

(703) 536-2310
Fax (703) 536-3225

Education TURNKEY Electronic Distribution, Inc.
256 North Washington Street
Falls Church, Virginia 22046-4549

M E M O R A N D U M

DATE: April 29, 2005
TO: TechMIS Subscribers
FROM: Charles Blaschke
SUBJ: Likely USED Policy Changes Which Could Have Implications
For Subscribers and State Profile Updates

During the last month, there has been a flurry of proposed policy changes related to NCLB which have implications for many TechMIS subscribers and which suggest what opportunities exist now and are likely to exist 6-9 months from now. Some of the Washington Update items should be shared, not only with sales staff, but also with individuals responsible for strategic marketing. Most of the proposed policy changes are closely inter-related even though they have been discussed by USED officials as separate items. For example, the involvement of the three USED contractor-operated Reading First regional centers which are to provide technical assistance to states in selecting alternative assessment instruments and/or interventions for students with “persistent academic disabilities” suggests a strong Reading First influence will emerge in new special education provisions related to Response To Intervention approaches. The filing of the lawsuit by the National Education Association, et. al. not only forces judicial consideration that NCLB provisions are indeed an unfunded mandate in violation of the Law itself, but also could create a groundswell of public opposition to NCLB as it is being implemented, both of which could affect Congress in its final consideration of proposed appropriations for FY 2006. At the least, USED will be forced to take into account the cost of implementing some NCLB provisions in the various states as states submit amendments to their assessment and accountability plans by May 16 and other to-be-determined deadlines. The “Raising Achievement” principles announced April 7 by Secretary Spellings, which she indicated would be taken into account by USED in reviewing state requests for amendments, ensures that Title I programs across the states will vary even more in the future.

The following items are included in the Washington Update:

- With NEA and states' lawsuits filed and Secretary Spellings announcement of new policies and guidelines to be considered in providing greater flexibility to states who are improving student achievement, NCLB is at a crossroads with specific opportunities to be created for firms with certain products and services.
- USED announces policy to create a two percent proficiency cap for certain special education students taking alternative tests and the conditions states and districts must meet for approval, which will increase funding for new assessments, instructional interventions, and staff development.
- During a working group meeting on IDEA at the CCSSO legislative conference, SEA officials were unclear about the intent of new IDEA provisions for early intervening services and are taking a "wait and see" attitude until USED guidance is published; on the other hand, large urban districts will be providing such services after July 1 based on their interpretations.
- During the annual CCSSO legislative conference, Secretary Spellings and Assistant Secretary Simon announced that additional flexibility will be provided to states once "details are thought out" by task forces and stakeholders buy-in occurs; most Chief State School Officers were moderately pleased.
- During recent Congressional hearings on supplement education services, Chairman Boehner argued that "underachieving" school districts should not be eligible to offer Federally-funded tutoring but he conceded that the final NCLB Law leaves that decision up to the Secretary of Education; new USED guidance on SES will likely be issued in the immediate future suggesting that districts identified for improvement will be considered on a case-by-case basis on whether they can continue providing SES.
- The Center for Research and Education Policy headed by Dr. Steven Ross has released a report on suggested alternative designs by which states can evaluate supplemental educational services to determine the effects attributed to SES participation; few states are currently conducting such evaluations.
- The Center for Education Policy's third-year implementation report on NCLB found that the number of approved SES providers among states almost tripled since 2003, while the percent of eligible students actually receiving SES has remained about the same over the last three years at about 18-20 percent of eligible students; on the other hand, the percentage of eligible students being transferred under the parent transportation option has actually dropped from two percent to one percent.
- A new report by the Center for American Progress describes how states and districts are using the \$500 million state set-aside for school improvement,

suggesting opportunities for firms which have whole school reform curricula/programs or provide effective staff development, which does not require recurring costs after one year; opportunities also exist to work with state support teams who provide technical assistance to “identified” schools.

- A National Center for Education Statistics survey provides data on U.S. public school expenditures, which continue to vary significantly among states.
- A new study by the Finance Project determined the amount of funds from multiple sources spent on professional development which in some urban districts approaches seven percent of the district’s total operating budget; Title I is the largest outside funding source for school-based staff development.

During the annual Council for Exception Children conference in Baltimore, we announced the availability of our new TURNKEY Special Education Sales and Marketing Guide. While TechMIS subscribers have been sent most of the information related to key changes under the newly-reauthorized IDEA and implications for sales and marketing, this Guide could be useful for new marketing and sales staff who might not be knowledgeable about the opportunities in the special education marketing niche. For TechMIS subscribers we are making a special offer for purchasing the Guide of \$395; this is \$100 less than the regular price and TechMIS subscribers may make up to five copies of the Guide at no cost. Enclosed is a recent Press Release and ordering form.

This TechMIS report also includes some State Profile Updates on budget and other proposals recently made by Governors and State Superintendents, legislative actions, and other activities which we continue to monitor. Of particular importance is a description of how a number of states are actually using the state four percent set-aside for school improvement which totals approximately \$500 billion nationwide. Not only do there exist opportunities for certain products and services at the district level, when such funds are allocated directly to the districts, but also at the state level by working with state support teams who could facilitate communications between firms and districts and schools receiving funds.

If anyone has any questions contact me directly.