

Washington Update⁸

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Administration Likely to Propose a New Math/Science Initiative Designed to Make U.S. More Competitive in the Global Economy

Amidst a number of reports and conferences pointing to an impending crisis, the Administration is very likely to propose a new math and science initiative early this year which will be designed to improve the country's competitive position in the global economy. Unlike the President's proposed NCLB "secondary initiative" a year ago, few if any of the NCLB-related provisions will be touted as a rationale this year (i.e., expanding math assessments to all high school grade levels), which should dovetail nicely into growing bipartisan pressures for math and science reform among Congressional leaders. In his op-ed piece in The Washington Post (December 18), nationally-known columnist David Broder referred to a Christmas gift for President Bush as follows, "A number of legislators of both parties have put the wrappings on a proposal for next year that could be the best present under President's Bush's tree....Inside the package is a creation framed by the best scientific minds to keep the United States in the forefront of innovation and technology....The elements have been embraced by key legislators across the political spectrum. But none of them has a personal stamp

on the proposal that would prevent the president from making it his own --- if he decided to highlight it, as some of them suggested, in next month's State of the Union address and then underscored his commitment by putting the needed funds into his budget."

Within the last 2-3 months, a number of important reports have been released during various "national summits," such as the National Summit on Competitive Investing in U.S. Innovation held on December 7, which was designed to, "sound the alarm on threats to America's economic leadership." Several business and university leaders pointed to a 20 percent decrease since 1985 in the number of engineering bachelor degrees awarded and the lack of student interest in mathematics and science which needs to be stimulated. Two days earlier, a summit sponsored by the National Coalition for Technology and Education in Training, focused on the use of technology to improve math and science education. Susan Traiman, Director of the Business Roundtable, a close confidante to Secretary Spellings, argued forcefully that school officials have to encourage more students to take demanding math and science courses, noting, "If they don't get through Algebra II in high school, they are going nowhere in science," as reported in Education Week (December 14). Even though other groups have argued the U.S. competitive position is not endangered (although China in 2004

produced 600,000 engineers compared to 70,000 in the U.S., the U.S. actually produces more engineers per capita), there is general agreement for the need for improving the number of students taking math and science. In fact, the Duke University School of Engineering reports that those “sounding the alarm” will actually contribute to students’ perception of the bleak future of scientific and engineering careers in the U.S., stoking fear of expanded outsourcing to countries such as India and China. On the other hand, sounding the alarm often is the only way to generate support within Congress and the Administration for new initiatives.

In his column, Broder points to a number of trends which appear to have gotten the attention of key Congressmen, including:

- a decline by almost 50 percent for Federal R&D in the physical sciences compared to gross domestic product;
- the growing gap between the U.S. and Asia and Europe in numbers of graduating engineers and science majors; and
- low U.S. high school test scores in math and science compared to major trading partners.

Key House members who sponsored the Department of Commerce “summit” noted earlier -- Frank Wolf of Virginia, Vern Ehlers of Michigan, Sherwood Boehlert of New York, and Minority Leader Nancy Pelosi (who held a recent

meeting with Silicon Valley executives) are generating legislative proposals. Within the Senate, Republican Lamar Alexander (TN), and Democrat Jeff Bingaman, along with Senator Pete Domenici (NM) and Barbara Mikulski (MD), along with Senator Joe Lieberman (CT) and Senator John Ensign (NV), are developing a legislative package which according to Broder could cost about \$9 billion a year. Some of these initiatives include:

- increasing Federal R&D funding by 10 percent a year over the next seven years;
- providing additional training to 250,000 current math and science teachers;
- creating an “advanced research project agency” in the Energy Department which would likely be similar to the Advanced Research Projects Agency in the Defense Department, which developed the forerunner of the Internet during the 1950s;
- recruit 10,000 future science and math teachers annually providing, not only four-year scholarships, but also bonuses for those who teach in underserved schools; and
- expand access to broadband communications.

While it is difficult at this time to speculate on the specific initiatives which would be included in a new

Administration math and science overall program for K-12, some of the recommendations from the Business Roundtable in its recent report entitled “Tapping America’s Potential: The Education for Innovation Initiative” would likely be followed, including:

- motivate U.S. students to study and enter science, technology, engineering, and mathematics careers, especially for those students in currently under-represented groups;
- expand opportunities and programs for high-achieving math and science students, such as advanced courses, and encourage districts to adopt curricula that include rigorous content related to the real world in which engineers and scientists work;
- provide incentives to attract and retain K-12 math and science teachers to foster higher student achievement;
- expand Math And Science Partnerships to support best practices, especially in schools not making adequate yearly progress;
- launch a “Math Next” program similar to Reading First;
- increase high-quality online alternatives for students in middle and high schools that do

not offer advanced math and science courses.

The Administration proposed secondary initiative last year would have been funded under a block grant into which the Perkins Vocational and Technical Education Act would have been folded, which contributed to its demise in Congress. As a result, only a limited number of projects to evaluate the effectiveness of alternative math interventions for struggling middle school students were funded under Small Learning Communities or other USED discretionary programs. A recent article in Education Daily by Stephen Sawchuk on the reauthorization of the Perkins Act questioned whether a new high school initiative “could gain traction this time around. The deciding factor could be the increasing focus on math and science performance which could win more Congressional supporters for high school reform.”

For a copy of the Business Roundtable report go to www.businessroundtable.org/pdf/20050727002TAPStatement.pdf.

Early Intervening Services Update: Large Districts Are Most Likely to Be Required to Allocate 15 Percent of IDEA Flow-Through Funds For Early Intervening Services

As part of our ongoing effort to monitor implementation of the new Early Intervening Services (EIS) provision of IDEA, we have sought to identify those

districts which are required to allocate 15 percent of their IDEA Part B flow-through funds for EIS. The primary reason that districts are required to reallocate 15 percent of IDEA funds for Early Intervening Services is that the district has “disproportionate over-representation” of minority students in special education. The purpose of EIS is to reduce inappropriate placement of minority students in special education programs by using interventions with students who are having difficulty with math and reading in hopes that such interventions can remediate their learning problems, thus reducing the need to place them in special education. As we have mentioned before, obtaining the names of districts in states which have been determined to have disproportionality is extremely difficult because this is a very sensitive issue.

As a proxy for this information, we have determined that the districts most likely to be required to reallocate the 15 percent are the largest districts in the country. Unfortunately, there is no central source of information on total IDEA Part B allocations by district. We have gathered information from state departments of education and from local school districts with respect to the IDEA Part B funds made available to districts last July and August. Exhibit A shows data for the nation’s 70 largest school districts as reported by states and districts (where available). It can be seen that district IDEA allocations vary roughly in proportion to total enrollment. Overall, IDEA Part B allocations range from \$131 to \$224 per enrolled student with an average of \$178 per student. However, variations across states

suggest significant differences. Districts in Florida (12 of the 70) average \$204 per student, while districts in other heavily represented states -- Texas (10 of 70) and California (6 of 70) -- average \$153 per student. It can be hypothesized that, in these latter two states, some of the IDEA Part B funds go to intermediate units or county departments.

Unlike Title I allocations, which were made available in a preliminary fashion in the Spring (see March 16, 2005 TechMIS Special Report), USED does not calculate preliminary district allocations of IDEA funds, nor does the Congressional Research Service, which usually estimates the funds allocation by state and district when a new formula is devised for use in determining allocations. Of the approximate \$11 billion of IDEA funding, approximately \$500 million is allocated in a manner different from last year because of the new formula which takes into account census data on enrollment and poverty rather than the number of special education students identified by disability category by district, as has been the case in previous years. The amount of state funding for special education which a district receives, however, continues to be based upon, for the most part, the number of students identified and placed in special education before December 1 and are reported in the December 1 “counts” to the SEA. Please be advised that the amounts on the enclosed chart do not include state funds for special education which do not fall under the 15 percent set-aside provisions involving Early Intervening Services.

One of the continuing issues is whether or not the types of interventions which can be purchased is limited to those that have been approved for use in Reading First programs. Based upon our discussions with SEA officials and a review of guidance provided on EIS, only a limited number of states (such as Alabama and North Carolina) thus far have limited interventions to those having the “five essential components” of Reading First or which otherwise have been approved by the state. Most of the guidance which we have been able to review cites provisions in the Law referring to instructional and behavior interventions and/or professional development interventions that are based upon “scientifically-based research.” In some states -- such as Florida -- guidance has not been provided by the state in this area. It would appear that the criteria for approving a product or professional development for Reading First would be more likely to be used under the Response To Intervention (RTI) approach, which districts may use in lieu of IQ test results, for determining whether a student should be placed in special education. State guidance has been delayed in many quarters because the expected publication of final IDEA regulations initially scheduled for December 2005 has been postponed until May or June 2006.

TechMIS subscribers should take care in deciding what district office to approach regarding the use of their products or services in district early intervention programs. In some districts, the office responsible for actually identifying students and implementing early intervening services will be a newly-

created “office of interventions”; in other districts, the primary operational responsibility may be with the district Title I office; and in still other districts, responsibilities could be delegated the school psychology office or even to individual school psychologists at the building level. Even though those districts with disproportionality (i.e., significant over-representation of minorities in special education programs) have been told by states that they must allocate 15 percent of IDEA funds to Early Intervening Services, district special education directors are often hesitant to do so because they believe students with disabilities, and who have greater needs, are not having their needs met.

As we receive the names of districts that have been identified as having disproportionality and are having to allocate 15 percent of IDEA funds for early intervening services, we will continue to post them in our state profiles. The 22 districts so identified in Virginia are included in the Virginia profile.

We will continue to provide periodic updates of developments in this new fertile area for firms with appropriate instructional interventions or professional development. If anyone has any questions about the appropriateness of their products or services, please contact Charles Blaschke directly.

New Report Identifies Emerging Practices and Issues Related to State Assessments Involving Special Education Students

A recent survey of all state special education offices conducted by the National Center on Educational Outcomes, University of Minnesota, has identified important trends, emerging practices, and issues relating to state assessments of students with disabilities which could provide some unique opportunities for firms with appropriate products and services. NCEO reported trend data, where available, back to 2003. As the report concludes, "We are able to report, for the first time, that the number of students with disabilities achieving proficiency on state tests for accountability is improving." The report also notes that no state reported a decrease in the percent of students with disabilities achieving proficiency. State Directors of Special Education in about half of the states attributed the positive student performance to among other things, better alignment of IEPs with standards, improved professional development, state guidance on participation rates and provision of accommodations, including training, increased access to standards-based instruction, and improved data collection. About 15 states attributed the increased student performance to "increased use of research-based practices" and "increased use of specialized reading and math programs."

NCEO reported that 45 states offer an alternative assessment based on alternative achievement standards with

ten states also indicating they offer alternative assessments based on grade-level achievement standards. Twenty-two of the forty-five states changed their alternative assessment policy guidelines since USED finalized regulations in December 2003 relating to the "one percent" cap for cognitively-impaired students. The survey did not address the "interim policy" related to the use of modified assessments based on grade-level achievement standards for the "two percent cap" students who are academically impaired (see related [TechMIS Washington Update](#)). In the appendix of the NCEO report, the criteria that are used by each state (and in turn districts) for identifying students who are severely cognitively impaired, are detailed suggesting the types of interventions which would be useful with these students.

The NCEO report identified several important trends and emerging practices. Approximately 20 states are in the process of revising some aspect of their alternative assessments, while one-third of the state special education directors indicated they are field testing potential test items to be included in large-scale assessments in both standard and accommodated formats. In 21 states, assessment results on alternative assessments are disaggregated by primary disability groups. Twelve states currently disaggregate assessment data by language groups. Forty-five states reported using "universally designed" assessments to ensure accessibility and validity for a wide range of students. Of these, more than half of the states are assessing whether test item development and review meet "universal design"

principles. The report notes that 27 states have included requirements (e.g., in Requests for Proposals) for inclusion of “universal design” principles in the development of alternative assessments to be used in the state.

While over half of the states are field testing policy procedures and technologies to facilitate accommodations which do not invalidate student scores on state assessments, NCEO reported that eleven states are currently in the process of developing large-scale computer-based assessments, down from 20 in 2003. This finding, which is ironic in light of the fact that computer-based assessments can more easily provide appropriate accommodations compared with paper-and-pencil tests, was discussed with one of the key NCEO authors. This person acknowledged that this finding related specifically to large-scale state assessments and not to portions of alternative assessments nor to test preparation and test retaking, especially in states with exit exam requirements for graduation or promotion. He acknowledged activities in these areas have increased and that the next survey would incorporate questions related to these areas where computer-based assessments are probably increasing.

During the Education Week webcast referenced below, on online assessments, nationally-recognized expert Randy Bennett from ETS responded to a question, “how much online assessments would be in place by the year 2008,” as follows: “It is very hard to make projections. I count 25 states that are doing ‘something’ related to online

assessments currently. ‘Something’ includes states that are running pilots as well as states that are already offering operational tests. It includes states that are offering only formative or diagnostic tests online, as well as states that already have online high-stakes measures for promotion and graduation. The farthest I would go is to say that I would expect all but a handful of states to be doing something in online assessment by 2008.”

The survey also identified emerging issues most often reported by state directors of special education. In 2003, a third of the states reported that the primary issues were high stakes graduation assessments and out-of-level testing. In 2005, the emerging issues of highest concern were alternative assessments (33 states), followed by accommodations and reducing the achievement gap between students with disabilities and non-disabled students. Other areas of concern were graduation tests or exit exams, reporting and/or monitoring districts’ use of accommodations, and the administration of alternative assessments and test design content. Of the six potential areas of concern, the following states had at least “concerns” in five of the six areas, Alaska, Arkansas, California, Delaware, Hawaii, Massachusetts, Minnesota, Missouri, and New Mexico.

For a copy of the NCEO report entitled 2005 State Special Education Outcomes go to <http://www.education.umn.edu/NCEO/OnlinePubs/2005StateReport.pdf>.

USED Publishes Draft Regulations for Comment on Use of Modified Assessments and Standards Aligned to Grade Level Content for Students With Academic Impairments and, Without Much Fanfare, Allows Greater Flexibility For Districts In Other Areas Which Should Reduce the Number of Schools and Districts Identified for Improvement

Three months later than initially announced, USED has released proposed regulations (for public comment) for using modified assessments and standards for academically impaired students (i.e., so-called gap students) and detailed ways of calculating AYP for students falling under the so-called “two percent cap.” Several provisions also address areas where unintended consequences have occurred in the past, resulting in more schools being identified for improvement; taken together the proposed changes should reduce the overall number of districts and schools identified for improvement due to poor performance of certain special education students. The regulation would also extend, for an additional year, the “interim policy” announced in the late Spring which has provided about 30 states with alternative ways of calculating AYP through the use of a technique similar to “confidence intervals,” which in some states has already had the effect of reducing the number of schools identified for improvement. When the proposed regulations are published in final form,

the use of confidence intervals will no longer be allowed. Below, we highlight the proposed regulations reflecting USED intent as stated in the Preamble rather than the proposed Regulations which will undergo significant technical changes.

The focus of the proposed regulations are “...certain students, because of their disability, may not be able to achieve grade-level proficiency within the same time-frame as other students, even after receiving the best-designed instructional interventions, including special education and related services designed to address the student’s individual needs, from highly trained teachers.” These students are not those identified by IEP team members as “severely-cognitively impaired,” which fall under the alternative test with lower-level standards. USED explains the difference in “modified levels” by stating that the proposed regulations “would require that modified achievement standards provide access to grade-level curriculum; be aligned with the State’s academic content standards for the grade in which the student is enrolled, although the modified achievement standards may reflect reduced breadth or depth of grade-level content; and not preclude a student from earning a regular high-school diploma.” The state has responsibility for using a “documented and validated standards setting process to define modified achievement standards for some students with disabilities.”

As emphasized in the proposed regulations, the IEP team has an awesome responsibility in deciding

whether a student is to be assessed based on modified achievement standards. To do so, the IEP team must conclude that: "...the student's disability has precluded the student from achieving grade-level proficiency, as demonstrated by objective evidence; the student's progress in response to high-quality instruction, including special education and related services designed to address the student's individual needs, is such that the student is not likely to achieve grade-level proficiency within the school year covered by the IEP; and the student is receiving instruction in the grade level curriculum for the subjects in which the student is being assessed."

During the USED press conference on the proposed regulations, as well as in follow-up discussions with knowledgeable researchers and policy makers, a number of implications float to the surface.

First, because the score of a student taking a modified assessment in either mathematics or reading may meet the modified standard, and the student may be eligible to receive a high diploma, a parent who is aware that the modified proficiency level is a "lower" standard would apparently not be able to require the district to continue providing special education services to their child until age 22, which is the requirement for special education students who receive a certificate or some other award less than a regular high school diploma. This could reduce the demand for highly effective programs, particularly in the area of math, especially in states which have exit exams which are required to be passed before receiving a regular high

school diploma. Several association officials felt that parent advocacy groups could oppose this area in their comments.

Second, the IEP team must review IEPs of students receiving modified assessments to determine whether they should continue taking the same assessment in subsequent years. As noted in a related item, parents might not have the option of participating in the multi-year IEP demonstration project because of the requirement for IEP team members to review IEPs annually.

Third, one of the most challenging tasks for states will be coming up with modified achievement standards that reflect "reduced breadth or depth of grade-level content" and doing so through a "documented and validated standards-setting process." Firms with capabilities of assisting states in this area should be in very high demand as only a very limited number of states have such types of modified assessments already in use. For those states which currently have out-of-level testing for so-called gap students, they would not be permitted to substitute such tests under the proposed regulation.

One of the biggest concerns and challenges expressed by various attendees at the press conference in mid-December was the need for extensive and in-depth professional development for regular and special education teachers, as well as other members of IEP teams, including literacy coaches and so-called "intervention specialists" to ensure that: (a) appropriate students are selected for participation in modified

assessments; and (b) appropriate scientifically-based research interventions are selected for use with continuous progress being monitored perhaps changing interventions that do not appear to be effective over time. As the recent NCEO report concluded (see related Washington Update item), in most districts, extensive training will be required for all IEP team members in how to analyze assessment data, diagnose reading and other problems, and select appropriate interventions and lessons within interventions to increase academic success and behavior and social progress being made on an individual student basis. USED, in its Preamble to the proposed regulations, goes out of its way to note that, based upon some of its recent surveys, it anticipates that “students from each of the 13 disability categories listed in IDEA will be among those who are assessed based upon modified achievement standards.” In other words, as it notes, the selected students should not be those who are having difficulty with grade-level content or who are receiving instruction below grade level. Nor would they necessarily be the lowest achieving two percent of students who are not students with the most significant cognitive disabilities.

The Preamble also emphasizes a primary reason a student is selected for modified assessments --- namely, the team must “demonstrate that the determining factor for such identification is not a lack of appropriate instruction in reading and math.” Once a student is selected for receiving modified assessments, the IEP team would be required to examine a student’s progress “in response to high-

quality instruction, including special education and related services designed to address the student’s need and that the assessment should not be based upon only one assessment or measurement.” The language here is more flexible than previous interpretations of the Law which basically said that the determinant factor could not be the lack of instruction using an intervention which included all of the five essential components of Reading First. One could probably assume that the stricter interpretation might apply only to Response To Intervention (RTI) approaches and/or “early intervening services.” However, in a December 14 letter to Chief State School Officers announcing the availability of related technical assistance materials Secretary Spellings stated that several Comprehensive Centers have been awarded multi-year \$1 million grants to provide guidance and technical assistance. One such center is RMC Research Corporation in Portsmouth, New Hampshire, which has contracted with the existing three Reading First Technical Assistance Centers to provide assistance to states in selecting assessment instruments and interventions. Specific mention of these three Reading First technical assistance centers by USED has been minimal over the last few months.

This proposed set of regulations would, however, go beyond guidance related to the “two percent cap,” addressing other problem areas created by initial USED strict interpretations of NCLB. One provision would allow students who exit from special education services to have their scores still counted for calculating

AYP for up to two years after their exiting. As we have noted in several reports over the last four years, the current practice (which had already been changed for limited-English-proficient students who exited their programs) would result in an increasing achievement gap between special education subgroup students and other subgroups. Over 40 states have requested similar amendments to their state accountability plans, which, thus far have been turned down.

Another common-sensical change would be to require states to develop guidelines for the provision of appropriate accommodations for students with disabilities who take regular state assessments and/or modified alternative assessments. The objective here is to ensure greater uniformity and require that certain states get into compliance. For example, some states do not allow the use of text readers or calculators or other types of accommodations for any student who takes the state assessment to ensure that these accommodations would not invalidate test scores. Without doubt, instructional programs and interventions which allow for alternative types of accommodations or which are based upon “universal design principles” should grow in demand over time.

Another general change is that, under current regulations, a state must use a student’s score from the first administration of the state assessment to calculate AYP. Under the proposed regulation, a state would be allowed to administer its state assessment to a student more than once and include the student’s best score in determining AYP.

The proposed change would be more in line with practices in certain states for which multiple administrations of state assessments for special education students have been allowed.

The proposed regulations indicate that states would be able to use funds from Title I, Title VI state assessment grants, and IDEA to finance the development of modified assessments. Among these programs, the total amount of potential funding for meeting assessment requirements is about \$430 million annually that goes to all states. The December 14 USED letter also announced a “Notice of Proposed Priority to award funds to states to develop modified achievement standards as part of their state assessment systems. This notice will offer the states the opportunity to comment on the specific priorities OSERS plans to use in determining how to award an estimated \$9 million in special education assessment funds in 2006.” Apparently this \$9 million allocation will be dedicated to the development, field testing, and implementation of modified assessments and could provide opportunities for firms with capabilities or products that could be used in this area. This letter also announced the availability of the next Enhanced Assessment Grants competition -- between \$15 and \$20 million -- to be available early in 2006. Without knowing the exact amount of funds to be allocated for the development of the so-called “modified assessments” for “gap students” (which number between 1 and 1.5 million special education students), one can assume a significantly higher portion of the total amount for overall

assessment development will be used for developing “modified assessments.”

It is not clear how many states will finally decide, by April 2006 to apply for the “interim flexibility” for the two percent cap using proxy “confidence intervals.” About 30 states that applied to use the interim policy this year using last year’s test scores found it made a difference in the number of schools identified for AYP in only limited cases. It would appear that states, under the proposed regulations, would replace the “interim policy” 16-20 months from now would have some drawbacks. For example, based on comments made during the press conference in response to a question from an NEA lobbyist, not only the “N” for the special education subgroup but also the “N” for the LEP subgroup would have to be the same as other subgroups. The USED briefer indicated that a policy statement would be forthcoming indicating further changes in assessment policies for LEP students.

As states move toward implementing the regulations after they are finalized, the demand for professional development for regular teachers and IEP team members, among others, should continue to grow rapidly; so will demand for appropriate types of diagnostic, ongoing, and related assessment system products and services. Demand for interventions, which have been proven to be effective and which can easily provide alternative forms of accommodations should also grow. Across the states, there will likely be a number of “best approaches” for firms, ranging from direct sales approaches to “partnerships” with

districts to teaming arrangements with regional and other centers and groups that provide technical assistance.

For a copy of the proposed regulations go to www.ed.gov/legislation/FedRegister/proprule/2005-4/121505a.html.

If anyone has any questions, contact Charles Blaschke directly.

USED Outlines Functionality of Multi-Year Individualized Education Program Model and Proposed Requirements and Selection Criteria For Up To 15 States To Participate in Multi-Year IEP Demonstration

In order to reduce paperwork and free up teacher time for instruction under the new IDEA, up to 15 states can participate in USED’s multi-year Individualized Education Program (IEP) Demonstration Program. Individual states must meet certain requirements and selection criteria in order to receive a small amount of “incentive” funding to implement multi-year IEPs, which would create opportunities for districts to improve long-term planning and reduce paperwork burdens associated with IEPs. Some of the functionalities of IEP systems that are implicit in the demonstration’s selection criteria may be extremely similar to the “model IEP system” that USED is supposed to design and encourage states to use, which at the same time meets all the IEP requirements in the new IDEA. Below, we have identified some of the explicit

or implied functionalities of IEP systems which are likely to be used by the states which are selected to participate in this three-year effort; the demonstration will be evaluated using scientifically-based research designed by USED's Institute for Education Sciences.

The multi-year IEP program is designed to "increase the resources and time available for classroom instruction and other activities focused on improving educational and functional results of children with disabilities. This program is also intended to enhance long-term education planning and collaboration among IEP team members." Hence, one important feature of an IEP program is to be able to monitor, track, and report on increases or decreases in the amount of resources required for implementation and the amount of time that is freed up for teachers to provide more instruction and other activities to improve, not only "educational achievement," but also "functional results" of children with disabilities. This implies the capability to use portfolio/authentic assessments. The multi-year IEP project cannot exceed three years and parents must assist with long-term planning specifically focusing on "natural transition points," (e.g., from middle school to high school). Parents have the option of having their children participate in the multi-year IEP program and districts are required to provide "informed parental consent opportunities." In these requirements are a number of functional features including:

- communications with parents to obtain their informed parental consent to participate;
- Establish goals along with possibly "enabling" objectives to meet progress benchmarks.

IDEA also mandates that USED develop a "model" IEP program which states and districts are encouraged to adopt. Over the last year, during several meetings, NEA officials have publicly expressed their desire to have USED adopt the NEA IEP format which is available online. Version 1 of the NEA's IEP format is available for downloading. It is rumored that Version 2 will include banks of instructional and possibly functional objectives while Version 3 will include aligned lessons and correlated materials which will be made available for a fee.

Beyond the functionality requirements of the IEP system for the Demonstration Project, participating states also must meet additional evaluation and assistance requirements. As stated in the proposed requirements and selection criteria, the Institute of Education Sciences "will conduct an evaluation using a quasi-experimental design that collects data on the following outcomes: Educational and functional results for students with disabilities; time and resources expenditures by IEP team members and teachers; quality of long-term education plans incorporated in IEPs; and the degree of collaboration among IEP members." This stated requirement will be perceived as a major challenge to some states, reducing the probability of their participation.

While not addressed in the announcement, an additional feature of an IEP system which should increase the probability of a state being selected for participation is the capability of taking into account regulations on the “one percent cap” alternative assessments for cognitively impaired students and the probable requirements for the “two percent cap” for academically impaired students taking modified assessments. For these students, IEPs have to be reviewed continuously and annually. A capability which takes into account the exceptions to the general rule and which allows tracking students who move from one category to another would be a strong feature. For a copy of the announcement go to the December 19, 2005 Federal Register, Volume 70, Number 242, page 75158.

USED Releases Updated and Expanded Consumer Guide on Selecting Comprehensive School Reform Models, While at the Same Time Pushing Congress to Cut All Funds for Comprehensive School Reform Demonstration Act, The Major Funding Source, in Spite of Positive Evaluation Findings of the Effectiveness of CSRD By the Office of Management and Budget

The USED-funded Comprehensive School Reform Quality Center recently released an updated and expanded “consumer guide” on 22 widely-used

comprehensive school reform model programs, which compiles evidence of the effectiveness of each model. The report is intended to assist decision-makers in selecting appropriate models for use in their districts. While the CSRQC report cited numerous studies highlighting the overall effectiveness of CSR models at the elementary level -- based on a review of 800+ studies and a positive evaluation of the CSRD program as a whole by the Office of Management and Budget -- USED has proposed to zero fund the \$200+ million Comprehensive School Reform Demonstration program. This is the primary funding source used by districts to adopt and implement such CSRD models. Current proposals in Congress would reduce funding from \$205 million last year to about \$8-10 million next year, basically for continuation projects.

Operated by USED contractor American Institutes for Research, the CSRQC provided a similar report five years ago which ranked models being used at that time and reported that one model, *Direct Instruction*, was rated highly. *Direct Instruction* is also rated “moderately strong” in the current guide. Only one other model, *Success For All*, is ranked equally highly based on evidence gathered through scientifically-based research. Five models were included in the “moderate” category which found some “notable evidence of positive effects” even though the studies were less rigorous. These included *Accelerated Schools PLUS*, *America’s School Choice*, *Core Knowledge*, *School Renaissance*, and *School Development Project*. As reported in Education Week (October 7, 2005), Steve Fleischman,

AIR Project Director, noted, “With increasing numbers of schools not meeting adequate yearly progress under the No Child Left Behind Act and the law’s emphasis on programs founded in scientifically-based research, we think this report will be an obvious place where decision-makers turn.”

The consumer guide cites a 2004 evaluation of the overall CSR program by the Office of Management and Budget (OMB) which found its performance was “adequate” with only four of eighteen USED programs receiving a rating of “adequate” or higher. The OMB report noted, “Performance data indicated improvements in elementary school reading and math.” While USED, in the past, has used evaluation findings from OMB program reviews as the basis of reducing or eliminating certain programs (e.g., earlier this year USED proposed to reduce or eliminate funding for 48 Federal education programs), the rationale of the House in proposing to reduce CSR funding dramatically was that schools wishing to adopt CSR models should use the “four percent state set-asides for school improvement” under Title I. However, as recent reports on the use of the four percent set-aside funds indicate, such funds are used for a variety of technical assistance efforts provided by states or regional entities and other purposes (see [Washington Update](#) April 2005). Jim Kohlmoos, President of the National Education Knowledge Industry Association, argues that CSR provides incentives to increase not only the demand, but also the supply of quality programs. Citing OMB’s high 2004 ratings he was dismayed at the lack

of support, not only from the White House in its contradictory policy statements, but also in the House and Senate. Like Fleischman, he agrees that the demand for good reform models should grow as more and more schools and districts will be identified for “restructuring” or “reconstitution” with Title I set-asides and earmarks being used for purchases.

Some observers believe that one reason some of the model developers are keeping their complaints to themselves, is that they continue to receive USED subsidies which could be negatively impacted by vocal criticism. Other observers believe, however, that the CSR program is tied directly to politics. The program was created in 1997 in the appropriations process without any debate through a provision introduced by then House Appropriations Committee Chairman David Obey (D-WI), who continues to be a vocal critic of the Administration’s education funding proposals. The initial spokesperson for the CSR was Dr. Robert Slavin, who heads Success For All, whose model program was among the 17 included in the initial Act. Slavin recently filed an official complaint with the Office of the Inspector General at USED alleging USED misuse of its authority in initiating and implemented the national Reading First program. Slavin argued in the complaint that USED, through its consultants, who he alleged were in a conflict-of-interest situation, advised states and districts not to use Success For All in its current form because it didn’t adhere to such consultants’ interpretations of what Reading First required. Slavin’s report

on “evidence” was also used in justifying a concurrent investigation by the Government Accounting Office. For a copy of the Consumer’s Guide go to www.csrq.org/documents/ESCSRQReport-Full_000.pdf

Education Week Webcast Online Chat on the Problems and Potential of Computer-Based Tests (CBT), Including Online Assessments, Points to a Promising Future for Certain Types of Assessments

The December 14 online chat with Randy Bennett of ETS and Gregory K.W.K. Chung of the National Center for Research on Evaluation, Standards, and Student Testing (UCLA), moderated by Kevin Bushweller (Editorial Projects in Education) addressed the potential of certain types of online and computer-based testing in K-12 education, identifying technological and other barriers (which are lessening) and entertaining questions from assessment experts in state and local districts and from commercial firms.

Virtually all of the experts agreed that one of the biggest barriers has been not enough computers to test students simultaneously in a secure fashion. In response to a question about the existence of definitive research on differences in test scores due solely to test mode (i.e., online vs. paper-and-pencil), Bennett noted, “There is very little in the way of published, peer-reviewed research on this question at the

K-12 level.” Referring to two recent studies conducted by the National Assessment of Education Progress -- one in math and one in writing -- he stated, “Both studies came to the conclusion that test mode mattered because computer skill was related to online test performance. The conclusion I draw from those studies is that we should be very careful about how we design constructed-response items for use in computer-based tests and the provisions we make for students with limited computer skill.” Later on he predicted that “...differences will moderate further as (1) kids become more familiar with taking tests on computer, (2) test delivery software becomes more capable, (3) test developers learn to design items that work in familiar ways, and (4) computers become more intuitive and easier to use.”

The technology coordinator of Pittsburgh Public Schools, Chuck Half, noted that his district had concluded online assessment technology is not beneficial for a number of reasons, including:

- it does not encourage students to write things down;
- it can’t support open-ended questions or oral response formats;
- it requires significant changes in access to and scheduling of computer labs, among other reasons.

Asked to share his realistic projections over the next 3-5 years, Dr. Chung noted that “infrastructure is always a concern for the many ‘gotchas,’ but that his center, CRESST, and ETS have been ‘active’ in the area of developing innovative formats, which he argued take a while to develop and validate. And, at the bottom line, format is only part of what is essentially a ‘business decision.’ ”

Another school district questioner argued the need for computer-based assessments to be integrated into computer-based learning systems and asked the panelists what the universities and testing industry are doing to support this trend. ETS’s Bennett responded that one variation is Intelligent Tutoring Systems which John Anderson at Carnegie-Mellon University has been developing for two decades. Specifically, he said “They are integrated with classroom instruction in the way you describe, meaning that students work with the computer some portion of the time but also engage in more traditional classroom activities for the remainder of the time. The one thing missing that I would like to see added to this concept is the aggregation of information collected from the student’s many interactions with the computer. That aggregation could then supplement, or perhaps eventually replace, the summative assessment.”

In response from the moderator’s question, “what’s new with adaptive testing?”, Bennett of ETS noted it is fairly common and noted that the best example would be the Northwest Evaluation Association’s Measures of

Academic Progress (MAP), as he noted, “Adaptive testing has its greatest benefits when one wants to measure across a wide range of difficulty, so it may not be as well suited to within-grade, standards-based requirements of NCLB as to other assessment purposes, like the progress measurement for which MAP is used.” Gage Kingsbury (NWEA) asked panelists what is being done in the area of creating tests that “might tap new domains of achievement.” Dr. Chung responded, “...we’re going to see the emergence of blended spaces. That is, to date the conception is that student-computer is the assessment space, and this is reasonable given the technology development path, and the kinds of assessment targets that focused usually on the cognitive side. But this is no longer a hard requirement. Sensor technology is available to radically expand the range of observation -- what you do, say, see, and feel can all be sensed. And this is true for the things students interact with (e.g., blocks, books, toys, tennis racket, etc.). So this really opens several new dimensions for targets of assessment...Blended physical observations with computer-and other classroom activities and you’ve got a rich picture of what a 4-year-old can do. And this is entirely doable.”

For a copy of the transcript go to http://www.edweek.org/chat/transcript_12_14_2005.html.

Hurricane Relief Amounting to \$1.6 Billion for Schools Which Were Damaged or Enrolled Displaced Students Passes As Part of Defense Department Appropriation

Congress has passed a Hurricane Relief Appropriation of \$1.6 billion for schools, mostly in the Gulf Coast region, which were damaged or are enrolling significant numbers of displaced students. The hurricane relief provisions were attached to the FY 2006 Defense Department appropriations. The final version would provide \$645 million to public and private schools which enroll displaced students at a rate of \$6,000 per regular student and \$7,500 per student with a disability. An additional \$750 million would be provided directly to districts damaged by the hurricanes. The House-passed provisions were almost identical to compromise language agreed to by Senators Michael Enzi and Edward Kennedy several months ago in the Senate's passed version. An earlier version would have provided more funds for schools enrolling displaced students and less funds to schools directly affected by the hurricanes.

In its December 19 press release, the House Education and Workforce Committee emphasized that such funds would allow supplies and equipment to be purchased not only by public schools but also private and charter schools to which funds would be reallocated by the public school district recipients and/or the SEA. Public school advocates argue that last minute changes in the final bill would give a disproportionately high

amount of dollars for private schools, according to Education Week. An initial version, supported by the House, would have provided per-pupil allocations directly to families who could decide where to enroll their displaced children, with funding in the form of "vouchers" provided directly to the receiving public or non-public schools. In order for a private school to receive the \$6,000 or \$7,500 per student allocation, it would have to waive tuition costs. Funds could be used in private schools to pay for staff, curriculum materials, basic instructional services, transportation, health education and support services.

Also included in the House-passed version attached to the Defense Department appropriation were:

- \$5 million for homeless education programs to help districts meet some of the requirements under the McKinney-Vento Homeless Act;
- \$200 million for higher education with a provision which would protect displaced teachers who teach disadvantaged skills, and who are eligible for up to \$17,500 in student loan forgiveness, for five continuous years;
- \$550 million to help states provide child care, mental health, and other social services through the Social Services Block Grant program for devastated individuals and communities.

Final passage of the Hurricane Relief Supplemental Appropriation had been sorely needed as Gulf Coast states have been left with most of the burden of reopening schools and serving displaced students at their own cost, a point which Louisiana Governor Blanco emphasized during the recent National Democratic Governors Association meeting in Washington, D.C. Not only is there is a dire need for rebuilding, Education Daily (December 19) reports that Houston Mayor Bill White recently testified that the region's 54 school districts, including HISD, have taken in more than 20,000 displaced students at a cost of \$180,000-\$195,000 per day with only promises of Federal reimbursements thus far. Beyond the unmet promises for reimbursements to districts in Louisiana, the State is still awaiting USED response and/or approval of waivers relating to NCLB implementation. One request would allow district enrollments at pre-Katrina levels to be used over the next two years for calculating the amount of Title I and other formula grant funds it would receive. If approved, this would increase dramatically the amount of Federal per-pupil expenditures in districts suffering reductions in overall enrollment. According to Education Daily (December 19) another waiver would provide the state "hold harmless" protection for two years when districts are not able to provide local and state funds to ensure "comparability" or "supplement not supplant" provisions under various Federal laws are met.

FY 2006 Appropriations Update

As the smoke begins to clear from the hot and confusing FY 2006 appropriations passage, clarification about certain provisions is surfacing.

While the overall USED discretionary appropriations would be cut by \$59 million, after the one percent across-the-board spending cut for all Federal programs (except the Veterans Administration) is applied, the overall USED discretionary spending level for FY 2006 will see a reduction of about \$625 million from the FY 2005 level. However, in the December 22 (web only) Education Week, reporter Michelle Davis argues, "However, overall discretionary spending for the Education Department will ultimately increase, with the addition of \$1.6 billion in hurricane relief aid that is also included in the defense spending bill." As noted in the related Washington Update item on passage of the \$1.6 billion hurricane relief supplemental, the per-pupil allocations of \$6,000 and \$7,500 for regular and special education students is not likely to offset the one percent across-the-board reduction for Title I and IDEA, unless USED approves several waiver requests from states such as Louisiana. However, some publishers of supplemental materials may benefit from the tax relief package passed earlier which allows textbook companies credits for donating copies of textbooks that were destroyed in Katrina/Rita-impacted school districts.

E²T² will be cut to approximately \$272 million for FY 06, after the one percent across-the-board reduction. Several

knowledgeable officials involved in the appropriations process, who have seen pieces of what will become a detailed Congressional conference document, report that states will be able to allocate up to 100 percent of the E²T² funding to districts through a discretionary grant competition process. Currently, 50 percent of such funds are allocated by states to districts on a formula basis to ensure that many smaller districts receive at least some E²T² funding (see December 22 TechMIS [Funding Alert](#)).

On the budget resolution appropriation bill, which would reduce funding for lenders under the student loan program by over \$12 billion through 2010, much of these “savings” would be reallocated to programs benefiting math, science, and special education. One component would increase the amount of available loans for students and provide math, science, and special education teachers “loan forgiveness” if they teach for a certain time period in high-poverty schools after graduation. Another would provide additional funding for students from low-income families who are enrolled in studies leading to baccalaureate degrees in science, math, technology, energy, and critical foreign languages.

New Study From the National Governors Association Highlights State Spending

Published by the National Governors Association and the National Association of State Budget Officers, the report entitled “The Fiscal Survey of

States: December 2005” indicates markedly improved budget conditions in most states last year. Only six states made budget cuts in mid-year and many states restored funding for programs cut in recent years. Prepared every six months, the survey reports strong revenue increases in FY 2005 and predicts more modest increases for FY 2006.

On the expenditure side, overall State general fund spending increases by 6.8 percent in FY 2005. However, much of the increase can be attributed to restoration of budget cuts during the recent economic downturn. State spending is expected to grow by 6.3 percent in FY 2006.

For FY 2005, total state spending is about \$1.3 trillion broken down as follows: 22.5 percent Medicaid; 21.9 percent K-12 education; 10.8 percent higher education; 8.1 percent transportation; 3.4 percent corrections; 2.0 percent public assistance; 31.3 percent all other expenditures. Although most states have healthy economic outlooks, five states -- New Hampshire, New Jersey, Wyoming, Alaska, and Nevada -- enacted negative growth budgets for FY 2006. This is a significant change from FY 2003 when 21 states reported negative expenditure growth rates. Fourteen states are projected to show growth of between zero and five percent. Five states -- Oregon (20.0 percent), South Carolina (17.7 percent), Delaware (15.0 percent), California (10.2 percent), and Hawaii (10.2 percent) -- project FY 2006 expenditure increases of greater than ten percent.

To view the full report, go to:
<http://preview.nga.org/Files/pdf/FSS0512.PDF>.

National Center for Education Statistics Publishes Report on Expenditures by Public School Districts

The National Center for Education Statistics (NCES) has published its annual report on Revenues and Expenditures by Public School Districts; this year's report covers data from the 2002-03 school year. It incorporates information from 14,031 regular school districts and includes data from charter schools that are affiliated with regular school districts.

Nationwide, the median total expenditure in 2002-03 was \$8,724 per student. Total expenditures include current operating expenses, as well as capital outlay (construction and equipment), non-elementary/secondary programs (e.g., adult education, community service), and debt service. By state, median total per-student expenditures ranged from a high of \$16,665 in Alaska to a low of \$6,387 in Mississippi. Only nine jurisdictions -- Alaska, D.C., New York, New Jersey, Wyoming, Delaware, Connecticut, New Mexico, and Rhode Island -- had median total expenditures in excess of \$10,000 per student.

When NCES looked only at median expenditures for instruction (teacher salaries, classroom materials, etc.) it

found instructional spending is about half of total expenditures -- \$4,671. The range of instructional expenditures runs from \$8,761 in Alaska to \$3,194 in Arizona. Of the ten states with the highest median per-student instructional expenditures, eight were in the Northeast -- New York, New Jersey, D.C., Connecticut, Maine, Massachusetts, Rhode Island, and Vermont. Conversely, seven of the ten lowest-spending states -- Mississippi, Florida, Oklahoma, Tennessee, Arkansas, Alabama, and Kentucky -- were in the Southeast or Border states.

The range of district per-pupil expenditures for capital projects -- \$414 nationwide -- is much broader: from \$97 in Massachusetts to \$1,655 in Delaware to \$2,877 in the District of Columbia.