonstration sites and a data-based evaluation of K-12 RTI implementation. The State provided competitive funds of up to \$100,000 per year for three years to support one RTI coach for every three participating schools. The *inForum* website is: www.projectforum.org/docs/RTI-SelectStatePrograms-final.pdf

Georgia Update

November 2009

The Atlanta Journal-Constitution reports that summer re-testing of students has helped more Georgia public schools make adequate yearly progress (AYP) under the Federal No Child Left Behind Act. Overall, 86 percent of the State's 2,172 schools made AYP -- six percentage points higher than last year and seven points higher than the scores reported at the end of the school year. This is the second year that Federal rules allowed summer re-tests to be used in AYP calculations. Last year, and earlier this year, less than half of the State's 442 high schools made AYP; the new results show that 56 percent met the standard.

Hawaii Update

November 2009

According to the Afterschool Alliance, Hawaii is the highest ranked state in the nation for after school programs. The Alliance's recent report, *America After 3 p.m.*, noted that 28 percent of Hawaii's school children are enrolled in afterschool programs for an average of more than 9 ½ hours per week. The State-funded *After School Plus Program* provides homework assistance and enrichment activities for students at nearly 200 elementary schools. The study also reports, however, that Hawaii's participation rate has declined since 2004 and that the State's budget situation indicates that there will be little or no new funding for such programs in the near future.

The Honolulu Advertiser reports that charter schools in Hawaii are not required to abide by the State's plan to furlough public school teachers for 17 days during the current school year. But the charters will still have to address a 27 percent decrease in per-pupil funding from the State. Per-pupil funding for Hawaii's 31 charter schools has dropped from \$8,149 in 2007-08 to \$7,588 the following year to \$5,530 this year, despite sharp increases in enrollment. Charter school operators are confronting State education officials over that large per-pupil funding disparity between regular public schools (\$11,000) and charters (\$5,500).

Illinois Update

November 2009

As reported in the Chicago Tribune, a new State report says the Chicago school district has failed to comply with the Federal Individuals with Disabilities Education Act (IDEA) in 11 areas.

According to the report:

- 40 percent of Chicago's 96 schools that are State-monitored do not properly implement student IEPs.
- At one high school, staff did not know how to work with students with disabilities and could not provide proper student support.

The district, which will spend \$850 million on special education this year, plans to challenge the State report.

Indiana Update

November 2009

Declining State revenues are likely to cause even more cuts to the State's education budget this year. The first quarter of FY 2010 showed a \$254 million shortfall and a projected \$165 million shortfall in the current quarter. K-12 education received a 1.1 percent increase for FY 2010 and a 0.3 percent increase for FY 2011 -- not including Federal stimulus money. But the budget situation suggests that a cut to the education budget of one percent would save the State \$60 million.

Indiana made a concerted effort to get more high school students to take the PSAT exam on October 14. According to the [Indianapolis Star](#), the State pays the \$13 cost of the exam for all tenth-graders and low-income eleventh-graders. But only 61 percent of those students took the PSAT last year. The PSAT is seen as important because Indiana seniors who took the PSAT scored 150 to 250 points higher on the SAT than did those who did not take the PSAT.

The Lilly Endowment has provided a \$2 million grant to support the Indiana Science, Technology, Engineering and Mathematics Resource Network, according to [Education Daily](#). The I-STEM Network, a consortium of 18 Indiana higher education institutions, provides professional development to help teachers improve their content knowledge in math and science. Since the program began in 2007, more than 6,000 K-12 teachers -- serving 150,000 students -- have participated in I-STEM professional development activities.

According to the [Chicago Tribune](#), Indiana education officials have ruled that parent-teacher conferences and half-day sessions can no longer be counted as instructional time toward the State requirement of 180 instructional days. The change has caused problems for districts which will have to cancel parent-teacher conferences or add days to the school calendar. Most teacher union contracts prohibit teachers from being required to come in on their days off and say that districts cannot add unpaid days to the school year without negotiating with the union.

Iowa Update

November 2009

Iowa addresses the issue of Response-to-Intervention through a three-tiered process known as Instructional Decision Making (IDM). As described by *inForum* from the National Association of State Directors of Special Education, IDM uses student data to guide instruction of students (including high-achieving students) and helps schools and districts: (1) align their activities with initiatives; (2) plan for professional development; and (3) determine more effective schedules. Iowa's area education agencies (AEAs) establish plans for their districts and provide support during implementation. This past June, the State conducted a Statewide IDM conference for school, AEA, and SEA staff. The *inForum* website is: www.projectforum.org/docs/RTI-SelectStatePrograms-final.pdf

Kansas Update

November 2009

Kansas refers to its framework for Response-to-Intervention as the Multi-Tier System of Supports (MTSS) according to the National Association of State Directors of Special Education's *inForum* analysis. MTSS uses research-based interventions and data-based monitoring of instructional effectiveness to guide instructional decisions. Currently, Kansas' three-tiered system is most comprehensive for elementary reading (250 schools). During the last two years, 12 secondary schools have participated in a pilot project that integrates academics and behavior. In the current school year, Kansas is expanding its grade-level RTI projects to cover preschool through high school. The State will release a Request for Proposals for a comprehensive evaluation of MTSS for the 2010-11 school year. The *inForum* website is: www.projectforum.org/docs/RTI-SelectStatePrograms-final.pdf

Louisiana Update

November 2009

As reported in Education Week, Louisiana's High School Redesign Commission is reviewing a new high school curriculum that would include a "career diploma" which is less rigorous than the State's traditional diploma. State officials are concerned that this curriculum could damage the State's chances of receiving up to \$200 million in Federal Race to the Top money.

Massachusetts Update

November 2009

According to the Boston Herald, Massachusetts's most recent survey on school technology found that two-thirds (474 out of 706) of the State's school districts plan to upgrade their classroom materials from print to digital formats. Additionally, Massachusetts schools will receive \$8.5 million in Federal (EdTech) stimulus money to use technology to improve student performance. Some of the stimulus money will fund a competitive grant program targeting potential high school dropouts.

Michigan Update

November 2009

As reported in the Detroit Free Press, the struggling Detroit school district has allocated close to \$40 million for consultant fees and benefits for a turnaround team whose goal is to strengthen the district's financial management organization. Most of the consultants have associations with Robert Bobb, the district's State-appointed overseer and its new Chief Academic Accountability Auditor, Barbara Byrd-Bennett. Ms. Byrd-Bennett, formerly CEO of Cleveland's school district, brought with her six consultants who will be paid a total of more than \$700,000 this school year. Detroit also gave a \$972,000 contract to Philadelphia-based PFM Group (for whom Bobb once worked) to help develop a new financial plan for the district. District officials -- who spent only \$8.5 million for outside consultants last year -- argue that, in the long run, the consultants will save the district more money than they cost and that, in fact, they have saved \$20 million already. Teachers unions, who have seen 2,500 layoffs since the summer, are dismayed at the consultant expenditures.

Nevada Update

November 2009

Education Week reports that a number of factors are expected to make Nevada ineligible for Federal Race to the Top (RTTT) funding. One key issue is a State law, urged by the State teachers union, which prohibits student achievement data from being used in teacher evaluations. Moreover, RTTT requires states to show increased education funding between 2008-09; Nevada has cut spending. State officials have indicated that they will not apply for the first round of RTTT funding, but may work to resolve these issues in time for the second phase.

As reported in the Las Vegas Review-Journal, the U.S. Department of Defense is partnering with the University of Nevada, Las Vegas to develop a virtual high school curriculum to help the school-age children of military families who often have to switch schools frequently. Intended as a supplement to a traditional school curriculum, the virtual curriculum will be made available to the more than 90,000 students who attend 200 Department of Defense schools around the world. UNLV's Division of Educational Outreach has received a \$6.2 million contract to develop 33 courses that would comprise the virtual high school curriculum.

New Jersey Update

November 2009

Governor Jon Corzine has announced two new initiatives designed to keep students in school. The first program, *Promise Communities*, to be tested in Camden and Newark, attempts to provide interlocking services for children from poor families -- from birth to college -- that will form a safety net for an entire neighborhood. The program is modeled after the successful Harlem Children's Zone in New York City. The second of the Governor's initiatives, *Bold Approach*, is a school-based reform model to be piloted in one Newark high school and its feeder schools. Supported by a \$220,000 Ford Foundation grant, *Bold Approach* hopes to strengthen the connection between school and the workplace, increase coordination with health and social service programs, and provide after school activities.

New Mexico Update

November 2009

Education Week reports that Governor Bill Richardson has proposed a 1.5 percent cut in State education spending as part of a plan to address a \$650 shortfall in New Mexico's \$5.5 billion State budget. This represents a reduction of about \$40 million for public schools and colleges. Balancing the budget is the primary issue being addressed by the current special legislative session.

Oregon Update

November 2009

As reported by The Oregonian, Oregon has declared that the State will make a serious effort to win a share of the Federal Race to the Top (RTTT) money to be awarded next Spring. The State has named a 22-person “design team” of educators and education advocates to develop Oregon’s application for RTTT funding, the first round of which are due in December. Oregon believes that its use of proficiency, rather than seat time, to award high school credits is a positive. ON the negative side, the State teachers union has successfully countered efforts to link student test scores to teacher evaluations, an important element of RTTT eligibility. More information on Oregon’s RTTT bid can be seen at: www.ode.or.us/search/page/?id=2781

Pennsylvania Update

November 2009

As reported in Education Daily, Governor Ed Rendell has signed an education budget that adds \$300 million to Pennsylvania's core funding for basic education. The budget maintains two programs -- *Pennsylvania Pre-K Counts and Accountability Block Grants* -- which have greatly increased the number of kindergarteners in full-day programs. It has been suggested that the funding increase is in response to an Inspector General's report which said that Pennsylvania might be using Federal stimulus funds to reduce State spending. State officials deny this claim. The Governor has also proposed using the State's rainy day fund to cover budget shortfalls -- \$250 million in FY 2009 and \$375 million in FY 2010. Under the new budget, all Pennsylvania school districts would be spending at least \$8,500 per student.

After many years of debate and controversy, Pennsylvania is finally implementing a Statewide requirement that high school students could have to pass a series of State-approved final exams in order to graduate. As reported in the Philadelphia Inquirer, the new Keystone exams, to be phasing in starting in the 2010-11 school year, will replace the Pennsylvania System of State Assessment (PSSA) exams in reading, math, and science. The first Keystone exams -- in biology, Algebra I, and literature -- will be given in 2010-11; by 2015, this year's seventh graders would have to pass six Keystone courses. The use of the exams as a graduation requirement will be optional with each school district. It has been estimated that development and administration of the new exams, as well as a model curriculum and diagnostic tests through 2014-15, will cost the State \$176 million. Administration in subsequent years will cost \$31 million annually.

The National Association of State Directors of Special Education, in an *inForum* analysis, cited Pennsylvania's three-tiered RTI model which is designed to develop a "school-wide, early-intervening strategy to improve student outcomes." The Pennsylvania Department of Education is partnering with the Pennsylvania Training and Technical Assistance Network (PaTTAN), intermediate units, and several universities and uses a resource allocation process that requires

significant shifting of school resources. The Pennsylvania RTI model consists of the Monitoring Progress of Pennsylvania Pupils Project (MP3) and building-level Instructional Support Teams (ISTs). MP3 monitors the implementation of K-4 reading, facilitates RTI in target schools, provides interventions through a standard protocol, and offers professional development for teachers and other staff. The *inForum* website is: www.projectforum.org/docs/RTI-SelectStatePrograms-final.pdf

Rhode Island Update

November 2009

According to The Providence Journal, Rhode Island is planning to go strongly after funding from the Race to the Top (RTTT) component of the Federal education stimulus package. Believing it is well-positioned for RTTT, the State has established a 23-member steering committee to help formulate its application. A number of foundations have provided money to support the State's first round application which is due in December with money for successful grantees expected to be available in March.

The Providence Journal reports that Rhode Island has released new early learning standards to help create quality pre-K programs in the State. The State's framework, based on accreditation criteria from the National Association for the Education of Young Children, includes eight domains: approaches to learning, social and emotional development, language development/communication, literacy, mathematics, science, creativity, and physical health/development. The standard can be viewed at the Rhode Island Department of Education website: www.ride.ri.gov/special_populations

Based on a school-wide model of problem-solving and data-based decision-making, Rhode Island's RTI framework has five primary elements: a problem-solving process, an instruction and intervention system, data-based decision-making, shared responsibility, and integration into special education and personal literacy planning. As described in an *inForum* analysis by the National Association of State Directors of Special Education, the Rhode Island RTI initiative has provided six train-the-trainer RTI modules for grades K-12 as well as regional and district-level technical assistance. The *inForum* website is: www.projectforum.org/docs/RTI-SelectStatePrograms-final.pdf

Tennessee Update

November 2009

The Federal economic stimulus package includes a new program to provide funds, in the form of zero- or low-interest bonding, for the construction, upgrading, or repair of school facilities.

Applications for Qualified School Construction Bonds (QSCB) from Tennessee school districts included projects totaling \$305 million, even though the district has only \$121 million in QSCB bonding authority. Some districts, like Loudon County which had hoped to build a new middle school, were not approved. Others were more fortunate. Maryville, for example, will use \$20.4 million from bond proceeds to build a new intermediate school which had been stalled for more than a year.

As reported in The Tennessean, Federal stimulus money has been used to provide online classes to as many as 20,000 additional students over the next two years; only 2,250 took online classes in 2008-09. Created in 2006, Tennessee's online school, e4TN, has seen its enrollment increase by 900% since its inauguration. Districts will be able to apply for stimulus funds to pay for online courses -- as much as \$750 per student. The State offers 24 online courses but local districts can purchase their own programs from outside providers as long as the curriculum matches State standards.

Education Week reports that some Nashville parents have filed suit over the school district's rezoning plan. The legal action claims that the district's effort to return students to neighborhood schools is a pretext for resegregation.

Utah Update

November 2009

The Salt Lake Tribune reports that Utah education officials are conflicted about applying for a share of the funding under the Race to the Top (RTTT) component of the Federal education stimulus package. Some State legislators, as well as many local district superintendents, are strongly in favor of going after the RTTT money, noting that the State is already moving toward many of the reforms called for in the program, such as national academic standards, data systems that track students, and rewarding teachers for the academic progress of their students. Other officials are more skeptical, saying the Federal Government does not have the authority to interfere with State education.

According to the Deseret News, drafts of Utah's State budget for 2010-11 cut funding for charter schools by \$270 per student. Charter schools in Utah already receive \$500 less than traditional public schools in basic per-pupil funding. Despite an expected 14,700 new students next year, Utah plans to keep total costs level meaning there will be a 2.6 percent cut in per-pupil spending. And, because charter schools account for 58 percent of the State's enrollment growth, they will take the biggest hit. The cut means that a typical charter school of 600-700 students could lose up to four classroom teachers. It has been estimated that as many as 18 of the State's charter schools could be shut down because of the funding cut.

As reported in Education Week, Utah State Charter School Board approved only two new charter schools -- out of seven applications -- for the 2011-12 school year. The two new charters -- Aspire Online Charter School and Good Foundations Academy -- must still be approved by the Utah State Office of Education. Historically, since 2001, between six and 15 new charters have been approved each year. This year there were seven new charter schools and, in the Fall of 2010, another six will open their doors. Utah has a cap of 7,550 new charter school students for the 2011-12 school year.

West Virginia Update

November 2009

Earlier this year, the West Virginia legislature approved the concept of “innovation zones” in which public schools could extend the school day and year, apply innovative, research-backed teaching strategies, and receive waivers to other State rules. But some State education officials question whether innovations can be enacted because of the requirement that 80 percent of the school staff who could be affected -- teachers and principals -- must approve of any innovation zone changes.