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M E M O R A N D U M

DATE: May 31, 2005

TO: TechMIS Subscribers

FROM: Charles Blaschke

SUBJ: Technology Counts, Interim USED Policy Changes, and Highlights of SIIA Education Technology Summit

This TechMIS mailing includes Washington Update items which should be of interest to TechMIS subscribers. Earlier this month, a Special Funding Alert was provided identifying districts which are most likely to have unspent Title I funds because earmarks for SES and transportation were not fully used; these districts are likely to be spending such funds on products and services this summer. Please contact us if you did not receive that Alert dated May 16, 2005.

The enclosed Washington Update includes:

- A closer look at, and analysis of trends reported in, the most recent "Technology Counts 2005" by Education Week, addressing some areas of omission not covered in the report;

- USED initial guidance on the general conditions which must be met for states to provide alternative assessments and proficiency standards for students with "academic disabilities";

- A related update on the options under which states can receive additional flexibility in meeting AYP for "gap" students, along with implications for firms that have products for which a demand will be created;

- Recent announcements by USED regarding the availability of almost $200 million in the form of competitive grants to implement some of the components of the President's proposed Secondary Reform Initiative; Congress is not likely to pass new legislation which would use Perkins Vocational and Technical Education funds to implement the entire proposed Secondary Reform Initiative;

- The reauthorization of Head Start appears to be on a fast track in Congress having passed similar versions in the House and Senate committees; however, White House support is unclear; subsequent USED regulations may be more prescriptive in terms of scientifically-based research instructional materials which can be used;

- Highlights of the SIIA Education Technology Summit meeting which identified recent trends with implications for education marketeers; and

- Formal USED policy attempts to clarify rules for "obligating" unused Title I funds and procedures for "liquidation" of such unspent funds through Federal withdrawals which could have direct implications for firms targeting districts that are likely to have unspent Title I funds which will not be carried over to next year.

Also included in this issue is a Special Report on the E-Rate discount program which is likely to be modified this year. Attached is a list of districts which have received funding commitment letters for applications submitted in 2002 and 2003 and which are likely to be requesting checks for discounted refunds which applicants could use to purchase non-eligible E-Rate items such as instructional software and staff development.

As we noted in the April TechMIS, USED policies regarding important NCLB provisions are at a "crossroad." Even though USED has issued several versions of "interim guidance" regarding alternative assessments and modified proficiency standards, it is unclear as to how many states will have submitted proposed amendments to their accountability plan by the June 1 deadline. As of May 25, only 37 states have submitted amendments, some of which were related to alternative assessments. Connecticut is still threatening to sue USED on the grounds that NCLB is an unfunded mandate; other states, such as Utah, have passed state legislation which could result in additional suits. USED guidance on supplemental educational services has yet to be published and new proposed IDEA regulations have not been published in the Federal Register even though public meetings around the country have been scheduled in June for public comment. While House and Senate appropriations committees have scheduled FY 2006 appropriation "marks" for June and July, the funding outlook is not promising with the exception of some of the Administration's highest priorities. Any increases in district allocations for programs such as Title I and IDEA are being allocated to very specific areas in the form of earmarks (e.g., SES, prereferral interventions). These areas should be targeted by firms which have products that fit into these areas.