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M E M O R A N D U M

DATE: February 2, 2006
TO: TechMIS Subscribers
FROM: Charles Blaschke
SUBJ: Early Intervening Services, State Comp-Ed Funding, Math/Science Initiative, and State Profile Updates

As this transmittal memo is being written, the House could vote at any time on whether to approve the Senate budget reconciliation bill which it passed in December. That bill provided a one percent across-the-board cut for all education programs beyond those in Department of Education's FY 2006 appropriation, and incentives for low-income students to enter math and science if they graduate from a school which meets the Secretary of Education's criterion of having a "rigorous course of study." Both of these items are included in the Washington Update under the assumption that the House will go along with the Senate version. If not, both of these issues could be up in the air once again.

ALERT: House passes Budget Reconciliation Bill, 216-214 Votes

In his State of the Union address on Tuesday night, the President tied math and science reforms to increasing the Nation's competitive position in the global economy (see January 2006 Washington Update), but said nothing to suggest the availability of any new funding. However the next day, USED officials said there would be some new money during a press conference. Chairman John Boehner, one of the four drafters of NCLB, volunteered afterward in a press release that he continues to oppose expansion of NCLB provisions, particularly more testing, at the high school level. Moreover, the consensus among budget watchers is that the President's proposed FY 2007 education budget will include once again zero funding for many of the same 48 program eliminations which he proposed last year and up to a five percent in additional across-the-board cuts. Whether individual members of Congress will go along with such proposed education cuts when they are all up for re-election is not clear. An in-depth analysis of the proposed budget and its implications will be included in a special report shortly after the proposed FY 2006 budget is released on February 7.

The Washington Update items include:

- Suggested ways of targeting states in which increased state funding for compensatory education and exit exam test preparation and remediation may make up for some of the anticipated Federal Title I budget cuts and/or funding reallocations;
- Suggestions that firms should target districts with large SES, choice, and professional development earmarks in light of widespread Title I budget cuts and “misleading” initial district-by-district funding allocations to be released by USED, possibly in March;
- Highlights of a new NCES report on student enrollments, staff, schools, charter schools, and other topics by state, which should prove to be valuable to firms as they identify priority targets for certain types of products and services;
- The Academic Competitiveness Grants Program designed by the Senate to encourage more students to enroll in post-secondary math and science courses could result in more rigorous high school course offerings and increase the demand for rigorous distance learning courses;
- Highlights of two resources which could help firms position products and services for use in prereferral interventions under the “early intervening services” provision of IDEA, currently in its first year of implementation;
- Results from USED’s monitoring visits to 29 states which identified a number of NCLB provisions that many states have not implemented which could create opportunities in some of these states.

States profile updates have been included. K-12 funding increases are likely to occur in virtually all states due to unexpected state revenue surpluses. State funding for remediation, particularly for students who fail tests on which promotion is based and/or graduation with a regular diploma is conditioned is increasing. Most states are grappling with problems of high failure rates of minority and special education students on exit exams and other tests, and are likely to provide waivers (California) or reduce cut-off scores. Some states are proposing significant increases in state funding for technology initiatives (e.g., Kentucky for online assessment and Minnesota’s \$55 million from its Microsoft settlement). Most governors are calling for even greater increases in teacher salaries as gubernatorial elections in 36 states will take place in November.

If anyone has any questions contact Charles Blaschke directly.