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M E M O R A N D U M

DATE: September 28, 2005
TO: TechMIS Subscribers
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SUBJ: E-Solutions to Meet Katrina/Rita Challenges Could be Impacted by
Federal Policies and Changes

Given the increased media coverage of e-learning and related solutions as promising ways to meet challenges created by Katrina/Rita, a number of yet to be determined legislative and funding policies could have a direct impact on e-learning opportunities. The enclosed Special Report identifies some of these areas which firms with technology based solutions and services should be aware and monitor developments. Please call me directly if you have any questions.

Opportunities for Online Solutions To Meet District Challenges Created by Katrina and Rita Appear to be High, Although Subtle Policy Changes Could Have Direct Impact

*A Technology Monitoring and Information Service (TechMIS)
SPECIAL REPORT*

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Online solutions providing instruction and assessment for displaced students and, even training/certification of teachers, offer high potential for meeting some of the challenges confronting districts impacted by recent hurricanes and floods. Policy changes reflected in USED approved waivers, Congressionally-approved waiver authority delegated to USED, and final appropriations of additional supplemental K-12 aid (ranging from about \$2 billion proposed by USED and slightly over \$3 billion proposed by the U.S. Senate) all could have direct implications affecting the demand for such online opportunities. Some of these areas which should be monitored are highlighted below along with possible consequences.

One of the driving pushes for online instruction stems from the mandate that all displaced students be designated as “homeless children” falling under the McKinney-Vento Act, which requires all such designated students be provided Title I services by the district enrolling the student, including students enrolled in non-Title I schools. District Title I directors with whom we discussed the issue indicate that the Title I “reserve” at the central office will have to be increased significantly, particularly to cover transportation costs of sending itinerant teachers to non-Title I schools to provide services for a limited number of students. Moreover, as homeless students move from one location to another during the school year, they must be transported back to the school in which they initially enrolled to receive services. And, as noted in our last Special Report, several Title I officials are exploring the possibility of online services as a cost effective solution.

Some online services fit nicely into strategies for using Title I funds to serve homeless students recommended by the quasi-official National Association for the Education of Homeless Children and Youth, which collaborates with groups receiving Federal support:

- “Use Title I funds for research-based programs that benefit highly mobile students;
- Use set aside funds for afterschool or summer programs (Title I central office reserve ‘set asides’);

- Use Title I funds to hire special teachers, aides, and tutors to provide supplemental instruction to students at risk of school failure, including students experiencing homelessness, on reading and math as a supplement to regular classroom instruction.”

Online instruction and distance learning, particularly through virtual high schools, are being looked upon as a promising way to ensure high school students have the opportunity to graduate with a diploma on time. Mississippi State Superintendent Bounds has requested an additional \$50 million in state funds for Mississippi Online to provide such opportunities while Governor Haley Barbour stated last week, when he accepted a \$2.5 million donation from Bell South Foundation to expand online learning: “Online courses and technology support is critical to our relief effort,” as reported in Education Week (September 21). In the same Education Week article entitled “e-Learning Providers Offer Help in Wake of Katrina,” reporter Rhea Borja identified a number of associations such as the Southern Regional Education Board (SREB), the North American Council for Online Learning, and the State Education Technology Directors Association as spearheading a major initiative which would result in numerous state virtual schools donating online classes, virtual tutoring, and other technology support for online services. However, as Bill Thomas, Technology Director for SREB noted in a recent discussion, while virtual schools -- as currently set up -- can provide a viable solution to meet some of the graduation-related challenges, most virtual schools are not equipped to serve elementary students. And, while virtual schools can be a logical option for mobile students who could tap into Internet periodically, many homeless elementary students never have taken online classes and are not used to the independent, self-directed nature of virtual classes. Moreover, the elementary students are more likely to have experienced emotional trauma requiring more adult counseling and direct support. In an Education Week (September 28) article David Hoff reported that the Louisiana SEA will allow students concerned about meeting course-taking graduation requirements to have the option of taking courses through the LSU website.

Another possible opportunity for online services to help meet district challenges could be in the area of assessment, not only related to AYP determinations, but also state regulations. For example, if a displaced 12th grade student from Louisiana enrolls in a Texas high school, the student must take the Texas state assessment (TAKS) if they are to earn a Texas diploma. In other states such as Tennessee and Mississippi, officials are analyzing the similarity of their respective state exit exams and, according to Education Week, if the exams are comparable, a state could waive its own test and award diplomas to students who have passed the test in their home states. More than 20 states currently have exit exams and offer students opportunities to retake exams or portions thereof which they failed many times, through online test retaking in over ten states in order to receive a high school diploma, even after they leave school.

Policy changes from a variety of sources could have a direct impact on the extent to which e-learning or online services are actually used to attempt to solve many of the challenges confronting districts. On several occasions, Secretary Spellings has stated that Congressional changes in McKinney-Vento will be required or USED would have to be delegated waiver authority by Congress for review on a case-by-case basis to make exceptions from current McKinney-Vento law. For example, under current law, states are allocated their portions of McKinney-Vento funding (\$56 million for FY 2005, with Texas receiving \$5.4 million last year, \$1.3 million for Louisiana, and \$760,000 for Mississippi) which are then distributed to districts

under competitive grants; if the law is changed to allow states to allocate these funds to districts based upon “needs” and “capacity” to adequately serve newly-enrolled homeless students (vs. the continued use of competitive grants), then small districts which seldom apply for McKinney-Vento grant funding might be able to afford e-learning opportunities. The National Governors Association highlighted a similar problem with the current USED proposals to allocate \$2.6 billion in Federal K-12 relief (up to \$7,500 per eligible displaced student) to districts in which ten or more displaced students enroll, which could preclude many small rural districts from receiving any relief funds. Such changes in funding allocations would have a significant impact. For those displaced students enrolled in Title I schools which have been identified for improvement for two consecutive years, opportunities for online tutoring could expand. In response to a request from the Louisiana SEA to allow such districts to provide SES before the required parent choice option, Secretary Spellings, in her letter dated September 21, was sympathetic but at the same time ambivalent about offering a blanket waiver to Louisiana districts. However, she did offer the following guidance confirming that “LEAs have the discretion to close the transfer enrollment period after giving parents a reasonable amount of time to apply. An LEA may decide that any student, including a student displaced by Hurricane Katrina, who enrolls in an eligible school after the choice window has closed may not be eligible to transfer in the 2005-06 school year.” On the other hand, if a displaced student enrolls while the choice window is open, “that student is eligible to transfer to a school not identified for improvement.” However, current McKinney-Vento law would require that the student transferring to another school would have to return to the “school of origin” to receive Title I services, which again points out the need for simplification of the conflicting, non-logical provisions of Title I and McKinney-Vento. Secretary Spellings has allowed four Virginia districts to provide SES before parent choice option as noted in the September TechMIS Special Report. Currently, the Senate Katrina K-12 relief package sponsored by Senators Kennedy and Enzi, would provide an additional \$50 million for McKinney-Vento and \$100 million for Title I supplemental educational services as part of its \$3+ billion supplemental appropriations.

The Kennedy-Enzi Senate Bill (S. 1715), submitted on September 15, would provide an authorization of \$2.5 billion for districts in which at least ten students displaced by Hurricane Katrina become enrolled. Fifty percent of displaced students who have disabilities would generate 125 percent of the state average per-pupil expenditure for the district. In addition, early intervening services under IDEA, which include educational and mental health support, would be required for displaced students who do not have special education records but whose parents provide some evidence of previous enrollment in special education, and for students who have not been identified as prior special education students but who need additional academic and mental health support to succeed in a general education environment. As a result, districts enrolling displaced students would have an incentive to either place more students in special education or provide early intervening services for borderline students in order to receive more of the additional funding under the supplemental.

Perhaps the largest policy issue with the most significant possible implications is where the proposed supplemental K-12 relief funds will come from. On September 21 at the National Press Club, Secretary Spellings hinted at one possible source by stating, “Obviously there are things in the Department of Education budget and in the Federal budget in general that the President has called for either trimming or eliminating. We have some programs in our own

budget that are not as effective as they could be. Those things will be on the table as we negotiate.” In the proposed FY 2006 budget, the Administration proposed to eliminate or significantly cut 48 existing education programs, including zero funding for the Title II D, Enhancing Education Through Technology program. As another indication of a low priority the Administration places on education technology, in her September 21 letter to Louisiana State Superintendent Picard, Secretary Spellings also stated, “We are also granting your request for a waiver of the requirement under Section 2416A of ESEA that 25 percent of Enhancing Education Through Technology grant, Title II D funds, must be spent on professional development. This waiver will apply to any funds that you have received under this program for FY 2004 and FY 2005.” Earlier in September when the Secretary announced increased flexibility for supplemental educational services through waivers provided to Virginia for four districts and for Chicago, she indicated that additional SES flexibility would be announced shortly for rural districts which have schools identified for improvement. Most observers speculated that such flexibilities related to the use of distance learning, online tutoring, etc. However, as of September 28, no such announcements had been made. In light of the Administration’s proposal to earmark \$488 million for vouchers as part of its relief package, the Administration’s penchant for prescriptive activities reflecting its political persuasions should not be overlooked by technology advocates who feel e-learning can provide some solutions to the challenges created by Hurricanes Katrina and Rita.