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**M E M O R A N D U M**

**DATE:** October 31, 2005  
**TO:** TechMIS Subscribers  
**FROM:** Charles Blaschke  
**SUBJ:** SES Flexibility, Reading First Investigation by GAO, Katrina Relief, and Other Items

We have enclosed an updated Special Report on apparent USED policy changes regarding supplemental educational services provided by “affiliated” entities in districts which have been identified for improvement. Whether this policy change in Florida is applicable to districts in other states or whether the Florida determination was a bureaucratic snafu on the part of USED and the Florida SEA is unclear, especially in light of the fact that other districts, including Los Angeles and New York and Boston have been provided waivers similar to Chicago. We will continue to monitor developments in this area as they could affect TechMIS subscribers who are either providing SES or “partnering” with affiliated groups within districts identified for improvement.

The Washington Update includes:

- An investigation by GAO of the initial and implementation phases of the Reading First program which could have significant implications for current Reading First activities and could influence other education initiatives, such as early intervening services under IDEA;
- Katrina Relief: A Funding Update, which identifies a number of initiatives being proposed in Congress and being executed under the E-Rate program which was designed to provide funding for districts that have been affected directly or indirectly through enrollments of displaced students; Congressional proposals have been held up due to proposed use of vouchers and attempts to fund the Katrina relief effort through cuts in the Federal education budget;
- A recent “good faith reprieve” by USED for states that are not likely to meet the highly qualified teacher requirements next year will create opportunities for

certain types of products and services to monitor progress in meeting HQT mandates on a district/state basis;

- The Administration appears to be placing a higher priority on reducing the minority achievement gap rather than ensuring that all students are proficient by 2014; an increasing number of groups argue that the Administration intends to do this through “benign neglect” of gifted and talented and other high-performing students as indicated by the recent release of 2005 NAEP scores on the National Report Card;
- Government Accountability Office criticizes USED for not identifying effective middle and high school interventions and disseminating existing research on effective interventions to reduce dropout rates;
- Findings from case studies of Year Two of the implementation of supplemental educational services uncovers some surprising findings, which are likely to change during subsequent years of SES implementation;
- USED is placing a higher priority on data-driven decision-making technology tools and services in the new Small Business Innovation Research funding applications, which could possibly affect the “allowable uses” of Title II D, State Technology Grants in the future.

Regarding the FY 2006 appropriations situation, the House and Senate are scheduled shortly to begin attempting to reconcile differences between the House and Senate versions. Attempts in the Senate to increase Title I and IDEA funding were for the most part defeated. The House version includes a significant cut in the Title II D program to \$300 million and elimination of funding for 14 programs including Star Schools and Community Technology Centers. The Senate version mark for Title II D is \$425 million with at least some funding for the 14 programs the House proposes to eliminate. The appropriation process is intricately tied to where funding will come from to provide Katrina relief. In the meantime, Federal funds continue to flow under a Continuing Resolution (CR).

The State Profile Updates include some states with districts that are required to allocate 15 percent of IDEA funding for early intervening services. In some states, Reading First-approved interventions are being recommended, while, in most states, districts have much greater flexibility in choosing what types of interventions to purchase, including teacher training and supplemental materials. In most states, policy changes are being made or seriously considered in the area of exit exam and graduation exam cutoff scores and changes in state criteria for determining whether districts and schools are low-performing. In several states, such as Nevada, new state funds have become available for innovative projects and programs, including those which are technology-based.

Please call me directly if you have any questions.