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M E M O R A N D U M

DATE: October 1, 2006
TO: TechMIS Subscribers
FROM: Charles Blaschke
SUBJ: Reading First, LEP Regulations, Proposed SES Changes, and State Profile Updates

Below, we have included a number of Washington Update items and several miscellaneous developments which have not been finalized and which could have implications for most TechMIS subscribers.

Included in the Washington Update are the following:

- A report from the USED Office of Inspector General which confirms many allegations of USED mismanagement, possible conflicts of interest, and violations of NCLB provisions which occurred in the initial state applications review process under Reading First. However, much of the impact, in terms of policy changes, has already occurred in IDEA regulations and in other areas. At least four more Reading First investigative reports by the OIG will be released by the end of the year. Most publishers who were impacted negatively during the initial years of Reading First implementation may have little recourse.
- The recent Center on Education Policy survey found that the vast majority of districts in which student reading achievement has improved feels that Reading First instructional and assessment products have been “important” or “very important” in improving overall district reading scores and that Reading First products are being extended into their Title I programs, as well as non-Reading First schools. Individual state performance reports on the effectiveness of Reading First schools are being submitted to USED for a panel review which will determine whether or not a specific state will continue to receive Reading First funds.

- Proposed bills by Senator Hillary Clinton (D-NY) and Mel Martinez (R-FL) would amend certain USED supplemental educational service (SES) provisions and related parent choice policies. Because support to allow SES to be provided before parent choice transportation in schools identified for improvement is so overwhelming, both bills would allow this to occur which could result in a rider to the FY 2007 appropriations bill; if passed, either of these bills could result in a de facto “technical amendment” (without a floor debate which Congressional leadership wants to postpone) to the reauthorization process.
- Education Week’s third annual “Leading for Learning” special report estimates the number of districts identified for improvement by state and suggests specific states in which districts provide potential opportunities for partnering for SES and which must set aside an additional ten percent for professional development as required under new USED Non-Regulatory Guidance (June 7 Special Report). The report identifies six states in which the majority of districts have been identified for improvement -- Virginia, South Carolina, Florida, Utah, Nevada, and Alaska.
- The National Alliance for Public Charter Schools identifies 19 communities in which charter school enrollment is at least 13 percent of all students enrolled. State legislatures in South Carolina, New Mexico, Florida, and Hawaii, among others, have created state-level charter school governing boards which have the authority to create individual public charter schools through which state formula funds will “follow the child” whose characteristics generate such funds to public charter schools, rather than going through districts.
- USED has published final Title I regulations affecting English language learners allowing former limited English proficient students’ test scores to be counted as part of the LEP subgroup for determining AYP calculation for two years after they leave the program. It is likely that a similar final regulation will be published before the end of the year allowing the districts to count scores for former special education students in a similar manner. This could create a greater demand for programs that are effective in boosting scores of these subgroups of students as some of the disincentives will have now been removed.
- New Issue Brief from Alliance for Excellent Education estimates expenditures for college remediation is \$1.4 billion with community colleges bearing the greatest share of remediation burdens.
- The International Reading Association and the National Council of Teachers of English have created the Literacy Coaching Clearinghouse which will likely become the major information source on effective practices and products for the growing number of reading coaches around the country.

As a reminder, on September 21 we sent out a Special Report on “selecting districts to target,” which refers to other TechMIS lists and reports submitted over the last several

months. It should help firms with certain types of products and services to “fine tune” the selection of districts to target and when to target them. Subscribers are reminded that the second installation of Title I funds, including all of the increases for the districts which we have identified, are being allocated during the first week in October and states which have few adjustments to make will be allocating funds to districts in mid- to late October. However, for most of the states, such final notifications and allocations will continue through February-March. If you have not received the Special Report please let us know.

The State Profile Updates include some state policy changes regarding state assessment pass/fail cut-off points, state funding initiatives, alerts regarding Microsoft settlement funds allocations, where appropriate, and state notifications of districts and schools which fall under AYP sanctions.

A number of ongoing issues which have yet to be finalized and which should be of interest to most TechMIS subscribers are highlighted below. One of the major issues of concern to supplemental print publishers is whether their products fall under the NIMAS regulations which would require delivery of electronic versions in a prescribed format which publishers would have to make available when states or districts purchase supplemental print materials used by students with sight and related disabilities. The Association of Education Publishers and the American Association of Publishers have been working with the NIMAS committee which is refining guidelines on the definition of “related core materials.” As reported by AEP, the agreement (which has yet to be finalized) during the NIMAS committee last week states:

“ ‘Related core materials’ are printed materials, other than textbooks, designed for use by students in the classroom in conjunction with a textbook and which, together with the textbook, are necessary to meet the curriculum requirements for the intended course. The materials should be directly related to the textbook and wherever possible they should be published by the publisher of the textbook. Related core materials do not include materials that are *not* written and published primarily for use by students in the classroom (e.g., trade books not bundled with the textbook, newspapers and reference works) nor ancillary or supplemental materials that are *not* necessary to meet the curriculum requirements for the intended course.”

Two unclear related issues are: whether only supplemental print published by the basal text publisher falls under NIMAS; and another is whether specific supplemental materials are required by the state to meet state curriculum standards. Full implementation is expected to begin on December 5, 2006. For more information go to the CAST website, <http://nimas.cast.org>.

The FY 2007 appropriations levels for the Department of Education will not be determined until after the November elections by a “lame duck” Congress. If the Democrats take control of the House, the lame duck committee headed by Republicans

could propose additional cuts. However, as reported in Education Daily (September 26), Senator Arlen Specter (R-PA), Chairman of the Labor Health and Human Service Education Appropriations Subcommittee, is quoted as saying, "I don't expect the labor-HHS Bill to be reduced. I think there is an understanding that health and education are two major capital assets that ought not to be reduced any further." He noted that Senate leaders promised several months ago to provide \$2 billion more for the bill.

The recently-passed Defense Appropriations Bill calls for a Continuing Resolution to level-fund education programs which goes into effect October 1. House moderates continue to press House Majority Leader John Boehner to add an additional \$3 billion for education, health, and labor programs.

As of October 1, the Secure Rural Schools and Communities Determination Act is scheduled to expire. As reported in Education Daily, hundreds of school superintendents from rural school districts -- most of them in the Pacific Northwest -- are lobbying the U.S. Congress for a temporary extension of the Act. This program provides \$500 million a year to schools and communities located in Federal forestry lands. Some of these funds are used for online services and telecommunications by districts. The Congress is attempting to identify sources of income to replace the revenues that will be lost to local schools when the Act expires. One possible source is sales from offshore oil drilling but the details of this arrangement will be difficult for Congress to settle. Another possible source is sales of timber harvests of stumps after forest fires, a plan opposed by environmentalists.

If anyone wishes to discuss the potential implications for their products stemming from the Reading First Investigation Report and planned actions likely to be undertaken by USED or SEAs, please contact me directly by telephone.

Washington Update⁸

Vol. 11, No. 10, October 1, 2006

USED Office of Inspector General Investigative Report on Reading First Confirms Most Allegations; However, Much of the Impact Has Already Occurred

Following allegations that USED violated the Reading First statute, made by Success For All and two other publishers, a year-long large-scale investigation by the Office of the Inspector General within USED has confirmed that Reading First officials, among others, at USED intentionally mismanaged the early design and implementation of Reading First. However, as more and more evidence was compiled by independent study groups such as the Center on Education Policy as well as USED's Institute for Education Sciences, it appears that Secretary Spellings initiated changes and corrective actions prior to official release of the OIG report. Many of the firms which were negatively impacted by policies and directives emanating from the USED Reading First office may have little recourse.

The OIG report documents:

- the selection of expert panelists to review state applications was biased, favoring one reading approach (Direct Instruction) over other approaches that would be allowed in Reading First;
- the use of advisors and consultants who had possible conflicts of interest;
- not all of the criteria specified in Reading First legislation for approving state-proposed Reading First programs were followed, while others were added and;
- USED intervened to influence state and district selection and adoption of reading programs, possibly in violation of the Law creating the U.S. Department of Education which prohibits officials from "exercising any direction, supervision, or control over the curriculum or program of instruction of any education institution or school system."

Although Secretary Spellings and other USED officials, most of whom were not at the Department when the 2002-03 state grants application process (which was the major focus of the investigation) occurred agreed with some, but not all, of the OIG findings, they agreed to implement all of the OIG recommendations. Secretary Spellings also noted, "I am planning to take actions beyond the recommendations outlined in the report. Although the events occurred before I became Secretary of Education in 2005, that does not lessen my concern about these actions and my commitment to address them." One of the first actions is the creation of a "new management team" for Reading First replacing staff, who were

initially involved. The new team will contact each of the state Reading First directors, identify any remaining concerns and provide opportunities for amending their plans. Given that 20 percent of Reading First funds which a state receives is set aside for SEA administration, technical assistance, and professional development, it is not likely that additional state concerns beyond those documented by the OIG and in related reports raised by the states. Another initial step undertaken by the new USED management team would be to notify each contractor -- such as the three Reading First centers operating under the auspices of RMC corporation -- "to emphasize the importance of providing objective and impartial technical assistance and other support in their work." Over a year ago, Deputy Secretary Simons announced that, under the proposed "modified assessment draft policy" affecting so called "gap students (i.e., the two percent cap), the Reading First technical assistance centers (Florida State University, University of Oregon, and University of Texas) would provide technical assistance to states and districts to select/develop appropriate modified assessments. In a similar vein, he and other officials also suggested that the Reading First technical assistance centers could also provide support in implementing the new IDEA Early Intervening Services provision. It is unclear whether these initiatives will be undertaken. According to knowledgeable observers, another OIG report based on investigations of allegations of improprieties and conflict of interest among technical assistance centers will be released in the near future as part of the overall Reading First OIG investigation.

Another USED action step will be a review of publicly-disseminated guidance and other

materials relating to the Reading First program to ensure that they are accurate and impartial. As Secretary Spellings stated, "If there is inappropriate material in the guidance, I will make appropriate changes." The OIG found lists of assessment instruments and reading programs that included materials handed out during USED-sponsored Reading Academies in 2002-03, although such lists had not been approved by the responsible agencies, such as the National Institute for Literacy. The OIG report found that the Reading First director added criteria (beyond those in the Law) which states had to meet in order to be approved to receive Reading First grants. It also noted that some allowable activities in the Law were not included in the initial April 2002 Reading First guidance to the states. While not mentioned specifically, one example of USED's "selective implementation" was not to allow states and districts to use Reading First funds to pay for tutoring or family literacy, which were explicitly allowed in the statute. One of the states which proposed the use of tutoring but was initially denied, was New York, which will be the focus of another OIG Reading First report based upon 3-4 individual state audits.

While the above action steps may or may not have much of an impact on Reading First in the short term, the allegations of bias, conflicts of interest, mismanagement, etc., which were widely reported in the press in 2002-03, have already had an impact even before the OIG report was made available. For example:

- The recent USED Final Regulations relating to IDEA's Early Intervening Services minimizes the number of references to Reading First compared

to the initial draft of the IDEA reauthorization, which would have required Early Intervening Services and Response to Interventions be those approved for Reading First. Final IDEA regulations state that USED will not recommend one intervention over another and clearly leaves such guidance to districts up to the SEA (see August 7, 2006 TechMIS Special Report).

- The recently-appointed Math Panel, most observers agree, is less biased than the National Reading Panel which many felt favored Direct Instruction and other phonics-based instructional programs.
- The OIG report gives several examples of how the Reading First office attempted, with a great deal of success, to preclude states from allowing Reading First funds to be used to purchase supplemental programs regardless of the amount of evidence that had been compiled. The preamble to the new IDEA regulations states that certain supplemental materials can be part of an Early Intervening Service.

Although the OIG report documents examples of situations in which Reading First officials and/or consultants intervened with states and even districts to disallow the use of Reading funds to purchase certain programs, many of which were supplemental materials, it is not clear whether publishers have any recourse. While at least two textbook publishers had their core basal texts approved for use in a number of states, some of their supplemental materials were disapproved. As reported in

Education Week (September 22), the Reading Recovery Council of North America claimed that hundreds of schools have dropped their program because Federal officials indicated that Reading Recovery was not approved for use in Reading First. Reading Recovery Executive Director Jady Johnson stated, “The Council will seek reparations from the Education Department for the clients it lost.” In the same Education Week article Bob Slavin, President of the Success For All Foundation, stated that the OIG findings corroborated the complaints and allegations which he has made over the last several years, but concluded, “We had this information about what was happening very early on. It’s not like they didn’t know it was happening. This is a nice vindication, but it’s only symbolic and of no lasting value if some behavior and policy doesn’t significantly change.”

The Vast Majority of Reading First Districts With Increases in Reading Performance Attribute Increases to Reading First Instructional Programs and Reading First Assessment Systems

The Center on Education Policy’s most recent report on the impact of Reading First reported that 97 percent of Reading First districts reported the Reading First instructional program which they implemented was an “important” or “very important” cause for increases in students’ reading scores and 92 percent reported the same for Reading First assessment system. CEP also found that 60 percent of Reading First districts reported that they adopted a

new reading program in order to qualify for state Reading First grants and that 86 percent required schools to devote a specified amount of time to reading, which averaged about 1.5 hours per day. In its report last year, CEP identified a possible trend of Reading First instructional programs and assessments impacting Title I programs. CEP's most recent report found that three-fourths of the states and 80 percent of the districts "reported they coordinated the Reading First and Title I programs." The most prevalent type of coordination was changing Title I reading instruction to match Reading First. In many cases, the Reading First instructional program was also extended to non-Reading First schools.

Not unexpectedly, of the 35 states reporting improvement in reading scores, 19 said Reading First instructional programs were an "important" or "very important" cause of student improvement. SEAs can set aside up to 20 percent of a state's Reading First allocation to be used for technical assistance and/or professional development, which can include non-Reading First schools' staff. Officials in 21 states reported that offering professional development through Reading First was one of the top three strategies the state used to increase student achievement in schools identified for improvement. Nineteen states provided Reading First curriculum and assessment as a strategy "used to a great extent" in schools identified for improvement. More than half of the states reported that the state-held joint meetings or professional development for Reading First and Title I staff contributed to the extension of Reading First instructional programs and assessments into Title I.

Over the last several years, several CEP

surveys have found that state and district officials felt that USED enforced "very strictly" Reading First instructional and assessment requirements, second only to its enforcement of AYP and public school choice/SES. The most current CEP study found that 45 states reported they had "sufficient funds" to implement Reading First activities while only 19 states felt they had sufficient funds to implement a system to monitor the quality of SES providers. The most recent CEP findings on the perceived impact of Reading First comes on the heels of the first USED-issued report on the implementation of Reading First (see August TechMIS). The USED findings of the perceived impact tend to corroborate CEP's findings. However, the "midpoint" summative state evaluations reported by states this Fall (with reviews of these reports according to CEP to be "conducted shortly afterwards") should provide evidence of the overall effectiveness of Reading First. NCLB requires that individual state mid-term reports be reviewed by an expert panel appointed by the Secretary of Education and the National Institute for Literacy which will determine if a state is making significant progress in order for the state to continue receiving Reading First grants. The recently-released Office of Inspector General investigation of allegations of mismanagement of the Reading First program during the early years questioned the objectivity of the initial panel (see related item).

For a copy of the most recent CEP report, go to www.cep-dc.org/pubs/readingfirst/CEP-ReadingFirst.pdf.

Proposed Bills Would Amend Certain Supplemental Educational Services Provisions and Related USED Policies

Shortly after returning from the August recess, two Senators, on opposite sides of the political aisle, submitted bills to amend certain aspects of NCLB's choice and SES provisions and USED's Non-Regulatory Guidance which could have implications for those firms who are attempting to "partner" with districts that provide their own SES programs. Proposed by Senator Hillary Clinton, S 3869 is designed to improve the quality of and access to supplemental educational services in an effort to increase student achievement and is referred to as the "IQ Act." It follows closely the recommendation of the recent Government Accountability Office report (see September TechMIS) and is also based on findings from the fourth annual NCLB implementation study conducted by the Center on Education Policy (see March TechMIS). For example, it would allow districts to offer supplemental educational services when a school is identified for improvement for the first time (vs. offering parent transportation choice currently). Moreover, it would also allow a district to provide SES even if the district has been identified for improvement similar to the pilot project USED has approved for Chicago, Memphis, Anchorage, Boston, and most recently Hillsborough County, Florida.

The other Bill, S 3864, sponsored by Senator Mel Martinez (R-FL), entitled "Raising Achievement Through Improving Supplemental Education Act of 2006" (or "RAISE Act" for short), is based upon a state law signed by Florida Governor Jeb

Bush in July which was strongly supported by the Education Industries Association. As Senator Martinez noted in his introduction, "Many of the provisions of the RAISE Act are modeled after the successes already occurring in my home state. In Florida, we have already implemented SES improvements. As a result, Florida will see a higher SES program success rate, stronger guidelines, and better state oversight." Similar to the IQ Act, it would allow a district to provide supplemental educational services for eligible students in a school identified for improvement for the first time. However, given the vested interest supporting the measure, the bill is silent on the USED policy of not allowing districts identified for improvement, with the above exceptions, to provide their own SES programs.

In several areas, the two bills are similar, including:

- requiring districts to allow third-party providers to use school facilities for SES afterschool programs at a reasonable cost;
- requiring districts, once notified of schools identified for improvement, to provide more timely notification to parents of the availability of SES for students who are eligible;
- requiring districts to reduce time and other burdens placed on parents in selecting providers and otherwise reducing "district-created" obstacles which stand in the way of parents wanting their child to participate in SES.

Both bills address the need to strengthen state evaluations of the performance of students participating in SES programs. The IQ Act would allow an SEA to reserve one-half of one percent of the district-level, one percent set-aside for administration to establish an evaluation system which would evaluate each SES provider. The primary measure of success would be the progress of individual SES participating students toward meeting state academic achievements as measured by state assessments and attendance rates. By 2008-09, the evaluation system would be able to determine the “value added” by each provider toward improving student academic achievement. The RAISE bill would use, as its primary measure, the gains of individual students by showing improvement attributable per hour of supplemental educational service instruction and would exclude an evaluation of those students who attend less than 80 percent of the total scheduled hours of SES instruction. The evaluation required under the bill would attempt to isolate variables, other than SES instruction, which could affect student academic achievement, which is a difficult evaluation task as we have noted in the past. As we noted in the September TechMIS Washington Update, regarding the GAO recommendations, the IQ Act would result, over time, in greater alignment of SES instruction with state standards and assessments. The RAISE proposed evaluation system could result in evidence which would be more tenuous for bringing sanctions to bear on certain providers’ performance as measured by SES participant achievement.

The bill introduced by the Florida Senator addresses areas of “uneven playing fields” between districts/schools that provide SES

and third-party providers by attempting to minimize conflicts of interest. Following the “model new Florida law,” the RAISE bill would allow local education agencies which have unspent SES funds (i.e., the 20 percent earmark), to reallocate such funds for other allowable purposes by requiring the district to provide to the SEA “clear and convincing evidence that (a) all parents of eligible students were notified in “good faith” regarding the availability of SES; and (b) that the LEA is meeting all actual demand for SES.” The Florida legislation requires that the majority of parents of eligible students for SES document to the LEA that they were willing or were not willing to allow their student to participate in SES (see August Florida Profile Update). The bill would also allow the SEA to contract with a non-profit agency to implement SES in an LEA which is not able, or too unreliable, to carry out its responsibilities or if there is a conflict of interest “due to an LEA becoming a provider.” A similar proposal has been advocated by groups such as the American Enterprise Institute and the Thomas Fordham Foundation. The RAISE bill would also give the highest priority of receiving SES to low-performing students -- regardless of their poverty level -- who are located in identified schools. It also calls for the USED to develop a “model program for coordinating provision of supplemental educational services...with 21st Century Community Learning Centers.” Recent USED guidance suggests that 21st Century-funded afterschool programs are “distinct and separate affiliated entities” from the district such that they could continue providing SES even if a district were identified for improvement.

The IQ Act addresses other related GAO recommendations. For example, SEAs would be allowed to provide financial and other incentives for providers of SES to students in rural LEAs and SEAs would be required to include, in the list of approved SES providers, at least two providers with the “capacity to provide effective services for children who are limited English proficient or children with disabilities.”

While supporters of the two bills reflect many different vested interests, both agree that schools identified for improvement for the first time should be allowed to provide SES first, or concurrently with, the parent choice transportation option. The vast majority of education groups and many conservative advocates of NCLB, such as the American Enterprise Institute and the Thomas Fordham Foundation, as well as non-partisan groups such as the Education Sector have recommended this change. Congressional leadership has vigorously stated on several occasions its intent not to address any legislative amendments which would open up an avalanche of other amendments to NCLB before the scheduled reauthorization. It is unclear whether Congress is willing to consider any technical amendments, such as provisions in the IQ Act and RAISE bills, before the reauthorization. On the other hand, if reversing the order of parent choice transportation and SES is supported by many and opposed by few, because it could have a financial impact upon districts (e.g., one-half of one percent of districts’ administrative set-aside must be reserved for state-conducted evaluations of SEA providers’ performance), then some observers believe there is a chance that a rider will be attached to the 2007 appropriations bill (which would require no

formal floor debate), which would have the effect of a technical amendment. If that occurs and the appropriations act is signed by the President, the change would become effective October 1, 2006.

Education Week’s Third Annual “Leading for Learning” Special Report Estimates of the Number of Districts Identified for Improvement By States Suggest States in Which Districts Provide Potential Opportunities For Partnering For SES and Staff Development

The Education Research Center (ERC) of Education Week, has estimated the percent of districts which have been identified for improvement using the most current data from states. This “Learning for Learning” report suggests the states which have districts that are more likely to be able to partner with software and other publishers because the district operates its own SES program, and highlights opportunities for firms which could provide staff development under the new Non-Regulatory Guidance (see TechMIS June 7 Special Report). In some states, the estimates are really a “moving target” as many SEAs are only now notifying districts and schools whether they have been identified for improvement. Nationwide, the report estimates that 8,446 schools and 1,624 districts receiving Title I funds were identified for improvement in 2005; approximately two-thirds of the districts were identified for improvement for the first time that year. Under the new Non-Regulatory Guidance, these districts must

set-aside 10 percent of their Title I district allocation for staff development. Moreover, if some of the 10 percent set-aside is not spent during the year, it must be carried over and added to the 10 percent set-aside for the following year, again, to be used only for staff development.

The report identifies six states in which the majority of the districts have been identified for improvement -- Virginia, South Carolina, Florida, Utah, Nevada, and Alaska. The report also identified eight states which had no districts in need of improvement in 2005 which included New Mexico, Missouri, Arkansas, Wyoming, Maryland, Delaware, Hawaii, and Maine. In 18 states, less than 10 percent of the districts were identified for improvement. Districts in these states are potential candidates for partnering if the district has been approved to provide its own SES. Even if a district is identified for improvement, if there is no independent third-party service provider which can or will provide SES for students with disabilities or English language learners, the district is still responsible for providing SES for these students. The Center on Education Policy, in its fourth annual report on NCLB implementation, found that approximately 50 percent of districts that had been identified reported that no independent SES provider could or would serve these two sub-groups of students. For those districts which have been identified for improvement, recent Non-Regulatory Guidance (see August 2006 [Washington Update](#)) provides opportunities for firms to partner with affiliated entities such as teacher groups and afterschool program operators which are “distinct and separate” from the district.

The ERC report summarizes the types of

activities being undertaken by SEAs to provide school improvement assistance to districts and schools identified for improvement. For example, 32 states reported in their last annual state performance report to USED that they were providing ongoing assistance -- but not onsite -- on a regular basis, while only seven states encouraged schools identified for improvement to adopt a model endorsed or approved by the state. According to the report, about 2,900 schools in 470 districts will be in “corrective action” this school year. These are the districts and schools which are receiving most of the SEA assistance through support teams, distinguished educator teams, and the use of private consultants and turnaround experts. As districts and schools under “corrective action” develop their plans, one option is replacing the school’s curriculum in combination with in-depth staff development.

The “Leading for Learning” report is part of the September 13 [Education Week](#) issue. Mailings Clearinghouse (MCH), with whom we have worked for over five years, is currently updating its list of districts which have been identified for improvement and other lists of districts, including districts with afterschool programs funded under 21st Century Community Centers. Contact Mary English, (800) 776-6373.

Charter School Movement Likely to Continue to Grow and is Gaining Traction in Certain Communities By Increasing Enrollment or Market Share Significantly

The Charter School Movement, which began

in Minnesota and Wisconsin during the 1990s, is likely to continue expanding with greatest traction in certain communities where charter school enrollment is over 20 percent of public school enrollment. This growth is likely to continue in spite of numerous recent studies which found mixed results in terms of differences in student academic performance between public schools and neighboring charter schools, including an analysis and re-analysis by the National Center for Education Statistics within USED. However, as the National Alliance for Public Charter Schools recently reported (“Top 10 Charter Communities by Market Size,” September 2006), many educators and policy makers “usually think of it in terms of still-modest national numbers (only 2% of all public school students) or somewhat larger state numbers (where Arizona leads the pack, with 8% in 2005-06.)” The report identified nineteen communities in which 13 percent to almost 70 percent of all students are enrolled in charter schools. As reported in the media, the new leader is New Orleans, where slightly over 7,000 students of the estimated 11,000 students will be enrolled in charter schools. While California and Arizona are “charter behemoths with 212,000 and 83,000 students respectively” only three communities were included in the list, Chula Vista and Oakland, California, and Mohave County, Arizona. Michigan and Ohio had four and five communities on the list. Michigan communities are concentrated in the Detroit metropolitan area, while Ohio communities reflect the state law which restricts charter schools to a few large cities including Cleveland, Dayton, Youngstown, Cincinnati, and Toledo.

Two recent trendy initiatives are likely to bolster the charter school movement. One is

the recent action by legislatures in South Carolina, New Mexico, Florida, Hawaii, among other states, to create state-level charter school governing boards which have the authority to create individual public charter schools, as in the case of South Carolina. Following in the footsteps of another movement tied to the state finance and equity issue and supported by pro-charter school groups such as the Thomas Fordham Foundation, state funds would be allocated according to the “weights” assigned to students with certain types of characteristics (e.g., a student from a low-income family which has limited English proficiency might get a weighting of 50 percent more than a “regular” student in the state funding formula). Moreover, like Federal funds in which students with certain characteristics generate certain amounts of Federal funding which should “follow the child” if the student enrolls, for example, in a parochial school, several of the states, such as South Carolina, would allow state line items or formula funds to go directly to the newly-created charter schools under the state governing agency. In addition, a newly-created South Carolina local public charter school would receive the free services or support from the state -- such as free Internet access -- which the SEA provides to all public schools.

USED Final Title I Regulations Affecting English Language Learners Allows Former Limited English Proficient Students' Test Scores to be Counted as Part of the LEP Subgroup for Determining AYP Calculations for Two Years After They Leave the Program

Similar to the draft Title I regulations affecting English language learners two years ago, USED finally published Final Regulations which allow states to allow districts to include the test scores of former limited English proficient students who achieve fluency in English as part of the LEP subgroup for calculating AYP during the first two years after they become fluent in English. In some states, this policy is not new in that the states have negotiated such flexibility agreements previously with USED. Shortly after the passage of NCLB, various groups argued the need to include "leavers" (students who exit programs for LEP students or students with certain disabilities) for a certain time period after exiting such programs, if any progress would be made in reducing the achievement gap between these two subgroups of students and other students. While states and districts have the option of taking advantage of this flexibility, they must still provide, in other reports to the state or even report cards, different types of information about former and current LEP students' progress. States, however, have some discretion in whether or not former LEP students should be counted in determining the N size of the LEP subgroup. As we reported several years ago, the demand should increase for student information systems which have the flexibility of

keeping "two sets of books" on limited English proficient subgroup members and those that exit the program which allow different numbers to be used for different types of calculations (AYP or number of students qualified for Title III funding) and reported (to the public or to the SEA).

A similar policy for students who exit special education programs is anticipated in response to several commentors on the Regulations. The Regulations noted that this policy, applied to exiting special education students, was included in the December 15, 2005 proposed regulations and that the Secretary "is currently considering the public comments she has received on this issue and will address it in response to the December 15 proposed rules." At least one state, Texas, requested last year to use the proposed change in its 2005-06 AYP calculations and was denied by USED. The December 15, 2005 proposed regulations also addressed the "two percent modified assessment" issue which was not addressed in the Federal IDEA regulations. Final regulations with comments on the proposed December 15, 2005, regulations are anticipated before the end of the year.

The Final Limited English Proficiency Regulations, released on September 13, also define "recently arrived LEP student" as an LEP student who has attended schools in the U.S. for less than 12 months." These "recently arrived LEP students" are expected to take the state's math assessment, perhaps with accommodations, but not the reading/language arts assessment. However, AYP calculations would not include the scores of "recently arrived students" in state math or reading tests, if taken. However, the number of "recently arrived" exempted

from taking assessments has to be reported to the public. For a copy of the Final Regulations, see the Federal Register, September 13, 2006

<http://a257.g.akamaitech.net/7/257/2422/01jan20061800/edocket.access.gpo.gov/2006/pdf/06-7646.pdf>.

New Issue Brief From Alliance for Excellent Education Estimates Expenditures for College Remediation is \$1.4 Billion With Community Colleges Bearing the Greatest Share of Remediation Burdens

The Alliance for Excellent Education, in its August Issue Brief entitled “Paying Double: Inadequate High Schools and Community College Remediation,” estimates that the cost of providing college remediation for entering freshmen is about \$1 billion in state and local government allocations to colleges. The Alliance also included tuition costs of \$283 million and other costs of \$156 million, totaling approximately \$1.4 billion spent annually on college remediation. Using National Center for Education Statistics’ recent studies and trend data, the Alliance estimates that 42 percent of community college freshmen and 20 percent of freshmen in four-year institutions are enrolled in at least one remedial course, or about one-third of all freshmen entering college. Increasingly, the growth in remediation expenditures has been at the community college level as 11 states have passed laws preventing or discouraging public four-year institutions from offering remedial courses.

Other findings included in the Issue Brief, which targets policy makers at all levels, include:

- Of college freshmen taking remedial courses, 35 percent were enrolled in math, 23 percent in writing, and 20 percent in reading;
- One-third of freshmen who take remedial courses are 19 years old or younger;
- The leading indicator of students dropping out of college is a need for remediation; NCES findings show that, while 58 percent of students who take no remediation courses earn a Bachelor’s degree within eight years, only 17 percent of students who enroll in a remedial course receive a BA or BS within the same time frame.

The Alliance also estimates the amount of annual remedial savings by states if such remediation were not needed. Not unexpectedly current remediation costs in California are about \$135 million, followed by almost \$100 million in New York, and \$88 million in Texas.

One of the NCES reports cited by the Alliance, entitled “Remediation, Education and Degree Granting Post-Secondary Institutes in the Fall 2000,” addresses the use of advanced technology in college remediation. For example, in the Fall 2000, 13 percent of institutions offered remedial courses through distance education compared to three percent in 1995 and about one-third of the institutions reported that computers were used frequently by students

as a hands-on instructional tool for online campus remedial writing, reading, and mathematics courses. The NCES report also found the primary users of advanced technology were public two-year colleges, with 25 percent offering remedial courses through distance education. It also reported that the primary mode of delivery for remedial instruction through distance education was the Internet using asynchronous computer-based instruction. Based on recent reports in the media, it would appear that an increasing number of two-year colleges are extending their remediation services to recent high school dropouts or pushouts by establishing credit recovery type courses. Firms with appropriate products and/or services would benefit, not only from college expenditures on remediation, but also perhaps from college-provided supplemental educational services or credit recovery programs under contract to high schools and/or districts. For a copy of the Alliance for Excellence Education Issue Brief, go to www.all4ed.org/publications/remediation.pdf.

The International Reading Association and the National Council of Teachers of English Have Created the Literacy Coaching Clearinghouse Which Will Likely Become the Major Information Source on Effective Practices and Products for the Growing Number of Reading Coaches Around the Country

The IRA/NCTE joint project is developing a website for dissemination of information about literacy coaches as the initial phase.

In later phases, the Literacy Coaching Clearinghouse (LCC) will develop a research agenda and is designed to increase the professionalism of reading coaches by defining roles and qualifications. Last year, the IRA, with NCTE and other associations, developed a guide for middle school reading coaches, identifying the most important roles and responsibilities as well as competencies which they should possess (see November 20, 2005 [Washington Update](#)). In a recent luncheon discussion with Alan Farstrup, Executive Director of IRA, he acknowledged that the associations were somewhat blind-sided after the creation of the Reading First program, as many states and districts within states began to hire so-called “reading coaches,” whose roles, responsibilities, and competencies were unclear and varied considerably by state. The new LCC could provide opportunities for firms that provide staff development and other types of products and services that could be useful to reading coaches and/or could be recommended by literacy coaches to be used in schools.

In announcing the operations and creation of the LCC website, its new director, Nancy Shanklin, stated in the August-September 2006 IRA publication [Reading Today](#), “We want to see if we can begin to better define what coaching is, what the job description of coaches needs to be, and then what the qualifications of a good literacy coach should be.” The LCC will be housed at the University of Colorado at Denver in the Health Sciences Center and is funded by both IRA and NCTE. In addition to the creation of an LCC advisory board this summer, Shanklin indicated that she plans to form a larger “...network of clearinghouse collaborators to help form and promote the vision of the clearinghouse.” In the

announcement she also stated, “I particularly want to see research that people have going on where they are able to begin to document that their programs and models are successful in terms of changing teacher instruction and student achievement.” Information about the LCC website will soon be posted at www.reading.org.

Alaska Update - October 2006

According to the Fairbanks News Miner, Alaska's Democratic candidate for Governor, Tony Knowles, has called for a Statewide prekindergarten program to serve about 5,000 three- and four-year-olds at a cost of \$10 million. He also wants to expand the Denali KidCare insurance program to an additional 12,500 children which would cost another \$6.7 million. And he also proposes to double the State's Head Start program at a cost of \$6 million. His opponent, Republican Sarah Palin, has challenged budgetary feasibility of Knowles' proposals.

Arizona Update - October 2006

According to the Arizona Daily Star, more than a third of Arizona's 1,881 public and charter schools failed to make adequate yearly progress (AYP) under the Federal No Child Left Behind Act, up from only 237 schools the year before. State officials argue that the huge increase in "failing" schools is largely attributable to the new Federal requirement that schools include the reading and math scores on the State assessment of students who are in their second or third year of learning English. The State believes students in the first three years of learning English should be excluded assessment results and has sued the Federal government over the issue.

Also reported in the Arizona Daily Star, there has been a tug-of-war between Arizona and the U.S. Department of Education (USED) over testing of English language learners (ELLs) under the No Child Left Behind Act (NCLB). USED has approved a change in NCLB that gives states a one-year exemption for elementary school ELLs meaning such students will not have their state assessment scores counted as part of NCLB accountability measures. Arizona is suing USED for a three-year ELL exemption. In response, USED has, at least until the lawsuit is resolved, given Arizona no testing exemption for its ELLs.

As reported in Education Week, a Federal appeals court has ruled that Arizona is not liable to pay the \$21 million in fines it incurred because it did not meet a lower court deadline for funding education for English language learners.

Arkansas Update - October 2006

Recent legislation in Arkansas requires that all certified education professionals in the State must, beginning last school year, complete 60 hours of professional development each year. To help implement this requirement, the Arkansas Online Professional Development Initiative has been established as a partnership between the Arkansas Department of Education and the Arkansas Educational Television Network (AETN). The partnership will provide online programs, courses, and workshops through PBS Teacherline 24 hours a day, seven days a week.

Arkansas has initiated a new media campaign designed to encourage high school students to take more rigorous courses and to discourage parents from opting out of a more challenging curriculum for their children. Known as the *Smart Core* curriculum, the more rigorous academic high school program includes four English courses, four math courses, three natural science courses, and three social studies courses. It is expected that, next year, the legislature will reconsider the “opt out” provision in *Smart Core*, believing it sends a mixed message about the curriculum’s importance.

California Update - October 2006

According to the San Francisco Chronicle, California's new budget provides a one-time, \$500 million grant to support arts in the State's public schools, in addition to the annual arts budget of \$105 million. Supporters of the arts argue that the highest priority should be the hiring of qualified arts teachers. It has been reported that more than a quarter of the State's music teachers were laid off between 1999 and 2004. The increase can be attributed to lobbying by a number of organizations including PTA parents and the Grammy Awards' Recording Academy.

The Los Angeles Times reports that, last year, only 52 percent of California's schools met State targets for testing improvement, a sharp drop from the year before when 76 percent met targets. Although student scores have increased, expectations for scores on the State's Academic Performance Index (API) are rising faster. As in other states, special education students and English language learners present the biggest obstacles to increased school performance. A total of 460 schools fell into the "unsuccessful" category because scores of these subgroups did not meet Federal standards.

Also reported in the Los Angeles Times, the California legislature has passed, and the Governor has signed, a bill that partially shifts control of the Los Angeles school district from the school board to the Mayor's office. The bill apparently will give the district's superintendent more control over personnel and budget than before. The Mayor will control clusters of low-performing schools and will operate a pilot school improvement program for these schools.

The Los Angeles Times reports that the Los Angeles Unified School District (LAUSD) is attempting to award a significant portion of the \$19 million in school construction bonds it will spend by 2012 to small firms. The district has streamlined the bidding process and had established programs to teach small businesses how to work within the system. To qualify, a company must have an annual gross revenue of \$31 million or less; subcontractors must have a gross revenue of \$12 million or less.

Delaware Update - October 2006

As part of the U.S. Department of Education's Advanced Placement Incentive Program, Delaware has received a grant of \$872,000 to increase the participation of low-income students in Advanced Placement courses. The money will be used to help schools better align curricula with AP courses and to provide AP teacher training, tutoring for AP students, summer academies to prepare students for AP courses, and online programs for students whose schools do not provide AP classes.

A study of student performance in the Christina school district (Delaware's largest) indicates a link between the district's school improvement activities and increased student achievement. As reported in Education Week, the study, conducted by the Community Training and Assistance Center, looked at the strategies used over the past two years, including new curricular materials, continuing assessments, and improvement planning. Test results over the two years showed improved student performance and a narrowing of achievement gaps between students from different socioeconomic subgroups.

Florida Update - October 2006

Florida's K-12 education budget for FY 2007 will increase to \$18.8 billion, a \$1.8 billion (11 percent) increase. As reported in Education Week, the total budget includes \$2.2 billion to reduce class size, and \$147.5 million for a new teacher incentive plan that would provide bonuses of at least five percent to teachers of the highest performing students.

The Hoover Institution has conducted an independent assessment of Florida's education policies and has set forth 30 major recommendations covering a range of issues. Among these recommendations are:

- Florida's A+ accountability plan uses a scoring system that evaluates schools on both student performance and growth; more weight should be given to students' growth.
- A+ sets a clear retention policy for low-performing third-graders; the policy should be extended to later grades.
- The State's reading program -- *Just Read, Florida!* -- should seek student mastery of phonological skills.
- Florida should enhance the rigor of its mathematics standards, develop end-of-course exams for high school math and integrate them into the accountability system.
- Schools should continue diagnostic testing in reading for all K-2 students (before the FCAT is required) and for all higher-grade students who score below the basic level on the FCAT.
- The *Special Teachers Are Rewarded* (STAR) teacher-compensation program should include school administrators.
- The State should continue to expand its school-choice options.
- Florida should concentrate its preschool resources on students most in need, should assess pre-K student enrollment, should focus on year-round programs, and should develop a pre-K data system.
- The State should move toward a finance system that funds students, not programs, facilitating family choice and school accountability.

Florida has instituted a new test to track the progress of the State's 200,000 English language learners. Known as the *Comprehensive English Language Learning Assessment (CELLA)*, the

test will replace other exams for ELLs and will, State officials believe, make it easier to compare student performance across districts. According to the Orlando Sentinel, heretofore, districts were allowed to select the test to use for ELLs from a list of 20 such tests.

Florida's largest teachers union has filed a lawsuit challenging the State's *Special Teachers Are Rewarded (STAR)* program that gives bonuses to teachers whose students do well on the State assessment. The \$147 million STAR program was passed by the legislature in the Spring and funding has been distributed to all 67 school districts in the State. The Florida Education Association argues that *STAR* is being implemented without input from teachers or administrators.

Hawaii Update - October 2006

As reported in Education Week, Hawaii's recent budget surplus has allowed the State to increase funding for a number of programs. The State's FY 2007 budget of \$9.6 billion includes \$2.2 billion for K-12 schools -- a seven percent increase over the previous year. The budget provides \$1.8 million for school-based substance-abuse-prevention programs and \$1.5 million for early childhood education. Capital expenditures include \$75 million for major school repairs, \$160 million for "whole school renovation," and \$130 million for other capital-improvement projects.

As reported in the Honolulu Advertiser, Hawaii spent \$7.9 million last year under contracts with three supplemental educational service providers and the total could rise to \$15 million this year. New SES contracts worth close to \$7 million have been awarded to Edison Schools, ETS, and America's Choice. Last year, 24 schools in the State were in "restructuring"; the number will rise to 50 for 2006-07.

Also according to the Honolulu Advertiser, schools in Hawaii are scraping for money to purchase textbooks for their students. Although the State legislature has allocated \$4.5 million for new math and science textbooks over the past two years, it is not nearly enough. Schools are using parts of local discretionary funds for textbooks or even relying on PTA fund-raisers. Science education is becoming a higher priority because this year, for the first time, students are being tested in science under the Federal No Child Left Behind Act (NCLB).

An analysis by the Honolulu Advertiser shows large proficiency gaps between the highest and lowest performing schools in Hawaii. There is a 50 percentage point gap in reading and a 30 percentage point gap in math between the top and bottom schools. Overall, only 100 of the State's 282 public schools made adequate yearly progress under NCLB.

Illinois Update - October 2006

The Chicago Tribune has allocated \$5 million to provide laptop computers to more than 1,750 sixth-grade students. Beginning this school year, the *Technology Immersion Pilot Program* will help children in seven school districts to develop computer skills. The seven districts are: Chicago (#299), Community Consolidated (#59), Woodstock (#200), Joliet (#86), Springfield (#186), Southeastern (#337), and Calhoun (#40).

As reported in the Chicago Tribune, proposed cuts in the Federal Medicaid program are expected to reach more than \$650 million nationwide this year. Illinois could lose as much as \$132 million, \$38 million in Chicago alone. The Administration's FY 2007 budget proposal eliminates Medicaid payments for transportation and special education administration and imposes new paperwork requirements for special education services. Effective in October, the new rules would require school districts to get parental permission for every medical service to a disabled student; now, only one such permission is required when parents sign off on a treatment plan. The multiple-permission requirement would cost Chicago, for example, an estimated \$3 million a year in administrative costs and cause the district to violate Federal privacy laws if mailings with medical information go to the wrong address. The Medicaid budget cuts will require school districts to use regular education funds for no-longer-reimbursed special education services.

Education Daily reports that Illinois' *Preschool for All* initiative has provided \$16.8 million in additional money to the Chicago school district to expand the City's preschool program by 2,500 children, bringing the total preschool enrollment to more than 30,000. An additional 1,800 children will be served in community childcare/preschool programs and 700 children will be served in selected schools. About 10 percent of the State funds will go to infant and toddler programs. Low-income children will get priority for the State pre-K programs; over the next few years, families with annual incomes of up to \$80,000 will become eligible.

Kansas Update - October 2006

According to the Kansas City Star, eleven Kansas school districts and 26 Title I schools have been identified for improvement after failing to make adequate yearly progress for at least two consecutive years. The State has elected to maintain academic performance standards the same as 2005. Information on non-Title I schools will be released in November.

According to the Lawrence Journal-World, Kansas is in a sharp internal debate over participation in the Federal No Child Left Behind Act (NCLB). Conservative State officials argue that the NCLB requirement that 100 percent of students achieve proficiency in reading and math by 2014 is impossible and that, under NCLB's rules, all schools will be classified as failing. The State school board is planning on analyzing the impact if the State declined participation in NCLB and lose the Federal funds associated with it.

Maryland Update - October 2006

According to the National Association for Family Child Care, Maryland has 131 accredited family child care homes, the third largest number in the country -- behind only California and Florida. The Association's six-year-old Accreditation Project highlights programs that use research-based curricula and "foster a cognitively stimulating environment for children."

The State of Maryland is in the process of moving control over education programs in juvenile justice facilities into the State Department of Education, according to Education Daily. Scheduled for completion by 2012, the shift will allow the State to assume full control over its nine juvenile detention facilities. Half of the students in juvenile detention are in need of special education services; many of these have emotional disturbances.

During the 2005-06 school year, 79 schools were planning for or implementing school restructuring plans. Most such schools were urban schools located in Baltimore City, Baltimore County, and Prince George's County. Schools under restructuring receive more attention by the State in funding than schools in improvement. Strategies that have been used include State and Federal grants to districts and schools, assessment data analysis, supplemental tutoring, and additional staff, particularly turnaround experts. During that year, the SEA provided \$14 million in State school improvement grants to 250 schools in need of improvement. In addition, slightly more than \$6 million in Title I funds was awarded to nine school districts to support school improvement in 95 schools. Schools in Year 1 of improvement receive \$20,000 while those in corrective action receive \$40,000. Internet connection fees and computer labs were non-allowable expenditures of State funds. Those schools who exited from a reconstruction or corrective action received less funding in subsequent years than when they were under corrective action or restructuring, which some district officials felt was a disincentive.

According to 2006 Maryland State data, the Baltimore City school district reported its highest high school graduation rate -- 60.6 percent -- in ten years. Small improvements were reported in the graduation rates of White and Black seniors, but there was a significant drop in the rate for Hispanic students -- from 83 percent to 68 percent. This drop in the graduation rate for

Hispanics can be attributed to the inordinately high (83 percent) rate in 2005, 13 percentage points higher than ever reported before.

Massachusetts Update - October 2006

The Associated Press reports that Governor Mitt Romney has vetoed a bill that would have provided universal prekindergarten Statewide. Passed by both houses of the legislature, the bill would have established programs for all children from age 2 to kindergarten. The Governor cited the program's estimated cost of \$1 billion per year and called for a delay until the results of a \$4.6 billion pilot study of prekindergarten in the State, scheduled for completion in February 2007, can be analyzed.

The Boston Globe reports that, last year, 617 (37 percent) of Massachusetts' public schools have failed to meet Federal academic standards for at least two years, up from 420 the year before. Moreover, 57 schools, up from 30 the previous year, have failed to meet test score goals for at least five years. These schools are subject to restructuring or State takeover, although State officials have thus far tried to work in partnership to improve the schools rather than implement the more severe sanctions. Currently, the State has allocated only \$5 million for school intervention strategies; advocacy groups estimate that at least \$25 million will be needed.

The Boston Globe also reports that 84 percent of students in the Class of 2008 passed both English and math portions of the Massachusetts Comprehensive Assessment System (MCAS) on the first try, up from 81 percent the year before, 68 percent in 2001, and only 48 percent in 2000. The percentage of students that scored at "proficient" or "advanced" on the MCAS English exam increased from 64 percent in 2005 to 70 percent last year; and the percentage in math rose from 61 to 67 percent.

Michigan Update - October 2006

In the Education Week (September 19) online chat on state roles in improving instruction in low-performing schools, Yvonne Canul, Director of the Michigan Office of School Improvement, highlighted some of the steps taken by the SEA to help low-performing schools. Michigan is one of a handful of states that had been providing support teams of school turnaround experts to low-performing schools even before the passage of NCLB. Firms with potential solutions for schools under corrective action and restructuring should become familiar with some of the tools and procedures used by Michigan as highlighted below:

- The State has developed a “school improvement framework” (SIF) which is a curriculum for continuous improvement in order that the State and districts have the same “lexicon” when discussing issues and initiatives related to school improvement. A total of 1,200 individuals attended the first SIF conference last April; another is planned for November.
- Working with professional organizations, the SEA has also developed “Mi LIFE,” a leadership development curriculum that uses the SIF. Professional training organizations have to use Mi LIFE in order to receive SEA approval.
- The SEA has also developed a “Mi-MAP” toolkit for school reform which addresses nine major areas of school activities and strategies to help turnaround schools.
- A school improvement facilitators network, with approximately 65 educators, mostly retired, is called on by the State to provide professional development for low-performing schools. While the State has not taken over and operated any low-performing schools, the SEA Office of School Improvement has significant influence on how district and other funds for school improvement are used, what types of solutions and services are to be implemented.

Minnesota Update - October 2006

The Associated Press reports that, this year, the Minnesota Department of Education will wait until November 15 to publish its list of schools that failed to meet Federal standards under the No Child Left Behind Act. Schools, however, will be notified earlier and have the option of announcing their status. In 2005, 247 schools in Minnesota were identified for improvement compared with 464 the year before.

As reported in the Pioneer Press, although Minnesota's special education population grew by only five percent between 2001 and 2005, the costs of special education increased by 25 percent. State officials attribute this discrepancy to a rise in autism and other expensive-to-treat disabilities. Because State aid for special education has been shrinking, local school districts must often use their general operating funds to support special education, putting a squeeze on some programs (e.g., reduced early childhood staff, fewer custodians). Many districts are seeking ways to cut special education costs. St. Paul, for example, is looking at the referral process by which African-American males with behavioral problems are disproportionately assigned to special education (a nationwide issue as well). The State is working with districts to develop behavior-intervention strategies that could reduce special education referrals.

Missouri Update - October 2006

The Kansas City Star reports that the number of Missouri schools that failed to make “adequate yearly progress” (AYP) under the Federal No Child Left Behind Act (NCLB) increased to 132 last year from 126 the year before. Statewide, 63 percent of the schools met NCLB targets, down from 65 percent the previous year. Among Title I schools, the percent making AYP dropped from 80 percent to 70 percent. State officials indicate that the drop was to be expected because NCLB, for the first time last year, required that all students in third- through eighth-grade be tested. On the other hand, the State made a scoring change that made it easier for students to score well.

New Hampshire Update - October 2006

According to the Manchester Union Leader, 40 percent -- 184 -- of New Hampshire's public schools failed to make "adequate yearly progress" (AYP) under the Federal No Child Left Behind Act last year. A total of 91 of these schools have missed AYP for at least two years and are thus "identified for improvement." Twenty-one of the State's school districts have also been identified for improvement including six districts that are newly identified. On the other hand, eight of these districts made AYP last year and can be dropped from the list if they continue to improve.

New Hampshire, like many other states, has a number of schools that are "identified for improvement" under the Federal No Child Left Behind Act (NCLB) solely because of the performance of special education students. As reported by the Boston Globe, alternative tests and academic standards for these students are being developed. In the meantime, the U.S. Department of Education has adopted a rule that allows the State to count 15.6 percent of special education students as meeting NCLB requirements. As a result of this change, eight school districts and 11 schools that had originally been listed as failing to make "adequate yearly progress" in reading or math have now met Federal standards.

New York Update - October 2006

The Albany Times-Union reports that the State of New York will package individual student scores on standardized English and mathematics tests into parent-friendly “Parent Reports.” These “Parent Reports” are part of a \$6.3 million State initiative to improve reporting on the scores of third through eighth grade students who take the exams to meet the requirements of the Federal No Child Left Behind Act. The upgraded data system will assign a ten-digit code to each student that will allow teachers to track student progress even if the student changes schools or districts. The database will contain records on student test scores, attendance, and special education needs.

An analysis of reading and writing test scores for New York state students shows a sharp drop in performance between the fifth and sixth grades and continued deterioration through middle school. According to State data, two-thirds of the State’s fourth-graders are reading and writing at the appropriate level, but by eighth grade, less than half are doing so. Between 1999 and 2005, the percentage of fourth-grade students at grade level increased from 48 percent to more than 70 percent. The percentage of eighth-graders at grade level remained at 48 percent over the same period.

Ohio Update - October 2006

The Cincinnati Enquirer reports that Ohio has allocated about three percent of its \$7.6 billion education budget on private -- including religious -- schools, a total of \$185 million. Public expenditures for private schools has grown by nearly 60 percent over the last decade. Much of the money has gone for transportation because public schools in Ohio are required to bus private school students. The State funds can also be used for educational equipment, textbooks (non-religious), support staff (e.g., nurses), and staff time for administrative functions.

Oklahoma Update - October 2006

The Oklahoma legislature has passed a \$2.3 billion FY 2007 budget for K-12 education, up 8.5 percent from the year before. As reported in Education Week, the State's *Achieving Classroom Excellence (ACE)* initiative to establish more rigorous high school standards received \$5.7 million for test development and administration. The *ACE* program requires entering ninth-graders (beginning in 2008-09) to pass four out of seven end-of-instruction exams to receive a high school diploma, including Algebra 1, English 2, and at least two of English 3, U.S. History, Biology 1, Geometry, or Algebra 2. During the 2006-07 school year, the State will develop the tests for English, Algebra, and Geometry to be implemented in 2007-08.

Oregon Update - October 2006

The Oregonian reports that 29 small, specialized high schools will open this Fall as part of the \$25 million high school reform grant provided by the Bill & Melinda Gates Foundation and the Meyer Memorial Trust. This will bring to 30 the total of such high schools in Oregon. Another 16 small high schools will open next Fall in the grant's final implementation phase. Spread across the State, these schools will each enroll fewer than 400 students and will often focus on specific themes (e.g., Business, Science & Technology, Arts). Most of the schools will be housed in larger traditional school buildings which contain three to five separate "learning communities."

Also according to The Oregonian, the U.S. Department of Education (USED) has determined that the tests Oregon uses to assess students with moderate to severe disabilities do not meet the requirements of the No Child Left Behind Act. These "modified assessments" or "life-skill tests" were intended to assess progress by special education students who might not achieve grade-level benchmarks. USED says the State must drop the tests immediately and develop new tests for the current school year.

The Associated Press reports that Oregon plans to reapply to the U.S. Department of Education to participate in the pilot study of growth models. The State's original proposal was rejected, in part, because it combined all student scores within a school. The new proposal will:

- calculate performance growth for individual students;
- not use confidence intervals in growth calculations;
- base growth targets on State performance standards; and
- include all students who have at least one valid test score.

The Oregonian reports that only 15 percent of the students who enter Oregon high schools graduate and go on to earn associate or bachelor degrees. The Oregon Business Council argues that dramatic improvements in K-12 education are necessary and that the percentage of entering high school freshmen who get college degrees should be at least 80 percent.

Pennsylvania Update - October 2006

As reported in the Pittsburgh Post-Gazette, more than 95 percent of Pennsylvania's school districts and 82 percent of its schools made "adequate yearly progress" (AYP) under the Federal No Child Left Behind Act (NCLB) last year. A total of 452 districts (vs. 308 the year before) and 2,456 schools (vs. 2,313 the year before) made AYP in 2005-06. State education officials attribute the improvement to State initiatives in early childhood education and tutoring, as well as to higher expectations for students.

The Pittsburgh Post-Gazette also reports that Pennsylvania's *Classrooms of the Future* program will allocate \$200 million, over three years, to provide a laptop and high-speed Internet access for every high school student in English, mathematics, science, and history. The 2006-07 State budget contains \$20 million for the first year of the project, plus another \$6 million in Federal and State funds to train staff. A total of 35,000 computers will be provided this year to 79 school districts across the State.

Education Daily reports that Pennsylvania has allocated a total of \$19 million for special programs that help high school students. One of these is an \$8 million expansion -- to more than 100 schools -- of *Project 720* which delivers more rigorous curricula to high school students. The *Dual Enrollment* program to allow high school juniors and seniors to take college courses will grow from \$5 million per year to \$13 million, serving 30,000 students (up from 20,000 last year). Another opportunity is the new \$3 million college and career counseling program which will give grants of between \$50,000 and \$200,000 to high-poverty school districts.

Rhode Island Update - October 2006

As reported in Education Week, Rhode Island's FY 2007 budget for K-12 education is \$848 million, a 6.2 percent increase over the previous year. Sixty percent of the \$50 million increase will go directly to local district operations. Each district will receive a 4.8 percent increase over its prior year allocation.

According to the Providence Journal, 21 elementary and middle schools in Rhode Island have been identified for improvement under the Federal No Child Left Behind Act (NCLB) because their scores on State assessments have failed to improve for multiple years. Sanctions in the form of requirements for school choice or tutoring (or even restructuring) apply only to high-poverty (Title I) schools that fail to make progress. There are about 150 such schools in Rhode Island.

Tennessee Update - October 2006

According to Education Week, Tennessee's K-12 education budget for FY 2007 will be \$3.3 billion, an increase of \$200 million. Part of the increase -- at least \$20 million in new funding -- will go to adding 5,000 four-year-olds to the State's prekindergarten program, bringing the total enrollment to 14,000. The budget also includes \$95.2 million for the State's basic K-12 education program and \$35 million in new spending for programs to serve low-income students and English language learners.

Governor Phil Bredesen has proposed a plan intended to increase Tennessee's graduation rate to 90 percent (from its current 78 percent) by 2012, according to Education Week. The plan includes allocating \$25 million to hire staff who will focus on reducing absenteeism in the schools. The Governor is also proposing a new benchmark test for eighth-graders that will be used to create individual learning plans for their high school years.

Texas Update - October 2006

As reported in The Dallas Morning News, implementation of the so-called “65 percent solution” -- the State requirement that school districts spend 65 percent of their funding in the classroom -- has been made easier by a relaxing of the implementation schedule and a redefinition of instruction. Under the State rule, school districts would have three years to meet the 65 percent target. The requirement would be 55 percent this school year, 60 percent in 2007-08 and 65 percent the following year. In addition, relaxing of the Federal definition of classroom expenditures will allow many districts to meet the 65 percent standard. Classroom expenses can now include the salaries of librarians and media specialists -- a change that allows many districts to meet the threshold.

The Houston Chronicle reports that, as part of Texas’ new incentive pay plan, teachers in 76 schools that serve low-income students have earned \$7 million in bonuses. Another 24 schools could receive bonuses for their teachers pending an investigation into suspicious test results. In addition to the State’s existing incentive pay plan (which could pay bonuses of as much as \$10,000), the State has allocated another \$300 million for a similar merit pay program.

The Dallas Morning News reports that Texas’ new high school graduation requirements will go into effect with this year’s freshman class. These requirements call for:

- an increase in the total number of credits needed for graduation from 24 to 26;
- four years of English and social studies;
- four years of science (including biology, chemistry, and physics);
- four years of math (including Algebra I, Algebra II, and geometry).

Students can, with the permission of their parents and principal, take a lesser, “minimum” high school program.

Washington Update - October 2006

Under its Local Flexibility Demonstration Program, the U.S. Department of Education allows school districts to combine Federal grant funds. For fear of greater Federal requirements, districts have generally not been willing to sign up for Local-Flex. Nationwide, only one district -- Seattle -- has tried it. But, because the Seattle district failed to make adequate yearly progress (AYP) for two consecutive years, the program was terminated.

As reported in The Seattle Times, the number of schools in Washington identified for improvement under the Federal No Child Left Behind Act increased to 248 this year, up from 177 last year. This represents about 11 percent of the schools in the State. State data indicate that 91 schools that met Federal standards last year failed to do so this year. On the other hand, 20 schools improved enough to leave the "improvement" list.

Also reported in The Seattle Times, Washington's two new online schools have been swamped with applications. A change in State law last year allowed public schools to operate online programs and two new schools represent the first partnerships between school districts and for-profit content providers. Insight School of Washington has accepted 650 high school students, with as many as 1,000 more interested in enrolling. The Washington Virtual Academy has 652 K-8 students registered with another 500 in the application process. This represents a sharp increase in the total number of online students over last year when more than 9,000 students took at least one online course.