

*Washington Update*⁸

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“Technology Counts 2005” Reports on State Funding and Related Trends: Looking Behind the Numbers

“Technology Counts 2005” published by Education Week/Editorial Projects in Education, reports that state technology and other funds are being re-directed away from purchasing instructional applications toward data collection and management systems, largely as a result of NCLB requirements. State education earmarks for technology continue to decline; in 32 of responding 41 states, technology funds were cut or level-funded over the last two years. As a recent SETDA report (see Washington Update March 2005) found, the only funds in 12 states specifically earmarked for education technology were Title II D E²T² which the Administration has proposed to cut from almost \$500 million to zero for FY 2006. The Technology Counts report was based upon a survey, within the last six months, of Education Week “state contacts” by project staff and a review of data collected between October 2003 and March 2004 by Market Data Retrieval, which surveyed 85,000 U. S. public schools.

One of the key findings according to Technology Counts is, “States and school districts are spending millions of dollars to build online student data systems that will offer teachers what policymakers hope will be the information needed to craft clear-cut strategies for raising achievement. The biggest impetus for putting money into such

data systems is arguably the expansive reporting requirements and ambitious student-achievement goals set forth in the federal No Child Left Behind Act.” State officials were asked to identify the top two priorities for education technology spending in 2004-05. “Professional development” was a top priority in 28 states followed by “data management” in 15 states. On the other hand, “hardware for student use” and “curriculum software” were one of the two highest priorities in only nine and four states, respectively. While one could infer that funds being earmarked for technology are being reallocated to these areas, discussions with members of the project research team confirmed that state contacts were asked to respond, taking into account funding from all sources being allocated to priorities, not just state or Federal Title II D technology earmarks.

In fact, during a webcast a week after the release of Technology Counts, an individual who read the issue posed a question for the editorial project staff: “From the Technology Counts report summary, it seems like NCLB is driving edtech dollars out of the classroom and into data collection. I have also noted some resistance to technology on the part of teachers...I still know a few who don’t use e-mail, for instance. To what extent do these factors get in the way of schools embracing the pedagogical use of technology?”

The report also found that, over the last year, the number of states offering computer-based assessments has increased from 13

states last year to 16 this year, with four additional states conducting pilot tests of online assessments. The researcher with whom we spoke also confirmed that “online assessments” were considered separately from “data management” and were to be classified in the “other” category; 18 states included “other” activities as being one of their two highest priorities. Our TURNKEY survey last Fall of state directors of assessment, accountability, and/or evaluation, found that more than 40 states were planning or actually implementing some form of computer-based assessments, many of which were online, especially in the areas of alternative assessments for special education students and “exit exam” re-taking.

Without doubt, funding has increased from a variety of sources such as the \$400+ million annual NCES allocation to states to meet NCLB assessment, reporting, and data management requirements, as well as to computer-based assessment. Some estimates put total spending on regular state assessments and ongoing assessments designed to inform instruction at over \$1.5 billion annually and continuing to increase. When asked by the research team, “How has the Federal NCLB law influenced technology spending in your state?,” fifteen states reported that more funding is now being focused on data management/collection, while nine states reported more funds being allocated to professional development and integration of technology into instruction.

A chapter entitled “Federal Roles Seen Shifting” addresses the proposed cut in Title II D funding from \$498 million to zero in the proposed FY 2006 budget. The article quotes Todd Jones, Associate Deputy

Secretary for Budget within USED as saying, “We believe the purpose of this federal program has reached its end....The world has changed in the past two years,” in reference to USED’s survey showing that 92 percent of schools have Internet access in instructional rooms. As the article notes, “An explanation on the Education Department’s Website of why the technology grants should be cut says that Title I grants, teacher-quality state grants, or other federal funds could help districts blend technology into teaching and learning.” In fact, the two largest Federal education programs, Title I and IDEA, which are each scheduled to receive approximately \$500 million increases next year, have new “earmarks” larger than the increases to be used for purposes in which technology is not likely to be an allowable cost. Specifically, 20 percent of Title I funds will be earmarked, in an increasing number of districts and schools identified for improvement, for transportation and SES tutoring. Up to \$1.5 billion of the total expenditures for IDEA could also be used for prereferral interventions. USED guidelines and Non-Regulatory Guidance are likely to require interventions that meet most of the requirements for Reading First programs, which traditionally have not included technology-based formats.

For the first time, Technology Counts identified the “leading” states in the use of technology and/or technology policies. In addition to student:computer ratios (i.e., “access to technology”) and “use of technology,” technology measures include such criteria as state technology standards for students and whether a state offers computer-based assessments was another consideration. Regarding the “use of technology,” the leading states were Utah,

Arkansas, Georgia, Idaho, Kentucky, Maryland, North Carolina, Virginia, and West Virginia. However, only one state, North Carolina, actually administers tests on technology literacy. The only other states which are pilot testing or actually administering such tests are Utah, Hawaii, New York, and Pennsylvania (planned for 2007-08). Although all but one state -- South Dakota -- has state technology standards for students, the small number of states actually administering technology literacy tests can be traced to USED official Guidance in 2002 that told states they would not have to report annually on the number of eighth grade students who became proficient in technology literacy, as required in the Law. In terms of a state's "capacity to use technology," Virginia was cited as the leader with state technology standards for both teachers and administrators who must receive an initial license based upon coursework or test results. The state also requires teacher participation in technology-related professional development. A copy of the report is available at <http://edweek.org/rc/articles/2004/10/15/tc-archive.html>.

USED Provides Guidance to States on General Conditions Which Have to Be Met for States to Provide Alternative Assessments and Proficiency Standards for Two Percent of Students with "Academic Disabilities"

Last month, Secretary Spellings announced that up to two percent of a districts' enrollment who are classified as having "academic" disabilities and who achieve

proficiency on alternative tests may be counted toward AYP. On May 10, USED outlined "conditions" that states must meet to be approved to take advantage of this "newly-found" flexibility. USED approval of a state's amendment to its Accountability Plan would allow the state to adjust its progress goals to reflect the need for alternative tests. This is over and above the regulation issued last year to allow up to one percent of "severely cognitively-impaired" students to take another alternative test. One over-arching condition, according to Secretary Spellings, is that the state is "working to best serve those students by providing rigorous research-based training for teachers, improving assessments and organizing collaboration between special education and classroom teachers." In addition, other conditions must be met, which could reduce the number of states who would take advantage of this newly-found flexibility.

According to the May 10 USED Guidance, "One option applies only to schools or districts that did not make AYP based solely on the scores of its students with disabilities subgroup. A second option applies to eligible states that currently assess students based on modified achievement standards. Only states that intend to develop alternative assessment based on modified achievement standards are eligible for short-term flexibility." Depending upon definitions, between 10 and 17 states currently use some type of "out-of-level testing." However, if a state assures USED that it plans to develop modified achievement standards and assessments, these states would also be eligible to apply (see related items).

In order to meet short-term eligibility, states would have to adhere to the other following

conditions. Alternative assessments in reading/language arts and mathematics must be available for students with disabilities who are unable to participate in regular state assessments, even with accommodations, and results from those assessments must be reported. According to Education Week (May 10), during a conference call with reporters, Assistant Secretary Raymond Simon said states “Ultimately could have three tiers of accountability measures -- tests for students with severe cognitive impairment, tests for students who with the best instruction still can’t meet grade level standards, and tests for the remaining pupils.” In many states, this could mean the administration of an additional alternative test or the use of out-of-grade level measures on existing state assessments, where possible. A second condition is that the option would apply only to schools or districts that did not make AYP based solely on the achievement scores of the special education subgroup. If less than 95 percent of students with disabilities did not take the alternative test or regular test, then that school or district would not be eligible to use that option. Moreover, the state must ensure that statewide participation rates must be at or above 95 percent.

Perhaps the most critical condition that states must meet is that the state’s subgroup size for students with disabilities must be equal to that of other subgroups. According a May 3 article in Education Daily by Kathrine Shek, eight states currently have USED-approved larger subgroup sizes (referred to as a “N” number) for students with disabilities. By reducing the minimal number of students per special education subgroup, the number of schools and/or districts identified for improvement could increase. As the May 3 article reports,

Mitchell Chester, Assistant Superintendent for Accountability in Ohio, acknowledged that Ohio would consider changing its subgroup size of 45 for special education students noting, “We would have to look at what the requirements are and weigh the pros and cons and get some input from the field.” In states to which the two percent proficiency cap could apply, one can assume that SEAs are estimating the number of schools and districts which would likely achieve AYP targets under the two percent proficiency cap vs. the number of schools that would fail to meet the proficiency standard for the special education subgroup if the “N” size of the subgroup were reduced. Only the SEAs know the number of schools and/or districts which would have been identified for improvement solely on the basis of the special education subgroup scores.

The interim USED Guidance is supposed to let states know what should be included in their proposed state plan amendment to take advantage of the two percent proficiency cap, which must be received by June 1. In the meantime, as noted in the April Washington Update, USED is in the process of preparing formal regulations on this guidance, which will be published for public comment in the Federal Register; it will provide information and assistance on appropriate alternative assessments -- and likely interventions -- for students with disabilities taking new alternative assessments. As reported by Steve Brown in Education Daily (May 11) Assistant Secretary Simon, during a May 10 reporter conference call said, “We are going to provide a bunch of technical assistance to the states. We’ve heard from a lot of states saying, man, we need some help, we don’t know where to go. Well, we’re going to

provide them a map of where to go.” The three Reading First Technical Assistance Centers will represent the major technical assistance “arm” of USED having just received several million dollars of additional funding to provide this service beginning this Summer for states wishing to receive such assistance. In the same May 11 article, Brown reports on an interview conducted with Reid Lyon, one of the primary architects of Reading First at the National Institutes of Health, who stated one of the ultimate aims of the flexibility is to better understand what methods of instruction work best for the two percent of the student population.” Lyon also noted that “alternative assessments developed from the new flexibility will be aligned with grade level assessments and provide a more accurate means of gauging student progress, while also providing better information about the specific instructional tactics being used.” Lyon recently announced he was leaving NIH to join Best Associates located in Texas.

The bottom line question for some TechMIS subscribers is how “prescriptive” will this newly-found flexibility be in terms of what types of alternative assessment instruments or proficiency standards will be allowed, along with the types of interventions that potentially could be used with the 2.5-3.5 million special education students with “academic” disabilities. For a copy of the USED Guidance go to www.ed.gov/news/pressreleases/2005/05102005.html.

Secretary Spellings Announces Options Under Which States Can Receive Additional Flexibility in Meeting AYP for “Cognitively Disabled Students”: Implications for Firms will Likely Vary Among States

On May 10 Secretary Spellings in a “Dear Colleague” policy letter to Chief State School Officers, outlined the new “flexibility” for states and the options which they have to provide additional special education students (often referred to as “gap students”) with alternative assessments, along with modified achievement standards, and to count up to two percent of those achieving proficiency for purposes of determining whether schools meet AYP. Current regulations allow up to one percent of all district students with “significant cognitive disabilities” who achieve proficiency on another alternative test to be counted toward meeting AYP. As the Secretary’s letter notes, “Research shows that, even after receiving the best-designed instructional interventions from highly trained instructors, a group of students with academic disabilities, comprising approximately two percent of the school-age population, is not able to achieve at grade level. They are able to make significant progress toward grade level standards when provided high-quality instructional interventions and measured with appropriate assessment instruments.” Beyond the “interim flexibility” which would allow states to apply changes in the way students with disability groups are counted as meeting AYP proficiency targets, using assessment data from the 2004-05 school year to identify schools and districts for

improvement, the Department will also issue proposed rule making, in the near future, to permit states:

- to develop modified achievement standards for a limited group of students with disabilities;
- to develop alternative assessments based upon those modified achievement standards that are aligned with grade level content standards; and
- to include scores from these assessments subject to a two percent cap at the district and state level in determining AYP.

States have to submit their proposed amendments by June 1 and must also provide information on actions the state is taking to increase achievement for special education students and address activities it has taken to ensure that students who need to take modified state assessments are able to make progress toward reaching grade-level standards. The bottom line question is how many states will take advantage of the “interim flexibility” once they have considered the pros and cons of the flexibility in light of conditions they would have to meet. As noted in the April Washington Update, in addition to meeting the new core requirements or “raising achievement principles” and the “flexibility equation” announced on April 11, two of the challenging conditions of the requirement are that: (a) the state must reduce the “N” size for determining AYP of special education subgroup to the level of other subgroups; and (b) that at least 95 percent of special education students must participate in the regular assessment.

In an attachment to the Secretary’s May 10 letter, USED describes two options which can be followed by a state in requesting approval for new flexibilities requiring the two percent proficiency cap. “Transition option one” is designed for states which, in 2004-05, did not administer alternative assessments with modified achievement standards. This option applies to schools and districts that did not meet AYP based solely on the scores of the “students with disabilities” subgroup. Under this option, a state would calculate a proxy by dividing the 2 percent flexibility by the state’s percent of students who are in special education programs. This proxy percentage will then be added to the percentage of students with disabilities who achieve proficiency. To calculate the proxy, USED provides an example, “Assume that the state identifies 12 percent of its students as those with disabilities, two percent of the total number of students assessed equates to 16.67 percent of students with disabilities (two percent divided by 12 percent).” This would be rounded off to 17 percent and added to the percentage of students with disabilities who met the proficiency target; if the resulting number is greater than the proficiency target, then the school or district is not identified for improvement. The interim guidance also states that the proxy-adjusted proficiency rate must be treated as is, “without the use of confidence intervals or other statistical treatments.” This process would have to be applied to student scores in both reading and mathematics and at both the district and school levels.

“Transition option two” is designed for states which already have alternative assessments based on modified achievement standards, in which case up to two percent of this group of students (plus up to one

percent of the cognitively impaired students if they take the same alternative test) could be counted toward meeting AYP. Other requirements are that the state has:

- administered the alternative assessment and modified standards for two years prior to the school year;
- provided guidelines for students with disabilities' participation in alternative assessments based on modified achievement standards;
- used a documented and validated standard-setting process; and
- adopted modified achievement standards and provided appropriate training for teachers and IEP teams.

While some of the initial perceptions of this guidance as noted in the media, strongly suggested that out-of-level testing (which currently exists in approximately 10-17 states) can meet the requirements of "transition option two," the guidance states, "Out-of-level assessments do not qualify as assessments based upon modified achievement standards for this purpose," which refers to the interim policy. The use of out-of-level assessments is an area being dealt with by USED's special education task force and will likely be addressed in some detail in regulations published by USED in the near future. In the past, USED policy has generally not allowed the use of out-of-level testing for alternative assessments.

One of the major challenges of "Option one" is that it does not allow the adjustment or application of the proxy to other subgroups

when a special education student subgroup member is also part of another group (e.g., a student with disability who is Hispanic). Without the proxy applied to the Hispanic or minority subgroup AYP calculation, the special education student's performance may have been the major reason why the minority subgroup also did not meet AYP. Another major challenge is that, in about ten states, the minimum "N" size for determining AYP targets for special education subgroups is much higher than other subgroups. Strict adherence to the new guidelines would require all subgroups be the same size under the new two percent cap flexibility; the use of the proxy may help some schools meet AYP, but, by reducing the minimum "N" size, other schools would not, possibly, resulting in a "total wash." The "Option one" proxy will vary among states with different percentages of students enrolled in special education programs. For example, if a state had 20 percent of its students enrolled in special education, it would have a "proxy" approximately half that of a state with only 10 percent of students enrolled in special education programs.

As noted above and cited in the April Washington Update, the justification for the two percent proficiency cap flexibility was based upon methodology used by the National Institutes of Health. As a result, some groups which have called for increased flexibility and major changes in the implementation of NCLB have argued that the two percent flexibility be applied to all states. As quoted in Education Daily (May 13), Scott Young, Senior Specialist of the National Conference of State Legislatures, noted, "The irony of this is that [ED] cites research from the National Institutes of Health that shows the students with

disabilities exemptions should be increased. Yet they are requiring states to make changes in order to be eligible. If this is scientifically backed, then the flexibility should be granted to all states immediately. They should not use it to negotiate [or] coerce states to make other changes.” As reported in the same Education Daily article, Scott Palmer, Consultant for the CCSSO, felt the flexibility is a step in the right direction. “The hope is that the guidelines are reasonably related to serving all students and aren’t rigid mandates but principles that states can work to meet. If states put forth a good faith effort and fell short on one of the guidelines, ideally that wouldn’t preclude them from taking advantage of the flexibility,” he said.

On numerous recent occasions -- officials including acting Deputy Secretary Raymond Simon -- have clearly encouraged states to apply for this “interim flexibility” so that the two USED options or an alternative approach, if approved, could be applied to the next round of AYP determinations.

One implication of the two percent proficiency cap flexibility is that the number of special education students taking alternative tests will more than double to between 2 and 3 million. Clearly, the demand for assessments and related services will increase in most states, especially in states which will be adding an assessment for the cognitively-impaired students and another for so-called “gap” special education students. Other products and services which will likely experience increased demand would include:

- computer-based or online assessments in which assistive or adaptive technologies can be used to

administer, provide accommodations, and perhaps even score tests; these could reduce the overall cost of test administration by substitute teachers, part time aides, etc.;

- instructional interventions which are designed to increase student performance in math and reading;
- staff training and professional development, particularly to assist IEP team members in selecting appropriate levels of alternative tests and appropriate interventions.

One positive consequence for states taking advantage of the new two percent AYP calculation flexibility could be a reduction in the number of districts that have been identified for improvement because, under current USED policy, the district would not be able to provide supplemental education services through a district-operated program. In some sparsely populated states, such as North Carolina and Montana, with small school enrollments, particularly of certain subgroups of students, the number of schools identified for improvement is significantly less than the number of districts that are identified for improvement, because the group sizes do not meet the minimum “N” in order to run calculations for AYP. If this happens, the opportunity for partnering with districts could increase, especially for districts which have been approved as supplemental educational service providers by the state.

Even Though the President’s Proposed Secondary Reform Initiative Hasn’t Received Much Congressional Interest in Passing New Legislation, the Administration Continues to Fund Critical Components of the Secondary Reform Initiative, Finding Funding Opportunities in Existing Programs

In spite of bipartisan opposition to the President’s proposal to fund the \$1.3 billion Secondary Reform Initiative (see January TechMIS), by including it in a block grant to states which would include a greatly revised Perkins Vocational Education and Technical Education Program, the Administration continues to find and reallocate funds to implement selected portions of the Secondary Reform Initiative from other programs. One of the most recent examples is the announcement in the Federal Register (April 28) that approximately \$125 million under the Smaller Learning Communities program (within the Adult and Vocational Education program) would be provided to local education agencies or related education entities to implement research-based interventions to struggling students who are transitioning to high schools. Under the priority dubbed, “Helping All Students to Succeed in Rigorous Academic Courses,” districts would have to “implement a coherent set of strategies and interventions that are designed to ensure that all students who enter high school with reading/language arts or math skills that are significantly below grade level, catch up quickly so that, by no later than the end of the tenth grade, they have acquired the necessary reading, language arts, and

mathematics skills they need to participate successfully in rigorous academic courses that will equip them with the knowledge and skills necessary to transition successfully to post-secondary education, apprenticeships, or advanced training.” Not only must the accelerated learning strategies and interventions have to be scientifically-based, they must also include the use of age-appropriate instructional materials and provide instruction and academic support, not only during the regular school day, but be supplemented by extended learning opportunities.

The “indicators” of student progress under this SLC grant application are very similar to those now being given high priority by Secretary Spellings, including: (1) the number of students achieving “proficiency” or “advanced proficiency” AYP scores disaggregated by subgroups; (2) changes in school graduation rates; and (3) the percentage of graduates who enrolled in postsecondary education, apprenticeships, or advanced training for the semester following graduation. Districts can also propose to use other criteria such as average daily attendance, year-to-year retention, and achievement gains in English proficiency of LEP students. Grantees must also use an independent third-party evaluator. The quality of the proposed evaluation design is rated 20 points out of a possible 100. On the other hand, the grantees need not identify the specific “reform” model in designing the SLC project. The application directions refer potential applicants to <http://www.ed.gov/programsslcp/resources> to assist in identifying interventions which are likely to improve overall student achievement and program outcomes. While the applications do not call for the development of Individualized Performance

Plans for struggling students, during the SIIA Fly-In Conference in early March, Assistant Secretary Sclafani, under whose office these programs are being funded (jointly with IES), indicated the clear need for such Improvement Plans which specify interventions for individual struggling students.

Also funded by the Office of Vocational and Adult Education, under the Smaller Learning Communities program, on March 30 USED announced a “special competition” for supplemental reading program research evaluation. The estimated amount of available funding is \$40 million for eligible local education agencies or education service agencies that apply on the behalf of large high schools (i.e., enrollments of greater than 1,000). Eight to ten awards are expected for up to 60 months. The absolute priority is assessing the effectiveness of supplemental reading programs in freshman academies. Grantees must agree to implement two designated supplemental reading programs for “striving ninth grade readers,” one in each eligible high school, adhering strictly to the design of the reading program. Supplemental reading programs will be either the Strategic Instructional Model (developed by the University of Kansas) or Reading Apprenticeship Literacy Academie (developed by West Ed). Grantees must agree to provide instruction to randomly selected students for a minimum of 225 minutes per week of instruction for each week of the school year. The district is also required to work closely with the project evaluation team, consisting of MDRC and AIR, to ensure that the integrity of the evaluation design is not eroded.

On February 4, USED announced the availability of \$12 million under the Comprehensive School Reform Quality Initiatives program for two categories of grants. Category One grants are designed to provide assistance to states, LEAs, and schools in approving or selecting a comprehensive school reform provider or in developing comprehensive school reforms for schools that are identified as being in need of improvement, corrective action, or restructuring. Part of this assistance will provide tools to analyze data to identify specific types of interventions for students and types of professional development needed by staff. Category Two, the grants are designed to implement activities to develop and field test specific strategies to “meet the needs of students who have been traditionally underserved by comprehensive school reform providers, such as students with disabilities and students with limited English proficiency and to integrate those strategies into scientifically research based comprehensive school reforms, or increase the capacity of comprehensive school reform providers to serve students in rural areas.”

One can expect the Administration to continue to find various funding pots which can be reallocated for some of the priorities included in the President’s proposed Secondary Reform Initiative. During the SIIA Fly-In and the Council of Great City Schools Conference two weeks later, Assistant Secretary Sclafani expressed her confidence in being able to find funds to implement some of the proposed initiatives. During the April House conference budget resolutions markups, the House Appropriations Subcommittee Chairman Ralph Regula (R-OH) conceded that Congress would not likely use Perkins funds

to pay for the President's proposed Secondary Reform Initiative. However, he told a reporter from Education Daily (April 29) that appropriators would be able to find some money for the initiative noting "I think that may be taken care of."

The Reauthorization of Head Start Appears to be on a Fast Track in Congress, But White House Support is Unclear

During his first Presidential campaign, Republican nominee Bush proposed to transfer Head Start from the Department of Health and Human Services to USED. Ever since then, tension has mounted between the Administration and the Head Start community, particularly the National Head Start Association. After the 2000 election, the Administration proposed a number of changes. While some Head Start advocates claimed they would dismantle the program, including:

- Funding for several Texas-based groups to develop an "optional" curriculum for teaching numeracy and literacy which, over time, would have been imposed upon Head Start grantees;
- The creation of a National Reporting System which, some have argued, was an attempt to identify programs operated by Head Start grantees that were not working;
- Audits conducted primarily by regional Head Start offices to uncover "problems" ranging from

overpaid Head Start administrators and other areas of fraud and abuse in the use of Head Start funds;

- A proposal last year that would have allowed Head Start funds to be provided to states for integration to their state pre-K education initiatives which, critics argue, would result in reduced state funding.

During the reauthorization debates last year and earlier this year, a number of things occurred which could have eroded some of the arguments made by the Bush Administration, including the premature release of National Reporting System data by the National Head Start Association which strongly suggested that Head Start programs had a positive effect in increasing literacy and numeracy skills of the four- and five-year-olds..

Unlike last year's reauthorization attempts, which were highly partisan and acrimonious, House Republicans submitted, in early May, the School Readiness Act of 2005 (HR 2123) which was unanimously approved by the House Education and the Workforce Committee at the end of May and sent to the full House for debate. It included some of the Administration's priority proposed changes last year, but backed off some of the burning issues (e.g., proposed Head Start block grants to states) and is similar to the Senate version re-introduced in May. Several proposed provisions in HR 2123 reflect some of the findings and recommendations made by the Government Accounting Office in several recently-released reports on Head Start which chided HHS for failing to monitor grantees carefully enough to minimize fraud and abuse of Head Start funds and highlighted

inadequate use of results of the National Reporting System assessments which began a year and a half ago.

Changes included in HR 2123 are highlighted below:

- Greater competition and increased performance-based accountability: Local Head Start operators, with one or more “deficiencies” during the five-year life of their grants, would have to compete when grants come up for renewal and a Head Start Grant could be terminated any time during the five-grant cycle. Both of these recommended changes were included in the GAO report (March 2005).
- Improved school readiness: As stated in a Committee for Education and the Workforce press release May 5, “The Bill will emphasize ‘what works’ in preparing disadvantaged children for school. It will strengthen Head Start’s academic standards by emphasizing cognitive development and the results of scientifically-based research in topics critical to children’s school readiness (including language, pre-reading, pre-mathematics, and English language acquisition). The changes would be similar to those adopted with strong bipartisan support for President Bush’s Reading First and Early Reading First initiatives, established in the No Child Left Behind Act for K-12 education.”
- Improved teacher quality: For a grantee to minimize the chance of its losing Head Start funding or having to recompute should have a teaching staff at least 50 percent of which AA degrees. The new goal of Head Start would be to ensure that the percentage of Head Start staff with BA degrees be increased to 50 percent.
- Increased state role: In order to qualify for a Head Start grant, organizations must follow objectives aligned with state-developed K-12 academic content standards and will be required to utilize curricula that are aligned with state-developed K-12 academic content standards.
- Increased involvement of local school districts: In order to receive Head Start funding, organizations must demonstrate active partnerships with LEAs in order to facilitate smooth transitions to kindergarten.

Districts which do not have financial or other deficiencies would be designated as “priority grantees” and would not have to compete every five years for renewal. Districts which are deficient in one or more of the above areas would be classified as “non-priority grantees” and could lose their funding depending on the seriousness of the deficiency.

The nature of instructional materials which are developmentally appropriate (and related training) will likely be influenced by a number of provisions or USED regulations after the reauthorization. One provision discussed during the Committee markup, but

withdrawn for subsequent floor debate, was an amendment which would temporarily suspend the implementation of the current National Reporting System. Over two years ago, the Head Start Bureau, with contractor assistance, developed an assessment instrument by adapting portions of commercial and other assessments which became part of the National Reporting System. Over the last year and a half, approximately 400,000 four- and five-year-old students were assessed using this instrument. The most recent GAO report (May 2005) chided the Bureau by stating, "Currently, results from the first year of the NRS are of limited value for accountability purposes because the Head Start Bureau has not shown that the NRS meets professional standards for such uses, namely that (1) the NRS provides reliable information on childrens' progress during the Head Start program year, especially for Spanish speaking children; and (2) these results are valid measures of the learning that takes place." The report also noted that the Bureau is not "monitoring whether grantees are inappropriately changing instruction to emphasize areas covered in the NRS." Several individuals who have been involved in analyzing Head Start student data for over two decades and are currently analyzing student results in one major school district noted that the NRS over the last year and a half was administered appropriately and uniformly across the country; but, they agreed with GAO questions regarding the degree of cultural bias in selected commercial test portions. The committee's press release stated, "The School Readiness Act contains no new testing provisions. The legislation will strengthen the academic components of Head Start without adding additional tests or assessments." It is likely that the NRS, as modified based on

validation studies, will continue and will become the major benchmark for addressing how well Head Start students are progressing across grantees. And to the extent the NRS drives curriculum and instruction, demand should increase for products which are aligned with the NRS instruments.

The second influence will likely be the results of Early Reading First evaluations, which were funded over two years ago, to identify instructional and staff development practices that work with the preschool population. To the extent that certain instructional approaches clearly work better than others -- under certain conditions with this population -- in improving literacy and related skills, the Administration is very likely to "encourage" very strongly their use in the Head Start program, particularly in local Head Start organizations which have one or more deficiencies and do not have priority status.

Another set of factors which could influence the nature of the Head Start reauthorization debate and subsequent provisions will stem from a number of findings from several recent reports. A recent report by Pre-K Now identified 20 governors who have proposed funding increases in their state's pre-K program, while in 2004 only 11 governors proposed such increases (New York Times, May 3). A recent report, summarized in Education Daily (May 9), conducted by the SERVE Center for Continuous Improvement at the University of North Carolina – Greensboro, found that, in 36 states with early learning standards, these standards vary significantly in that a number of states did not specifically include "elements" such as phonemic awareness, alphabet awareness and comprehension. As

part of the National Pre-Kindergarten Study conducted by Yale University's Edward Zeigler Center for Child Development and Social Policy, two studies have already been released with eight more expected over time. One released in early May found that 71 percent of current pre-K teachers had salaries in the low-income bracket with 14 percent below the national poverty level. Only 25 percent hold Bachelors degrees. A later study found that the expulsion rate in pre-K state programs is about three times greater than in elementary schools (Education Week, May 15).

Secretary Spellings' press release of May 18, suggests the nature of USED's priority interests: "This bill is noteworthy in that it strengthens the focus on scientifically based approaches to teaching low-income preschool children -- those who are most at-risk --the oral language abilities, emergent literacy skills and early mathematics concepts they will need in order to succeed. The bill also addresses the critical need to align Head Start programs to K-12 evidence-based academic standards and programs -- an essential factor in ensuring that all children succeed in a seamless learning environment."

Highlights of SIIA Education Technology Summit Meeting

During the recently held SIIA Education and Technology summit in Los Angeles, a number of speakers presented data and identified some trends which could be very important for TechMIS subscribers. Some of the "nuggets" which we gleaned from presentations are highlighted below.

What the Public Thinks About Education Technology

During his session, Peter Greenwald of Greenwald Associates, presented findings from a number of his recent surveys and focus groups related to public attitudes toward technology, especially those that have implications for education marketeers. The trends which he identified include:

- The perceived value of education technology in preparing students for the 21st century is growing, particularly among minority and low-income families, which, in some respects, look upon technology as a means to close opportunity gaps.
- In districts which have increased funding for technology, there exists strong community and parental support.
- While the public values the importance of technology, there is a degree of growing dissatisfaction among parents and students compared to three years ago regarding accessibility of technology in schools and slow response time, particularly where broadband in home use is significantly higher than in school use.
- Education "leaders" feel strongly that there is too much emphasis on standardized testing and not enough emphasis on project-oriented types of instruction.

One significant implication is that marketeers should target parent and community groups who support technology

use with messages about how technology can help their children. He cautioned technology marketers against telling parents how technology can help meet the requirements of NCLB, which generally will turn them off. Marketeers should minimize the use of acronyms and hype.

Celinda Lake of Lake, Snell, Perry and Associates, a national political polling group provided sage advice based upon her survey findings to technology advocates which included:

- The need to link technology to areas of high interest among education leaders and the public in general, including “improved science instruction”; technology should also be linked to important “currents” to pique the public’s interest, including “preparing students for the 21st century,” “making the U.S. number one in terms of quality education in the development of technology skills,” and “improving our ability to compete in the global economy”;
- Because most candidates, during the 2006 election, will run on education improvement platforms, advocates should develop contacts and maintain liaisons with candidates ranging from governors to mayors.

In order to change the perception among the public that we already have enough technology in our schools, advocates should establish the standards that we ought to meet beyond mere student:computer ratios. Lake also noted that, while the public supports the use of technology for a variety of means, the intensity of such support is relatively low. In an offline discussion, she also suggested

alternative ways of generating grass roots support among parents which should take various venues and not rely solely on associations such as the National PTA Association.

Technology and Scientifically-Based Research

Another session addressed issues and trends related to various aspects of Scientifically-Based Research (SBR). Tom Murphy of SRI International summarized numerous meta-analysis conducted over the last three decades, most of which found “effect size” increases between .20 and .40, which would equate to about 10 percentile points above the mean, that are associated with programs that use technology. He cautioned however, because of the lack of rigor in most of these studies, one cannot claim “causal relationships” but merely “associated relationships” between the use of technology and increases in student performance in basic skills programs. Murphy is the Deputy Director of the \$15 million USED study designed to assess the impact of 13 math and reading technology-based products. One of the potential criticisms of this project is the early start could result in implementation problems. He indicated that the study will continue over the remainder of this year and next year with the report to Congress due in April 2006, which would allow time to minimize some of the implementation problems. Also he indicated that treatments are being assigned to teachers who were randomly selected, but all of whom volunteered to use a specific intervention which indicates some degree of teacher buy-in, a critical factor. Ed Coughlin from The Metiri Group described a database they have developed on technology applications which they have found to be effective. In a sense, he indicated that this database was very

similar to the What Works Clearinghouse but was much more user-friendly and certainly had many more products already catalogued. For more information about this database of products that have been evaluated as a result of state and district efforts, go to <http://www.metiri.com/tsw>.

K-12 Trends

Jean Hayes founder of QED reported some general and specific trends related to planned technology purchases, including:

- small growth in the amount of district outsourcing of information technology services over the last two years;
- a projected increase in purchases of SIS instructional management software, and assessment software this last year compared to the previous year indicating the increased impact of NCLB for this year;
- a projected increase to 35 percent of all districts planning to purchase special education management software; and
- projections that 77 percent of districts will be purchasing instructional software for core subject areas.

Midian Kurlan, director of development across Scholastic technology companies, projected increased use of IPOD and “memory sticks” which could eat into the sales of larger comprehensive instructional management systems that collect and report student information. He also noted a

significant increase in the use of tools for diagnosis, prescription, and analysis of student data and identification of student achievement patterns in data warehouses. He also felt that principles of “universal design” will also be incorporated into software beyond that which is designed for special education students in order to accommodate different learning styles and truly individualize instruction.

Textbook Adoption and Funding

According to Anita Gibbons, Director of Instructional Management and Education Technology within the Texas Education Agency, a decision is imminent regarding whether the Texas House will prevail in its attempt to abolish the textbook adoption process and allow districts to purchase, directly, products which have been “reviewed.” The Texas Senate proposed \$70 per pupil for instructional materials to be allocated to districts, plus an additional \$30 per student for technology. The House bill would provide, especially over time, more funds and would allow textbook money to be used for infrastructure, online subscriptions, and products other than software-based instructional materials.

Supplemental Educational Services

During a discussion session on supplemental educational services, two of the largest SES providers, Kaplan and Platform, presented their views (which appear to be very similar) on the current state of outside tutoring-based SES policies and funding, including:

- the profit margins are very slim if any, for a number of reasons, including inadequate and unreliable participant attendance,

- inadequate support by districts who do not like to see their Title I funds following the child to outside contractors; and
- the general lack of standards of what is acceptable in a number of areas including the range of tutoring fees and types of evaluation which are most appropriate.

On the flip side of outside tutoring, some of the opportunities for partnering with districts who provide their own SES were also discussed. It was noted that the current USED policy of not allowing districts that have been identified for improvement to continue providing Title I-funded supplemental educational services, as was the case in Chicago recently, was not in the Law or Regulations, but was part of the Non-Regulatory Guidance. The possibility of a change in USED policy in the immediate future was mentioned, which certainly has implications as we have noted in previous TechMIS reports for the types of participation and approaches firms can take to increase their share of SES.

And finally, the Wednesday keynote address was perhaps one of the conference highlights as Marjorie Scardino, CEO of Pearson, made two important points which has influenced the use of technology across the 11 Pearson education companies:

- technology can be used to truly individualize and personalize the learning process, as people learn differently;
- technology can also facilitate the use of embedded assessments in

curriculum that can be used to inform instruction on a continuing basis.

In a “by the way” comment, she stated that these arguments were made very strongly “in a heated discussion” with Secretary of Education, Margaret Spellings, recently, in response to the Administration’s “one size fits all” approach in NCLB.

USED Attempts to Clarify Rules for “Obligating” Unused Title I Funds and Procedures for “Liquidation” of Such Unspent Funds Through Federal Withdrawals

In response to allegations that large amounts of Federal funds from previous years are being unspent by districts, USED has attempted to clarify policies about unspent or late-spent fund obligations and “liquidations” in which Federal funds are withdrawn from districts. In the past, USED has allowed certain districts and states to count as “obligated” funds which were spent after deadlines if the district could demonstrate that the work was actually done before the deadline, usually September 30, but the district was tardy in providing the necessary paperwork to the state. The new rule attempts to clarify the terms “obligating” and “liquidating.” Accordingly, funds are “obligated” when a district has made a binding commitment to purchase products or services. After the funds are obligated, districts have an additional 90 days to “liquidate” – i.e., actually make final payment. If the district fails to make such payments within the 90 days, the funds become “unliquidated” and are automatically returned to the Treasury

within five years from the time the funds were first made available.

As reported in Title I Report (February 2005), during the most recent National Title I Conference, Phil Rosenfelt, Assistant General Counsel for elementary, secondary, and vocational education at USED, discussed the conditions under which districts can seek and receive extensions: “We’re giving you 9 months beyond the 90 days you typically get for liquidation. Make requests based on reasonable accounting and paying principles. Explain why you can’t liquidate the obligations within 90 days.”

The new rules could have implications for unspent Title I earmarks for SES and transportation this fiscal year. For example, if a district cannot account for some unspent Title I funds but wishes to purchase, for example, professional development for all schools that had been identified for improvement for the first time, then the district could use local or state funds to purchase such services which are designed to improve the quality of teaching in Title I. To “play it safe,” the district could request an extended time for liquidation and when such funds are actually found, could charge such Title I funds to a local budget account which was used to pay for the services initially. This would likely require state approval. In this case, the district would have to demonstrate that the professional development services purchased were used directly to improve teaching in selected Title I schools. As Title I Report notes, “In weighing late liquidation requests, federal officials will consider grantees’ past performance, including the timeliness of required audits.”