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M E M O R A N D U M

DATE: January 5, 2006
TO: TechMIS Subscribers
FROM: Charles Blaschke
SUBJ: Alternative Assessments, Probable Math/Science Initiative, Education and Katrina Relief Appropriations for FY 06

Most Congressional and White House attention during December focused on various appropriation bills with negotiations occurring behind closed doors which was frustrating and confusing to education policy observers. When the smoke cleared it became apparent that the education community lost the funding battle, seeing the first cut in Federal education appropriations in over a decade. As we noted in our December 22 Funding Alert, the Title II D Technology State Grant program, Comprehensive School Reform Demonstration Program, and even Title I and IDEA will suffer significant to moderate cuts. The \$1.6 billion appropriated for Katrina relief most likely will not make up for the difference even though it will be included in the Department of Education's budget showing an overall increase, which many feel is misleading.

Behind the scenes, some discussions are underway within the Administration to decide how education should be addressed in the State of the Union speech and in the proposed 2007 budget. While most attention in December focused on appropriations, USED did propose draft regulations which should have significant implications for firms that have products and services which could assist in meeting state and district demands surrounding "alternative" and "modified" assessments, as well as Early Intervening Services.

Some of the items included in the Washington Update include:

- Based upon a Washington Post op-ed piece in mid-December by David Broder, one could conclude that the Administration is likely to propose a new math/science initiative designed to make the U.S. more competitive in the global economy; unlike last year's proposed secondary initiative, the new initiative is unlikely to be touted as an extension of NCLB with all of

the extended testing provisions proposed last year, nor will it be funded under a vocational education block grant;

- An update on Early Intervening Services (EIS) provisions under IDEA which began to be implemented in many, mostly large districts which have to allocate 15 percent of IDEA flow-through funds for proven interventions including staff development; IDEA pass-through funding for most of the largest 70 districts has been provided by several SEAs; some states and districts are awaiting publication of the final IDEA regulations expected in May/June 2006 before providing any formal guidance on EIS;
- A new report from the National Center for Educational Outcomes identifies emerging practices and issues related to state alternative assessments involving “cognitively-impaired” special education students (i.e., the “1% cap”) and includes each state’s reported definition and/or criteria which must be met in determining whether a student should take the alternative assessments; from the criteria one can infer the types of interventions that will be in high demand for use with these students;
- USED publishes draft regulations for comment on the use of modified assessments and standards aligned to grade-level content for students with “academic impairments”; the draft guidance also allows greater flexibility for districts in other areas, which should reduce the number of schools and districts identified for improvement; while numerous opportunities exist for firms with certain products and services, including professional development, it is not clear how states and advocacy groups will respond to this invitation for public comment;
- USED outlines the functionality of a “national” individualized education program (IEP) model which, if adopted by states, would allow up to 15 states to participate in the Multi-year IEP Demonstration Program; proposed requirements for IEPs should be reviewed by firms which are developing or otherwise wishing to provide IEP products to districts and/or states;
- USED releases an updated consumer guide to help districts select Comprehensive School Reform models while at the same time the Administration was successful in getting Congress to cut more than 90 percent of funds for Comprehensive School Reform Demonstration which is the major funding source used by districts in purchasing CSR models; the Administration and Republican Congressional leaders point to the four percent Title I state set-aside for school improvement as potential funding source for purchasing CSR models; others argue that budget reduction was politically inspired;

- A recent Education Week webcast online chat on the problems and potential of computer-based tests, including online assessments, points to a promising future for certain types of assessments as barriers to online assessment tend to lessen; opportunities appear to be particularly fertile in the areas of alternative assessments for certain special education students, exit exam preparation and test retaking, among other areas;
- At the last moment, Congress passes hurricane relief amounting to \$1.6 billion for schools which were damaged or which enrolled displaced students as part of the Defense Department appropriations, which was offset by dramatic reductions in regular USED education programs; many education groups are increasingly expressing concern that the \$750 million provided to public and non-public schools damaged by hurricanes will be disproportionately allocated to private and parochial schools and could raise Constitutional church/state issues; the funding allocation process that will finally be used still needs to be clarified, particularly regarding funds allocated to non-public schools;
- Since our December 22 TechMIS Appropriations Special Funding alert, a number of details regarding the FY 2006 appropriation have surfaced which could be good news for districts and firms which plan joint proposals for Title II D Discretionary Grants, next year, if SEAs agree to take the total remaining amount of Title II D and allocate all or most of it to districts through the discretionary (vs. formula) grant process;
- A new study from the National Governors Association and the National Association of State Budget Officers predicts modest increases in state expenditures for FY 2006; however, K-12 education expenditures will be slightly less than overall Medicaid expenditures; and
- The National Center for Education Statistics publishes its annual report on expenditures by public school districts on a state-by-state basis, finding median total per-student expenditures range from a high of \$16,000 in Alaska to a low of \$6,000 in Mississippi.

Also included in this TechMIS issue are a number of State Profile Updates which focus on changes in state assessments, waivers allowed by USED on certain NCLB provisions, numbers of schools and districts identified for improvement, and districts in some states which are being required to allocate 15 percent of its IDEA funding for early intervening services because of over-representation of minorities in special education programs.

If anyone has any questions contact Charles Blaschke directly.