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MEMORANDUM

DATE: May 29, 2008
TO: TechMIS Subscribers
FROM: Charles Blaschke and Blair Curry
SUBJ: Reactions to Proposed Regulations, Reading First Study Findings Implications, Positioning Products for Schools in Restructuring, and State Profile Updates

Earlier this month, TechMIS subscribers were sent a special report with suggestions on how to approach district officials, particularly Title I directors and Federal program directors in districts receiving large absolute or percentage increases in Title I funds next year. These districts were identified in our April 7th TechMIS report. Again, we wish to emphasize that the increases will be adjusted this summer by USED and SEAs will also make some adjustments; however, in most states, final allocations should be close to the ones identified in the report.

This TechMIS issue includes a number of important Washington Updates that are likely to have implications for most if not all TechMIS subscribers during the next school year.

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While most education groups and policy influencers will take issue with the Secretary's proposed regulations regarding a reduced and uniform "N size" and narrow criteria for calculating AYP used to identify schools for improvement, the most immediate and serious challenges relate to proposed changes would favor SES providers at the expense of districts, particularly the conditions districts have to meet in order to reprogram unspent SES funds.
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A new practice guide from the Institute of Education Sciences recommends activities which have been successful in turning around chronically low-performing schools such as those in corrective action or restructuring. Perhaps the most critical and widely-used activity is for districts and schools to continually reassess student learning using assessment data to inform instruction. Schools that receive part of the increased funding for School Improvement Grants must demonstrate that such a capability exists when they apply for SIG funds.

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The Institute of Education Sciences released its interim report on the study of Reading First programs that found there were no significant differences in comprehension skills between Reading First and comparable schools. Possible explanations by IES Director Whitehurst, the Fordham Foundation, and others provide ammunition for both advocates and critics. With the release of the final report this Fall, which will include findings in the area of fluency skill development (which could be more positive), this could possibly result in restoration of Reading First funds cut by Congress. The impact of the study's interim findings on the EIS/RTI movement will likely be minimal.
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According to a new report from the Center on Education Policy, in about half the states, districts will have to rely on the 10% safe harbor provision to minimize the number of schools identified for improvement; this would create a demand for products and services designed to increase achievement gains for the lowest-performing students. In addition, in states who recently submitted plans for “differentiated accountability” approaches are approved, additional funding will likely be targeted to subgroups of students who fail to meet AYP, most of which will be students with disabilities and students with limited English proficiency.
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New USED guidance on services required for limited English proficient students should increase the demand for instructional programs that are effective in helping English language learners acquire English and achieve proficiency in math and reading. Limited English proficient students will likely spend more time in Title III programs and the number of LEP students served in Title I programs should also increase.
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United Way encourages local affiliates to redirect funds to programs that are effective in improving child readiness for kindergarten, programs in which student progress is monitored on a continuing basis, and programs and agencies which can increase graduation rates significantly.
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The most recent Annual Report of Characteristics of Local School Districts published by NCES provides useful information for firms with products and services designed to serve students with different demographic characteristics, particularly in districts for which firms target Federal funds; however, the reported NCES instructional expenditures as a percent of total current expenditures, which range from 95 percent in Puerto Rico to 37 percent in Philadelphia, should be viewed with great caution.

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America's Digital Schools 2008, based on a survey conducted by Tom Greaves and Jeanne Hayes, suggests that Federal education policies and funding are having a major influence on technology trends in K-12 education. It appears that the greatest impact is on technology use and Learning Management Systems growth, online instruction and assessment, and 1:1 computing implementations. With the anticipated cuts in many state funds K-12, Federal funding's influence is likely to grow even more.

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 Miscellaneous recent developments including:
 - Findings from a study of the Smaller Learning Communities program which found that professional development and instructional materials contributed to modest achievement gains and an increased number of graduating students who planned to enter two- or four-year colleges.
 - Recent USED guidance which clarifies that the district in which a private school is located -- to which parents who live in another district attendance area send their student for special education services -- is responsible for "child find" and actual allocation of resources for the student to receive special education and related services.
 - Another recent USED clarification that empowers parents of students who are placed in special education programs the right to withdraw that student from such programs even though the district feels the student still needs such services.
 - A review of 17 state applications to implement differentiated accountability models suggests that SEAs prefer to have districts implement SES before the parent choice option, focus Title I funds on subgroups of students who fail to achieve proficiency, and allow more districts identified for improvement to provide their own supplemental educational services.

The state profile updates address a number of issues including budget shortfalls in many states, revised school funding formulas, state assessments, charter schools, and college remediation.

Washington Update

Vol. 13, No. 6, May 29, 2008

While Most Education Groups and Policy Influencers Will Take Issue With the Secretary's Proposed Regulations Regarding the "N Size" and Narrower Criteria for Calculating AYP, the Most Immediate and Serious Challenges Relate to Changes Which Would Favor SES Providers at the Expense of Districts

Based on discussions with, and a few public statements by, leading education association officials, we expect that the most immediate and challenging responses to the proposed regulatory changes announced by Secretary Spellings on April 22nd will be those that benefit third-party SES providers at the expense of districts and schools. Specifically, we anticipate that groups representing districts and administrators will strongly oppose (in their comments due by June 23rd) the following requirements:

- Notifying parents that their child is eligible for participation in SES 14 days before the opening of school;
- Allowing eligible students' parents to sign up for SES throughout the year;
- Requiring the district to give SES providers access to facilities on the same terms as other groups; and
- Requiring districts to document and demonstrate that parent notification, year-round enrollment, and facilities access are carried out before unspent SES funds can be reprogrammed or reallocated for other allowable Title I activities, such as purchasing

supplemental materials and professional development.

If these regulations are finalized and published early next fall, they would become effective immediately and could influence SES activities and funding reallocations this coming school year.

Associations representing district administrators groups can be expected to oppose another regulation which would codify existing USED policy -- districts and schools would be identified for improvement only when annual measurable objectives (AMO) in the same subject and same grade are not met for two consecutive years. This would have immediate impact of increasing the number of districts identified for improvement. Groups such as The Council of the Great City Schools will not only oppose this regulatory change, but will also propose to change current USED policy of not allowing districts identified for improvement to provide their own supplemental educational services. Other associations representing school administrators and school boards are very likely to propose that this latter USED policy be changed or that USED greatly expand the current National Pilot Program involving four districts which have been allowed to continue operating their own SES program (along with other third-party providers) even though the districts have been identified for improvement.

Another highly contested proposed change -
- designed to close loopholes and reduce the

flexibility USED has given to some states -- relates to the "N size," which is the number of students that must be in a subgroup in order for the scores of that subgroup to be counted for determining whether a district or school made AYP. Some NCLB advocacy groups, such as the Education Trust, believe that states must revise their assessment and accountability plans or "workbooks" to reduce the "N" to a size that can be justified. The change would affect virtually all current state accountability plans. In the past, The Council of the Great City Schools (CGCS) has supported certain accountability changes proposed by the Administration calling for the "N" size districts were allowed to use to be changed downward because they feel that large urban districts with large numbers of subgroups -- due to more diversity -- end up looking worse than other districts which have less diversity. On the other hand, as reported in Education Daily, at least one association representing administrators -- AASA -- has argued that the Secretary's proposed rationale for reducing the "N" size is "mathematically inaccurate." As noted earlier, the proposed "N" size change would require amendments to each state's plans which would have to be approved by USED. As reported in Education Week, Jeff Simering, Legislative Director of CGCS, which includes more than 60 of the nation's largest urban districts, stated, by the time states submit their changes, a new President and a new Education Secretary will be in office, implying that this change, even if final, could be overridden, voided, or not enforced.

Some of the most critical statements on the above changes have come from representatives of district-type associations. Regarding the requirement for notification to parents 14 days prior to school opening

that their child is eligible for participation in SES tutoring, Mary Kusler, Assistant Director of Government Relations at AASA is quoted in Education Week (April 28th) as saying, "It's not fair to ask them [districts] to be accountable for stuff they haven't had time to prepare for," noting that SEAs which provide such test data and related information often do so after school starts. It would be unreasonable to expect districts and states to comply with such short notice. In commenting on the proposed change that would allow parents to sign up for their child's SES participation on a "rolling" basis over the entire school year, Kusler also stated, "It is completely taking away control over a local district. There's got to be a deadline [for enrollment] at some point," as noted in Education Week (May 1st).

As we noted in the transmittal memo for the last TechMIS issue (April 30th), during the March Annual Legislative Conference of The Council of the Great City Schools, the question was directed to Secretary Spellings as to whether or not a district would have to document "sign-off" of at least 75 percent of parents of students eligible for SES before a district would be allowed to reprogram any unspent SES allocation that year. If it did not have such a "sign-off," a district would have to carry over such funds to the next school year, the funds would remain earmarked and be added to the 20 percent SES earmark for that year. In his May 1st Education Week article, David Hoff confirmed that a draft of the USED regulations did include the 75 percent "parent sign off" requirement, noting, "The Bush Administration removed the clause at the request of congressional Democrats, who objected that it would be too hard for districts to implement and would divert money to administrative tasks, according to

sources.” Hoff also confirmed that the Education Industry Association lobbied for a 51 percent parent sign-off now required in Florida state law. Steve Pines, Executive Director of EIA said that EIA supported such a requirement, but did not want to wave “a red flag at Congress or the next administration.” The same article quoted Marjorie Murray, Director of Special Projects in Seminole County (Florida), who headed a team which opposed EIA’s original proposal for a 90 percent parent “sign off” and was successful in getting that reduced to 51 percent. She noted that many districts were concerned, under the proposed change, that they would have to return unspent Title I funds to the Federal Government, which was a point made by Secretary Spellings in her April 22nd press conference. In another interview with Education Daily (May 12th), Murray reiterated that districts who could not carry over more than 15 percent of their Title I funds from one year to the next may be forced to forfeit leftover SES money exceeding the 15 percent ceiling. In the same article, Cheryl Satler, former Florida Director of Student Services, which includes Title I, said the provision has been “troublesome” for districts, stating, “As it is [referring to the 15 percent carryover limit] Florida releases SES dollars in March /April and it is very difficult for districts to spend that money by June 30, the end of the fiscal year.”

According to an April 24th Education Daily article, Democratic Committee staff are very concerned about the proposed SES regulations, particularly about the quality of services provided by third-party providers and ensuring districts provide facilities access to third-party providers. Regarding the reallocation of unused SES and choice-related 20 percent funds, these staff cited a

study conducted by the Congressional Research Service which “shows that in some states, even if every single child received the full provision of SES services at the full cost allowed by the state, it would still not surpass the 20 percent set-aside.” We asked the head of the group which directs studies related to Title I for CRS about the availability of such data; he replied that, the data are “very confidential” and can only be shared with Congress.

While the parent notification and access to facilities conditions that a district must meet before being allowed to reprogram unspent SES funds does not specifically mention a percentage of parent sign-offs, such as the 51 percent in Florida, some observers feel that some states will likely follow the Florida precedent. Other observers knowledgeable about the implications of the SES proposed regulations feel that districts might seek a compromise in which they would accept some type of a parent sign-off percentage criterion if districts identified for improvement were allowed to operate their own SES programs arguing that they could increase SES participation rates at a lower per-pupil cost than dealing only with third-party providers. Such a compromise would provide greater opportunities for firms who wish to partner with districts rather than providing SES tutoring programs themselves. The estimated amount of unspent SES funding under the current year is somewhere between \$500 and \$700 million, a large portion of which is at stake under the proposed changes.

As a final comment upon which of the regulatory changes will be opposed most, Jeff Simering, Director of Legislation at the Council of the Great City Schools stated in the May issue of its monthly publication,

“Ironically, these new regulatory provisions, particularly those related to supplemental educational services (SES) and public school choice will probably contribute to the backlash against NCLB rather than muting it.”

USED’s Institute of Education Sciences Recommends Activities for Turning Around Chronically Low-Performing Schools; At the Heart of these Activities is Continually Reassessing Student Learning and Using Data to Inform Instruction

In its most recent IES Practice Guide, entitled “*Turning Around Chronically Low-Performing Schools*,” a panel of experts recommended four sets of activities which evidence -- gathered mostly from case studies -- suggests are critical to turning around low-performing schools. Even though, up front, the panel notes that the level of evidence in terms of causal relationships is lower than the “gold bar” of random trials or quasi-experimental study designs, it is very likely that many SEAs and districts will strongly consider the recommended activities as districts submit applications for School Improvement Grants (a 300 percent increase up to \$490 million next school year). In addition, an estimated \$400-\$500 million of the 4-percent SES set-aside will also be allocated to eligible schools in corrective action or restructuring next year.

At the heart of the set of four recommendations is one practice for which evidence had to be included in each SEA’s application earlier this year: that “SEAs, LEAs and schools use data to make decisions about the use of school

improvement funds and create a system of continuous feedback and improvement.” In our February [Washington Update](#), we noted that it was unusual that the guidance behind the Practice Guide included such a criterion to be considered an “outcome” for the purpose of measuring how well such funds were used. The use of decision-making tools and assessment data to inform instruction was usually considered a “means,” not an end to itself. The new IES Practice Guide strongly suggests that the use of data-driven decision-making is critical in virtually all other recommended activities which strongly suggest that, in this area, the demand for products and directly-related professional development will even greater than in the past.

Under the recommendation entitled “Maintain a Consistent Focus on Improving Instruction,” the IES guide clearly states, “To improve instruction, schools should use data to set goals for instructional improvement, make changes to immediately and directly affect instruction, and continually reassess student learning and instructional practices to refocus the goals.” Other activities include:

- Signaling the need for “dramatic change” with strong leadership -- either new leadership or dramatically changed leadership to change the status quo within a short timeframe.
- Making visible improvements early in the school turnaround process, referred to as “quick wins,” around which staff can rally and inertia can be overcome.
- Building a committed staff to improve the school which could include reassigning staff and/or

positions or bringing in new, committed staff.

While many TechMIS subscribers can provide products and services which could facilitate implementation of practices under these three general recommendations, it appears that the largest opportunities are in facilitating data-driven decision making.

The IES Practice Guide also includes a checklist for carrying out many of the practices subsumed under the four recommendation sets. The checklist includes practices which decision-making tools would help to implement or facilitate, including:

- Examining school data on student achievement to identify specific student learning gaps.
- Assisting teachers to use formative data about individual students to analyze and individualize their instruction.
- Establishing priorities for instructional changes to improve student learning and strengthening teaching.
- Identifying differentiated, targeted professional development based upon analysis of student achievement in instruction.
- Facilitating staff collaboration by conducting a comprehensive curriculum review to ensure curriculum alignment which meets the needs of all students.
- Ensuring that all school leaders and instructional staff monitor progress regularly and systematically and make adjustments to improve teaching and student learning.

The Practice Guide also sites specific examples of how such activities were implemented in case studies including:

- Noting that all schools in the selected case studies made changes to improve instruction directly, it found that some common approaches were teacher collaboration for instruction and instructional planning, and targeted professional development.
- In the case study of nine successful urban elementary schools, principals and teams continually assessed student data and spent up to 40 percent of their time observing teaching which resulted in additional professional development in teaching specific skills and added resources such as supplemental curriculum.
- The case study sites outside facilitators to provide specialized training to help teachers fully understand different types of data and the ways to use data to inform instruction.

School Improvement Grants, which will increase from \$125 million this year to \$491 million next year for schools mostly in corrective action and restructuring, will be “new” to most districts and many SEAs. There will likely be some confusion as to what funds can be used to purchase beyond the guidance included in February’s Washington Update; moreover, SEA interpretations will also vary. TechMIS subscribers should remind district officials, even seasoned Title I directors, that School Improvement Grant funds operate under a separate set of regulatory guidance and allowable purchasing guidelines than do the regular Title I formula funds and the Title I district formula funds which are retained and

converted, under the SEA 4 percent set-aside, for school improvement. Generally speaking, data-driven decision-making tools should be positioned as a critical component of formative assessment which can be used to diagnose and prescribe individual student instruction and monitor student progress on a continuing basis, providing feedback to inform instruction. As we have noted, in general if a schoolwide program is in corrective action or restructuring, then there is much more flexibility for using the different types of Title I funding (formula vs. School Improvement Grant) for replacing portions of or the entire curriculum. And, in general, if professional development is being positioned as a means to use assessment data to inform instruction, it is more likely to be accepted and allowable than if it were not.

If you have any questions regarding how to position any of your products or services, please feel free to give me a call for any suggestions.

Interim Institute of Education Sciences Study of Reading First Finds No Significant Differences in Comprehension Skills Between Reading First and Comparable Schools, Providing Ammunition for Both Critics and Advocates

On May 1st, the Institute of Education Sciences at USED released “The Reading First Impact Study: Interim Report” which found that, between 2004-06, selected Reading First schools did not produce any statistically significant gains in reading comprehension skills when compared to comparable schools not funded by Reading First. The explanations posited by IES

officials raised interpretations among both advocates and critics. IES director Grover Whitehurst offered four possible explanations for the results. “One is that scientifically-based reading instruction...doesn’t work,” as reported in Education Week (May 2nd). Whitehurst said, “Another possibility is that the instructional program works, but it was not sufficient enough to have an impact on reading comprehension,” even if it improved vocabulary, decoding and fluency skills which, however, were not assessed. Another possibility also could have been differences in state implementation of the program, including allowing districts to allocate Reading First funds differently among the schools. For example, the study contractor noted that Reading First per-pupil allocations ranged from \$217 to \$1,338, which could explain why comprehension gains were greater as per-pupil allocations increased. Yet another possibility, noted in the Education Week article, was contamination in the comparison schools which may have adopted Reading First interventions and whose teachers could have received Reading First supported professional development.

Long-time critics of the Reading First program and the earlier National Reading Panel recommendations which influenced its design, including Professor E.D. Hirsch, University of Virginia, and Professor Stephen Krashen, University of Southern California, sided with Whitehurst’s first interpretation. Mike Petrilli of the Fordham Education Gadget Team, which has been critical of Secretary Spellings’ handling of the Reading First mismanagement and conflict of interest situation, was highly critical of the study design in at least three areas: (a) the states whose Reading First

applications were approved first, because they had a strong buy-in to the Reading First program, were not included in the study; (b) the treatment and comparison schools were similar only in Title I ranking and not other factors such as the reading levels of students; and (c) that the study design was “very imperfect” and the public should have been cautioned that the sample was not “nationally representative.” In his critique, available at www.ednews.org (May 8th), Reid Lyon, chief architect of the Reading First program who directed the earlier National Reading Panel, cited a study conducted by Shanahan that “indicates that 60 percent of Reading First and non-Reading First schools were following the same curriculum by the third year of implementation.” Three years ago, in its Annual Report on Reading First, the Center on Education Policy reported that over 50 percent of district and state officials indicated that all of the non-Reading First schools in a Reading First district had adopted some, if not all of, the Reading First curriculum used in Reading First schools and that Reading First-supported professional development had been provided to most of the teachers in these non-Reading First schools.

In each of its annual reports on Reading First, CEP reported that increasing numbers of state and district officials felt that Reading First was effective, which explained why such evaluation instruments such as DIBELS, as well as Reading First interventions and professional development, were being adopted in non-Reading First districts and schools.

Given the fact that the Reading First program was the Bush Administration’s flagship education initiative and its reported

effectiveness by CEP and others was used by the Administration to fight the 60-percent Congressional reduction in Reading First funding, a legitimate question to be asked is why did USED release the interim findings of a study, which most agree was flawed, at this time? As we have noted, in 2005, USED released the Year One study results of the math and reading interventions evaluation study. Findings were generally neutral or slightly negative but it has yet to release Year Two study findings which officials in some firms participating in the study believe were more positive as “fidelity of implementation” improved. One possible explanation is that Secretary Spellings and other USED officials want individual states and districts to compile and report results of their own analyses of achievement and other data to justify restoring some of the Reading First funds cut this year. Another possible explanation is that USED/IES will include in a final report -- which it plans to release in the fall -- the results of the administration of another test which began in 2007 to measure fluency, as reported in Education Daily. If such results are positive, which some feel will be the case, then a stronger justification to restore Reading First funding can be made to Congress at a time when appropriations deliberation will be underway.

A second legitimate question is: what will be the impact of the interim report findings on the Reading First program and on the Response-To-Intervention movement funded primarily under the Early Intervening Services provisions of IDEA?

The different perspectives regarding the Reading First study design and its interim findings are best summed up in a statement by Andy Rotherham, co-founder of the

Education Sector, who is on the Virginia Board of Education and previously was an education official under the Clinton Administration when he said, "Everyone's right, the Bush Administration screwed up. The program is proven to be effective and the funds shouldn't have been cut," as reported in the Washington Post. Both Chairman Miller in the House and Chairman Kennedy in the Senate, who head up the two most significant education committees, reflected similar sentiments about the study findings. As reported in Education Week, Chairman Miller noted, "This report makes it shamefully clear that the only individuals benefiting from this significant investment were the president's cronies -- not the schoolchildren this program was intended to serve...That may explain why we are seeing these results today." Chairman Kennedy added, "The Bush Administration has put cronyism first and the reading skills of our children last, and this report shows the disturbing consequences," as reported in The New York Times (May 2nd). Chairman Miller also called for a serious reexamination of the Reading First program and encouraged changes to make it work better for students. Chairman Dave Obey of the House Appropriations Committee, who spearheaded the effort to cut the Reading First budget by over 60 percent, publicly stated earlier this year that once the mismanagement and conflict of interest issues were resolved within USED, he would consider restoration of such funds in FY 2009. However, in a May 1st statement referring to Reading First as "an utter failure," Chairman Obey responded, "This Administration likes to criticize Congressional earmarks as though decisions made by the President are somehow pure and made without political influence. But previous reports have shown that a political

friend of the administration has a greater chance of raiding the Reading First cookie jar than the best program on the block that doesn't have special political connection." He also notes, "You get results by investing in programs that work, not rewarding your buddies." Obey continued to justify the most recent Reading First budget cuts, pointing to mismanagement, conflicts of interest, and "efforts to strong-arm school districts into using favored reading publishers and reading approaches." Even though the USED recently won a Federal award for its ethics training programs for employees and the Office of Inspector General has recently approved USED's screening procedures for contractors and peer reviewers to ensure conflict of interest procedures are not violated, it remains unclear as to the impact of the interim report findings will have on the direction and funding level of the program in the future. Even if the fall report's findings are much more positive regarding the development of fluency skills, the program's future will largely be determined by the fundamental changes which will likely be made in its provisions and implementation procedures.

We discussed with reporters and committee staff the impact of the Reading First interim findings on the overall early intervening services (EIS)/response to intervention (RTI) movement currently funded largely by IDEA set-asides in districts with disproportionality. We also reminded them that, in early drafts of IDEA, early intervening services provisions were intricately tied to Reading First in that a student could not be identified as having a "specific learning disability" unless he or she had received instruction using a curriculum that included all of the five "essential elements" for Reading First.

Most felt the impact of the interim report would be minimal. As we noted in the May TechMIS Washington Update, it appears that the adoption of RTI in districts has expanded greatly, with more than a doubling of Federal funds being so allocated to well over one billion dollars. The assessment instruments, types of interventions, and professional development used in Reading First are being expanded to early intervening service programs for students at risk but who have not yet been placed in special education programs.

In About Half of the States, the Demand for Products and Services Designed to Increase Achievement Gains for the Lowest Performing Students Should Increase Under Existing State Proficiency Target Trajectories

A new report from the Center on Education Policy strongly suggests that, about half the states have “backloaded” their trajectories for reaching 100 percent proficiency (i.e., smaller achievement gains in earlier years and much steeper gains in later years). These states may have to rely on the “safe harbor” provision in NCLB’s AYP determination in order to reduce the number of schools identified for improvement or restructuring. The safe harbor provision says, as stated in the report, “When a school or district does not meet the state’s AMO [annual measurable objective], it can still make AYP if it reduces the number of students below the proficiency level by 10% from the previous year and makes progress on another academic indicator. It may be that the use of the safe harbor provision will become a more widespread tool for making AYP as the AMOs in some states increase

dramatically over the next six years.” While many district officials placed a high priority on advancing so-called “bubble students” by a relatively small margin to meet proficiency standards in the past, in an increasing number of districts, officials will likely be looking for instructional programs and services that tend to increase achievement levels of the lowest performing students to meet AYP through the 10% safe harbor provision.

The states whose goals are “backloaded” include: Alabama, Arizona, Alaska, California, Delaware, Georgia, Hawaii, Indiana, Iowa, Kentucky, Louisiana, Maine, Michigan, Nevada, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, West Virginia, Wisconsin and Wyoming. In Florida and Kansas, a “blended” trajectory has been set, while in the remaining 26 states (and the District of Columbia), an “incremental” trajectory has been established for achieving 100 percent proficiency. According to CEP, several reasons could explain why states have chosen a backloaded approach, including: (a) some felt they would need a few years to implement new testing programs; (b) others felt districts needed more time to align curriculum and instruction with state tests; (c) some felt positive effects would be reflected in higher student test scores in the out years than in the early years; or (d) most officials felt the 100 percent proficiency goal was unrealistic and would be changed over time, perhaps during the reauthorization process.

USED estimates that about ten percent or 11,000 schools have been identified for improvement and, in its recent Title I Assessment Report to Congress, estimated that only 12 to 19 states, depending upon the

subject and subgroup, will meet the 100 percent goal based on recent rates of improvement. In states with “backloaded” trajectories, the number of schools and districts identified for improvement and entering restructuring is likely to increase more dramatically than in states with “incremental” trajectories, unless states are allowed to lower standards, and reduce passing or cut scores on state exams. In those states in which districts will place a higher priority on relying upon the ten percent safe harbor provision to minimize the number of schools identified for improvement, the evidence and track record of certain instructional programs and approaches working with the lowest achieving students may be perceived as the only viable legal alternative. This is also likely to be true in states which USED has approved the use of so-called growth models.

For a copy of the report, go to: www.cep-dc.org.

New USED Guidance Should Increase the Demand for Instructional Programs That Are Effective in the Acquisition of English and Proficiency in Math and Reading Achievement Scores for LEP Students

On May 2nd, several days after releasing new proposed Title I regulations, USED published in the Federal Register its “interpretations,” a form of Non-Regulatory Guidance, which it will monitor and enforce affecting LEP students in both Title III and Title I programs. These interpretations should increase the demand for instructional and related programs that are effective with

English language learners. While comments from the education community are sought by June 2nd, it is not likely that USED will change the draft rulings which not only strengthen the accountability and assessment “teeth” for Title III programs, but also require that all limited English proficient students -- including those participating in Title III programs -- fall under the AYP accountability system used for Title I.

Several new interpretations will increase the number of limited English proficient students who are provided Title I services. As reported in Education Daily (May 5th), USED officials estimate that between 20-35 percent of LEP students do not now have their test scores counted for purposes of determining AYP, largely because these students reportedly do not have two years worth of testing data. Their participation under the new ruling requires states to develop alternative assessments for these students, such as portfolios, and include them in calculating the proficiency levels of students in the LEP subgroup; this will increase the number of students that will be served and assessed in such domains as reading, writing, speaking and listening. Another ruling would require that the criterion for determining whether a student is proficient (i.e., in the above four domains) must be the same criterion for allowing a former LEP student to exit Title III English language acquisition programs. In a related Education Week article, a California state official reportedly noted that “30 percent of ELLs score proficient on the state’s English language proficiency test, while only nine percent of ELLs each year are classified as fluent in English.” Districts have an incentive to retain proficient LEP students in the program because they generate Federal and state funding under Title III and the

state formula. Moreover, by having them remain in the LEP subgroup, their scores will increase the average scores of the subgroup as a whole. The disincentive to exit students from the program continues even though regulatory changes two years ago allows students exiting Title III English acquisition programs to have their scores counted as part of the LEP subgroup for AYP determinations. Given the fact that states will have the flexibility to use other criteria in addition to student proficiency in reading, writing, speaking and listening domains, it is likely that the “proficiency” cut score criterion will increase, resulting in more students being served in Title III programs which again should increase the demand for programs that are effective in achieving these high proficiency levels.

Some of the accountability “teeth” in Title I would also apply to Title III. For example, while states can determine whether districts are making “meaningful” progress in meeting overall language proficiency, the SEA must inform districts’ Title III programs of proficiency targets that are not met and ensure that districts notify all LEP parents of unmet targets and monitor districts’ implementation as well as their corrective action.

As reported in Education Daily, during a Council of Chief State School Officers briefing on the new interpretations, concerns were expressed about attempting to “force fit” Title III programs under the Title I accountability framework, the types of tests which would be acceptable in assessing language progress being made by students not participating in Title III programs, and the multiple measures which could be used for determining proficiency and exiting the Title III program. If the new interpretations

take the form of final Non-Regulatory Guidance, then virtually all states will have to make changes in their assessment and accountability plans which will have to be approved by USED for implementation in the 2008-09 school year. If this occurs, some of the likely implications include:

- More limited English proficient students will have to be provided English language acquisition and Title I services and those in the program will likely be there longer, as proficiency levels will increase.
- The need for more effective programs will be generated, as districts will be held accountable for limited English proficient students demonstrating proficiency in the four domains and on state math and reading assessments.

United Way Encourages Local Affiliates to Redirect Funds to Programs That Improve Child Readiness for Kindergarten, Ensures Student Progress is Monitored, and Increases Graduation Rates

The 121-year-old United Way has recommended that local affiliates, over the next ten years, redirect funds and support to entities that prepare children for kindergarten, monitor student achievement or provide necessary interventions if needed, and work to reduce drop-out rates by 50 percent. In an interview with the Associated Press, CEO Brian Gallagher said that, “The affiliates will be encouraged to steer funds away from community agencies that don’t show results in key areas.” The United Way report “Goals for the Common Good,” also establishes goals for the financial stability of low-income families as well as improved

health and reduced risky behaviors for youth and adults. The new report emphasizes its education goals and the specific measures it will use in determining success. It appears that United Way local affiliates, many of which support or actually operate after-school and related programs, will be expanding with outreach into other areas which could provide opportunities for firms with appropriate products.

In calling for a cut in the number of students who drop out or otherwise fail to graduate in four years, the United Way has a goal of improving readiness to succeed in school. Children should enter kindergarten “developmentally on track in the areas of literacy and in social, emotional, and cognitive skills.” The measure of success would be increases in the percentage of children ages three through five who have all or most school readiness skills, such as recognizing letters, counting to 20, writing their names and reading. Citing U.S. Census data, the report notes that less than 40 percent of children enter school with the skills needed to succeed in kindergarten and beyond.

Another United Way goal is to increase the number of students reading at grade level by the fourth grade. The report notes that less than one-third of the nation’s fourth-graders are rated as proficient in reading on recent NAEP tests.

A third goal is to increase, by 2018, the high school senior graduation rate to 87 percent, up from 74 percent today. The report argues that such an increase would translate into 560,000 more young people who receive diplomas in 2018.

And United Way’s last education-related

goal is to increase the number of students successfully transitioning from high school to college, training programs, or the world of work. The report cites the U.S. Census Bureau’s American Community Survey which found that, over the last decade, one in seven 18 to 24-year-olds are neither working nor attending school even part-time.

The report includes several examples of United Way affiliated programs which have been successful in meeting some of the above goals. In Dallas, the “Destination: Graduation” program prepares students for academic success by teaching them how to take notes, how to study, and test-taking strategies, as well as providing mentoring and counseling. The program was started in one high school in 2005 where, during the first year, preliminary SAT scores increased by 120 points and grade-level graduation rates were 19 percent higher than their peers. Two years later, the program was expanded to five high schools. The report also cites a Madison, Wisconsin program entitled, “Schools of Hope.” By October 2004, the racial achievement gap at the third-grade reading level disappeared as the result of a summer school targeting bilingual children in K-1. The Schools of Hope leadership team had Vista workers supervise several hundred volunteer tutors who also assisted parents in reading with their children. Over time, 24 elementary schools in the district participated.

In light of the economic downturn in a growing number of states, school districts and other education entities will be forced to seek alternative funding streams for certain types of programs. According to Education Daily (May 14th), the National School Foundation Association estimated that 40

percent of U.S. public school districts have non-profit foundations, a number which has grown substantially over the last two decades, receiving as much as \$60 million annually. It is very likely that a substantial amount of local United Way affiliates' funding may be directed to local school districts which provide activities to help meet the four stated goals local affiliates are encouraged to meet. More so than in the past, the United Way's goals should introduce a greater degree of accountability in such programs; as the United Way report states, "What gets measured, gets done."

An online interactive version of the report is available at:
www.liveunited.org/goals/upload/UW_Common_Good.pdf

NCES Publishes its Annual Report on the Characteristics of Local School Districts

In April, the National Center for Education Statistics (NCES) published its annual report entitled "Characteristics of the 100 Largest Public Elementary and Secondary School Districts in the United States: 2004-05." Overall, in 2004-05, the 100 largest districts (less than one percent of all districts in the country) served 23 percent of the nation's K-12 students, contained 17 percent of all public schools, and employed 20 percent of all full-time teachers.

School size varied markedly across the largest districts from average of 1,369 students in Gwinnett County, Georgia to 376 students in the District of Columbia. There was a similar wide range in the percentage of a district's schools identified as Title I-

eligible. Among the largest school districts, 54 percent of students attended a Title I-eligible school compared with 50 percent nationwide. Cleveland had the highest percentage of Title I schools (99.2 percent) while Jordan (Utah) had the lowest percentage (5.7 percent). In 2004-05, there were a total of 707 charter schools located in 97 of the 100 largest school districts (the other three did not have legislation authorizing charter schools).

The 100 largest school districts had a disproportionate number of low-income students with 47 percent of students eligible for free and reduced price lunch -- compared with 38 percent across all districts. The nation's 100 largest districts had a slightly lower percentage of special education students (12 percent) -- as defined by the presence of an Individualized Education Program (IEP) -- than did all districts (14 percent). Similarly, 12 percent (1.4 million) of all students in these large districts were classified as English language learners.

In terms of revenues, in 2004-05, the 100 largest school districts received \$106 billion for public K-12 education with the five largest districts (New York, Los Angeles, Puerto Rico, Chicago, and Miami-Dade County) getting \$32 billion. For the 100 largest districts, state sources provided 44 percent of their revenues, local sources 44 percent and Federal sources 11 percent. Puerto Rico (31 percent) received the highest percentage of Federal funding, followed by Chicago, Brownsville (Texas), and San Antonio with 17 percent. The lowest percentage of Federal funds was -- three percent -- in Plano (Texas), Howard County (Maryland), and Cherry Creek 5 (Colorado).

In terms of instructional expenditures, NCES shows instructional expenditures nationwide, to be about 53 percent of total current expenditures. Moreover, it reports huge ranges across the 100 largest districts - from 95 percent in Puerto Rico to 37 percent in Philadelphia. These percentages differ hugely from other national data that put instructional expenditures as a percent of current expenditures at between 55 percent and 65 percent across the country. It is clear that definitional issues come into play. These figures must be viewed with caution.

The full NCES report can be found at: <http://nces.ed.gov/pubs2008/2008335.pdf>.

Federal Policies and Funding Are Having a Major Influence Upon Technology Trends Suggests the Newest MDR Report Entitled *America's Digital Schools 2008*

The recently released *America's Digital Schools 2008: The Six Trends to Watch* by MDR, based on a survey conducted by Tom Greaves and Jeanne Hayes, strongly suggests that Federal education policies and funding, particularly Title I and E-Rate are having a major impact on several of the growing trends in K-12 education. Demographic and other data imply that the impact is greatest in the area of Learning Management Systems (LMS) growth, including online instruction and assessment, particularly with the availability of expanded bandwidth.

Conducted between April and September 2007, the ADS survey addressed more than 360 respondents, most of whom were technology directors in 175 large districts and 129 small districts which, the report

estimates, represent 40 percent of K-12 students and 50 percent of purchasing/funding in the K-12 technology market. Some of the trends to watch are difficult to track over time given the changing nature of technology and changes in the questions asked.

The new survey found that 47 percent of respondents reported that they were currently using Learning Management Systems (LMSs) in their districts; about 80 percent reported using LMSs to some extent as an electronic supplement to traditional courses, while about 65 percent used it, to some extent, for credit recovery. About 60 percent used, to some extent, LMSs for core curriculum online courses; however, the previous report by Greaves and Hayes, reported only on the number of students taking K-12 "online courses" which they reported was about three percent. As we noted in the November 2006 TechMIS Washington Update, we asked Jeanne Hayes during an SIIA/AEP forum whether that included online test prep, supplemental tutoring and other non-core curriculum course-related activities; she said that such activities were not included. The question was raised because reports by the Center on Education Policy indicated that in well over half of the 22 states with exit exams, such online assessment test prep and test retaking activities were underway and expanding as was online supplemental educational services (SES) funded under Title I. A survey conducted by NACOL about the same time (2006) found that over 30 percent of online activities were related to credit recovery and directly related activities. The current report does show a significant growth, over the two-year period, in use of LMSs for delivering online student core curriculum courses; in 2007 between 15 and

20 percent of districts using LMSs said they were “used widely.” One other interesting finding was that districts with a “low level of spending for both instructional materials and technology” are significantly more likely than high-spending districts to have LMSs, which suggest LMSs are likely funded by Title I and other Federal funds and used for remedial or other types of interventions for at-risk low-income students.

In a related area, the *ADS 2008* found that 69 percent of respondents reported using an online assessment system in their district. More than 75 percent of the respondents using online assessments reported using them to assess periodic district-mandated benchmarks, for practice tests for high stakes assessments, and for periodic teacher-developed assessments. While noting that online assessment use is much more prevalent for district-mandated benchmark assessments than statewide high-stakes assessment, one of the “top line” findings in the report was: “The *ADS 2008* team was aware that a number of states were instituting online testing for high-stakes tests, but we did not know the extent of online assessment for district-mandated benchmarks (78% of districts using online assessment reported use of district-mandated benchmarks). It appears that the movement toward online assessment may be the real benefit of NCLB.”

Several Federal policies and allowable funding restrictions have probably contributed significantly to the growth of online assessments, including:

- The increasing use by states of exit exams or end-of-course exams as graduation requirements and encouraging their use, with Federal

or state funding, to facilitate online student test retaking.

- Flexibilities provided under NCLB and IDEA for states to develop alternative assessments for students with severe cognitive impairments which were clarified when regulations were published in 2004 and 2005 timeframe. As the report notes that “Online assessment appears to offer great potential for special needs students since it provides immediate, individualized feedback based upon their unique learning styles.”

One of the great ironies is that the NCLB-mandated use of national norm-referenced or criterion-based tests as part of states high-stakes assessments created a demand for formative and online benchmark and adaptive testing because state-administered and scored assessments were not provided to districts, and in turn to teachers, in a timely or usable manner to inform instruction. Predicting a bright future for vendors in the online assessment business, the authors note that, by 2008-09, 80 percent of respondents indicated their districts currently use or are planning to use online assessments with only 16 percent indicating no plans to use online assessments in the foreseeable future.

The authors reported that 27 percent of districts are implementing 1:1 computing. In its demographic highlights sidebar, the report notes that districts with low instructional materials and technology expenditures, along with low household incomes, have a higher average number of students in their 1:1 implementations than other districts. As the authors note, “Title I and other compensatory educational funding, as well as grants, may be

supporting these efforts in low SES (socio-economic status) districts.” The report also noted that a third of the respondents felt that significant academic improvement could be attributed to 1:1 programs. The authors also suggest that the perceived significant impact of 1:1 computing on student academic achievement should be separated from the Institute of Education Sciences study of software interventions for math and reading where no significant gains were reported in Year one because in successful 1:1 computing implementations, much more professional development is provided. As we have noted, it is also likely that teacher “buy-in” in a 1:1 computing implementation is much more likely to be found than in a randomized assignment of teachers to experimental groups using technology and comparison/control groups.

This second annual study conducted by Greaves and Hayes was one of the first to track the growth of computing devices and predicts that the trend from “fixed” to “mobile” computing will continue to have a major impact on computer approaches. Indeed, the study found that the major inhibitor, identified by respondents, to online assessment is the lack of suitable student devices and that the availability of lower-end devices coming to the market, will bolster the expansion of online assessment.

Two other trends of significance were identified in the report. One is that use of Interactive White Boards (IWB) have expanded greatly and are increasingly viewed as “standard equipment” in schools which find them essential. A “good news/bad news” trend is an increasing awareness on the part of education officials that the Internet bandwidth “crisis is creating

new concerns.” The good news is that the average bandwidth per student climbed more than 120 percent last year over the previous year; however, as Greaves has noted in this and previous reports, “Without adequate connectivity, all school-based Internet activities are subject to disruption.” *ADS 2008* respondents were asked to address the crisis, and the report concludes, “E-Rate is probably the most successful federal educational technology program ever devised. When it was initiated over 12 years ago, \$2.25 billion a year was more than adequate for school needs. However, if the *ADS 2008* survey respondents are correct, in five years we will face a \$5 billion a year shortfall, and E-Rate will need to be funded at \$7 billion a year.”

On a closing comment, the *ADS 2008* study captured more detailed information in certain areas than in past reports and suggests that some of the important trends continue to be influenced by Federal policies and/or by Federal funding in certain areas such as the E-Rate program. Some of these policies resulted in Federal funds being allocated differently than in the past, while in other cases, unfunded Federal mandates have forced states and districts to reallocate their funds in such a way that uses of technology grew.

For a copy of the report, contact Jeanne Hayes at: jhayes@hayesconnection.com. A good summary was included in eSchoolNews (May 15th).

Miscellaneous Recent Developments

- As we noted in the May TechMIS Washington Update, Secretary Spellings invited states to submit proposals for “differentiated accountability models” whose primary goal is to increase the number of students participating in SES and parent school choice. In some states, we felt there would be some opportunities created for firms with appropriate products and services to partner with districts that provide their own SES programs. Included in the May 23rd EdReview (USED’s official bi-weekly publication) 17 states have submitted proposals for consideration by the peer review panel and the Secretary. These states include: Alaska, Arkansas, Florida, Indiana, Louisiana, Maryland, New Jersey, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, and Virginia for implementation for school year 2008-09. Georgia and Illinois proposed implementation in 2009-10. Based upon the peer review results which are currently underway and USED final approval, up to ten states would be allowed to implement their differentiated models. The state proposals differ in their approaches, which affect SES and staff development set-asides. For example, New York will exempt schools that have been identified for improvement because of low student participation rates from the 10% staff development set-aside.

Schools identified for improvement which have a smaller number of students failing to meet AYP would have to set aside five percent for staff development, while schools identified with larger numbers of students failing to meet AYP would have to set aside the entire 10 percent. In Georgia, schools entering corrective action would be broken into several groups based on the levels of students failing to meet AYP. Those lowest performing schools would face a state takeover or state directed improvement plans. For most schools in corrective action, curriculum replacement would not be a requirement. In Alaska, the state proposes a model based on Response To Intervention approaches for schools in corrective action for academic reasons, and would have to implement Response To Intervention strategies as part of their school improvement plans. In their proposal, the Virginia SEA would expand the national pilot program which allows districts to provide SES before parent choice to all districts in the state. Moreover, it would rank students based on poverty and low academic performance with the students ranked lowest as priority one in terms of offering SES and parent choice. One reason is that the districts that reported that more students who are not from low income families and already have high academic performance have selected the parent choice transportation option than have

students at the other end. Each of the states' proposals is available at the Ed.gov website at: www.ed.gov/admins/lead/account/differentiatedaccountability/dapstat.es.html.

In addition to allowing SES services be provided before or at the same time parent choice is provided for schools identified for improvement, most of the states also propose to target funds more on the subgroups that had failed to meet AYP. Most of the education associations have proposed these changes to NCLB over the last two years. In addition, most states also proposed to remove some of the conditions which would preclude a district identified for improvement from providing its own SES program which is now disallowed under USED policies. If such changes are approved by USED in the states which have made such recommendations, then opportunities for partnering with these districts should increase.

- An evaluation by Abt Associates of the first two year's implementation of Smaller Learning Communities in 2002 and 2003 found that more ninth-grade students were promoted to the tenth-grade in SLC "academies" or "smaller schools" compared to overall district promotion rates. Participating students also increased their extra-curricular activities and the percentage of graduating students in SLCs who plan to enter either two- or four-year colleges was higher than

district averages. Data reported by schools and districts indicated that academic achievement gains were modest or neutral. The report also found that factors which contributed to effective implementation of SLCs were increased professional development, availability of resources (including new instructional materials) and a variety of teacher-related variables. A number of TechMIS subscribers have provided instructional materials and software designed to increase achievement levels of ninth-grade students who are two or more years behind in math or reading/language arts. While the Administration has attempted to zero-fund SLC, funding for this competitive grant program has remained between \$70-90 million annually.

- USED recently published guidance on "provisions related to children with disabilities enrolled by their parents in private schools." Many public school officials have expressed their concerns about some of the newer provisions in IDEA that were passed in 2004. This provision that holds local districts responsible for conducting Child Find and ensuring the provision of equitable services to children with disabilities who are enrolled in private schools is among the top two or three problems, especially in urban districts. The guidance reiterates and expands upon the provision to make it clear that the district in which the private school is located is the responsible agency for ensuring that all of the IDEA requirements

regarding Child Find are followed and must ensure that equitable services are provided to the child even though the child resides in another district's attendance area. Specifically, the guidance states, "This includes the obligation that the LEA locate, identify, evaluate and spend a proportional share of IDEA funds for equitable services for children with disabilities enrolled by their parents in private, including religious, elementary and secondary schools, located in that district. In addition, the cost of carrying out Child Find (e.g., determining the number of out-of-district students placed by parents in private schools) including evaluations, may not be considered in determining whether an LEA has met its obligation to spend a proportionate share of Federal funds on providing equitable services to such children.

If a firm seeks an introduction by school officials to private school officials in hopes of selling products or services to such private schools, the sales rep should be aware of this very sensitive political issue. Conversely, if the firm is attempting to sell products to the district special education program, empathy should be expressed to district officials for

the unfairness of this new provision.

The guidance is available on the department's web site at: www.ed.gov/about/offices/list/oii/nonpublic/index.html

- In a related matter, USED has also proposed a rule that would provide parents of students placed in special education greater choice in deciding whether their child should continue to receive special education services. In the past, USED's interpretation was that once a child received special education and related services, parents could not withdraw their child from special education programs. Under the proposed rule, parents could unilaterally withdraw their student from special education programs and the district would be absolved from providing a free and appropriate public education in such cases. With this ruling, should it be finalized, parent choice would be bolstered even if the school district officials felt the students should continue to receive special education services.

Alabama Update

June 2008

As reported in Times Daily, Alabama is facing a shortfall of \$375 million in its FY 2009 education budget. Despite the tight budget, Governor Bob Riley has said that he still plans to increase funding for Pre-kindergarten programs by \$20 million. The increase would also allow the State's program -- one of only two in the nation cited by the National Institute for Early Childhood Education -- to expand from 2,358 four-year-olds to 7,600. Despite its quality, Alabama's Pre-K program currently serves only four percent of the State's four-year-olds.

The Florence Times Daily reports that, because the Alabama legislature has failed to pass the State's education budget for FY 2009, about 18 percent of the State's non-tenured teachers (8,000 to 9,000) have been laid off. The State Senate was unable to end a filibuster for an additional \$25 million for higher education. It is expected that the Senate will convene a special legislative session to create the FY 2009 education budget.

According to The Birmingham News, a report from the Southern Education Foundation determined that 60 percent of Alabama's income gap with the rest of the nation can be attributed to the State's low education levels. Alabama has consistently ranked among the worst dropout rates and, in 2006, averaged \$5,788 less in earnings than the average American. The study found that the State's dropout rate has remained essentially unchanged for the past 25 years while the need for a high school diploma has become more critical.

Alaska Update

June 2008

As reported in Education Week, Alaska has made a number of changes in its school funding system. With a healthy budget situation because of oil and gas revenues, Alaska plans to increase per-pupil education funding in FY 2009 by \$100 to \$5,480. Total K-12 education funding will increase from \$1.1 billion to \$1.2 billion. The revisions will phase in a greater flow of State funds to rural schools that have greater transportation costs. In addition, the State will increase its spending for special needs students from the current (FY 2008) \$26,900 per student to \$73,840 by FY 2011.

A recent report by the Alaska Commission on Postsecondary Education determined that Alaska ranks among the lowest states in high school graduation rates and college performance. Entitled *Making Alaska More Competitive*, the report found that only 62 percent of Alaska's entering ninth-graders graduate from high school, only 28 percent go on to college, and only six percent get college degrees within six years. Among the report's recommendations are: encouraging students to see themselves as "college material" through support from family, teachers, and counselors; and helping low-income and underrepresented students to enroll in postsecondary education.

The Anchorage Daily News reports that Larry LeDoux has been appointed as Alaska's Commissioner of Education. Mr. LeDoux leaves his position as superintendent of the Kodiak Island Borough School District where he has also served as a high school principal and teacher.

Arizona Update

June 2008

The Arizona Republic reports that Arizona's projected \$1.9 billion deficit for 2009 is expected to result in significant funding cuts. Among the programs facing cuts are the State's online distance-learning schools. Currently, more than 20,000 students attend these schools. Many argue that State budget cuts could hinder the school's ability to help at-risk students and could even put some schools out of business. State Superintendent Tom Horne, a possible candidate for governor, is a strong proponent of online learning.

According to Education Week, an amendment to HB 2475 being considered by the Arizona legislature would allow school districts to issue bonds for computer purchases. Under the amendment, any bonds used to purchase computers last only as long as the lifespan of the computer. A school that implements a digital curriculum and provides a computer for every student would replace the textbooks for specific subjects in form of the digital version.

The controversy over school choice in Arizona took another turn in mid-May when a State appeals court rejected two State/private school voucher plans intended to allow disabled or foster care students to attend private schools. As reported in Education Daily, the court found that the programs -- each funded at \$2.5 million annually -- violated the Aid Clause of the State constitution which forbids the use of State money for supporting a "private or sectarian school." However, Arizona does permit dollar-for-dollar tax credits for money donated to provide private school scholarships for foster children or students with disabilities. Ironically, at the same time the Arizona court rejected the plan, Georgia adopted a very similar voucher program.

According to The Arizona Republic, Arizona legislators have passed a bill that would allow exceptions to the State requirement that all students must pass the Arizona Instrument to Measure Standards (AIMS) high school exit exam. Under the bill, students who get good grades in their regular courses and who take remedial classes would receive extra credit toward their AIMS scores. Opponents of the bill argue that, rather than these exceptions, other measures --

such as class rank or performance on college-entrance exams -- could be alternatives to the AIMS exit exam.

Arkansas Update

June 2008

The Arkansas Democrat-Gazette reports that the State will make payments to some school districts totaling \$20.7 million in compliance with a 2007 school funding law. Under the law, districts that collect more than 98 percent of the taxes due must surrender the excess to the State. Districts that collect less than 98 percent will be reimbursed by the State for the difference.

In late April, a \$7 million center at Mid-South Community College was dedicated; it is expected to extend access to post-secondary programs for rural populations in Arkansas' Mississippi River Delta. The center will allow students to earn four-year degrees from colleges across the State through live classroom teaching, interactive Internet programs, and on-demand multimedia technology. Among the specific degree program offered will be information technology, renewable energy technology, entrepreneurship, and addiction studies.

According to the Arkansas News Bureau, Arkansas is the lowest rated state in the nation when it comes to the percentage of residents (over 25 years old) with bachelor's degrees. Only 18.2 percent of Arkansas citizens have four-year degrees compared with a national average of 27 percent. A number of local companies are attempting to increase this number. The Murphy Oil Company of El Dorado, for example, has instituted a scholarship program for graduates of El Dorado High School.

California Update

June 2008

Faced with a potential \$10 billion budget deficit for FY 2009, Governor Arnold Schwarzenegger has proposed cuts of \$5 billion in school funding. According to Education Daily, parents, educators, and civic leaders in California are expected to hold public demonstrations protesting the cuts.

In May, Governor Schwarzenegger proposed a new general fund budget for FY 2009 (to begin July 1, 2008) of \$101.8 billion and plans to use lottery proceeds to close a \$15.2 billion shortfall. This would require voter approval on the November ballot. If the Governor's approach is not approved by the voters, he has said he will impose a temporary one-cent sales tax. Critics of the proposal say the Governor's assumptions are "overly optimistic" and that lottery revenues are likely to be well below the Governor's estimates.

California's desperate budget situation has resulted in a sharp drop in the number of field trips for students. The cost of transportation has made many such field trips prohibitively expensive for local school districts. Many districts have cut the number of field trips by as much as 60 percent. The Los Angeles County Natural History Museum has seen a decline in the number of student visits every year since 2004-05.

The newly created California Dropout Research Project -- operated from the University of California, Santa Barbara -- has as a goal compiling accurate information on high school dropouts. As reported in Education Week, the State's overall dropout rate is about 75 percent, although precise calculations are impossible without an effective longitudinal student data system. The estimated graduation rates by racial subgroup are: 84 percent for Asian students, 77 percent for white students, 60 percent for Hispanic students, and 57 percent for African-American students. A recent study has determined that California loses \$46.4 billion a year -- lower earnings, higher medical costs, higher welfare costs, higher crime rates -- because of State residents who reach age 20 without a high school diploma.

The Los Angeles Times reports that California State law requires school districts -- notably Los Angeles -- to share its facilities “fairly” with charter schools. Currently, about 12 schools in Los Angeles share space with charter schools with numbers expected to increase to 35 next year. Traditional schools have complained that their programs would be impaired if charters used their space. The district is reconsidering its offer to provide such space in public schools.

As reported in The Sacramento Bee, five years ago, California began requiring every high school graduate in the State to pass an algebra course, believing students would be better prepared for college. Now, five years later, the number of students entering community colleges who need remedial math is actually, in many cases, increasing. This year, 37.2 percent of freshmen entering the California State University system met entry requirements, but needed remediation in math. The State’s community college system has begun a \$33 million per year program called the “Basic Skills Initiative” to address remediation in math and English.

Colorado Update

June 2008

Education Week reports that Governor Bill Ritter, Jr., has proposed a plan to revise Colorado's system of standards and assessments. Under the plan -- know as the "Colorado Achievement Plan for Kids" -- the State board of education and the Colorado Commission on Higher Education would redo K-12 standards and change college admissions policies to focus on proficiency in subject areas in which students may take nontraditional courses. The Governor also plans to approve a bill that would create more openings for at-risk preschool children and expand full-day kindergarten for 22,000 more students over the next five years.

This Fall, Colorado will begin implementing a three-year, \$5.4 million pilot program to address achievement gaps associated with race and economic status. As reported in Education Daily, the State Education Department will work with six local school districts to develop improvement plans that will reduce persistent achievement gaps. The State expects to spend \$1.8 million a year (including, in the first year, \$600,000 in leftover Federal Title I funds) for the pilot. The funds will be used for salaries of "achievement gap managers," as well as training and software tools and hardware platforms for progress monitoring.

The Rocky Mountain News reports that a group of foundations headquartered in Denver are planning to establish new schools for students from low-income families over the next few years. The loosely organized coalition, known as the New Schools Collaborative, includes the Daniels Fund, the Donnell-Kay Foundation, and the Piton Foundation. The Collaborative will use as models Denver schools -- like West Denver Preparatory Charter School -- as well as such national programs as the Renaissance School Fund in Chicago and similar private sector partnerships in New York. The Chicago non-profit program has raised \$44 million to help open 55 new schools since 2004 and plans to open 100 more new schools in the next two years.

Connecticut Update

June 2008

In late April, a Federal court judge dismissed Connecticut's 2005 challenge to the Federal No Child Left Behind Act. The State had argued the Law is unconstitutional because its costs are not covered by Federal payments. The judge also ruled against the State in its claim that the U.S. Department of Education unfairly rejected the State's proposed testing rules for special education and limited English proficient students. The U.S. Department of Education applauded the ruling.

Delaware Update

June 2008

As reported in Education Week, the Delaware legislature has cut \$29 million out of the education budget proposed by Governor Ruth Ann Minner. Among the cuts are:

- \$10.9 million -- from \$18 million to \$7.1 million -- from a block grant program that provides instructional time for struggling students;
- \$3 million from the Delaware Student Testing Program, by reusing old test forms and eliminating the writing component of the test for grades 3, 4, 6, 7, and 9;
- reduction in adult education block grants;
- delaying the replacement of school buses; and
- suspending the third-year of a pilot physical education program aimed at reducing childhood obesity.

Since January, Delaware, at a cost of about \$150,000, has been pilot-testing the Delaware Virtual School with 284 high school students taking six available courses -- Algebra I, pre-calculus, Spanish I, Spanish II, American Government, and physical education. The courses and instructors are provided by Florida Virtual School and Apex Learning. The main goals of the Delaware Virtual School are to offer courses unavailable at schools, provide credit-recovery for struggling students, and provide greater access to Advanced Placement courses. The State has requested \$1.2 million to expand the school next year, but full funding is unlikely. In the future, the State would like to expand the program to middle school students and use Delaware teachers.

Florida Update

June 2008

In November, Florida voters will consider a major change in the way the State's public schools are funded. The ballot measure would cut property taxes by 25 percent creating pressure on the legislature to replace billions of dollars in lost revenues, probably through a higher sales tax. Proponents of the measure suggest that its passage would improve and modernize the State's tax system. Opponents, including business interests, consider it a large mistake and are funding a campaign to defeat the measure. The plan includes language that says schools would be "held harmless" for lost funding as part of a formula for funding growth.

As reported in Education Week, Florida school districts are facing serious budget difficulties. The State legislature has reduced funding for K-12 education forcing districts to cut an average of \$113 per student, most often by eliminating paraprofessionals, dropping before- and after-school programs, and consolidating bus routes. Because of the State's complicated funding formula, some districts will lose as much as \$213 per student in State funds while others will lose only \$77. Overall State K-12 funding for 2008-09 will be \$18.4 billion, about two percent (\$332 million) less than the current school year. Moreover, in February, voters approved a constitutional amendment that cut property taxes at the same time another constitutional requirement for smaller class sizes kicks in.

Despite Florida's budget crisis, the legislature has approved an expansion of the State's voucher-style program -- from \$88 million to \$118 million -- that gives companies tax credits for donating to scholarship organizations that fund private school tuition. The law increases the maximum scholarship by \$200 to \$3,950. This year, more than 20,000 students used the scholarship program; an estimated 6,000 more will use it next year because of the higher credit cap.

According to Education Daily, the Florida legislature, for the second year in a row, failed to pass

a bill that would have cut back the training requirements for mainstream teachers of English language learners. After much wrangling over whether to reduce the requirement from 300 hours to 180 hours (House) or 60 hours (Senate), the bill died leaving the 300-hour requirement still in place.

The Miami Herald reports that Florida is applying to participate in a U.S. Department of Education (USED) pilot program that would use “differentiated accountability” measures. Currently, two-thirds of Florida’s schools made adequate yearly progress under the Federal No child Left Behind Act, including many schools that met State standards. Under the USED pilot program, the accountability system will distinguish between chronically low-performing schools and those that barely missed meeting standards. The program will include three categories -- preventative, corrective, and intensive -- with different corrective activities.

Under a new Florida law, health insurance companies would be required to provide coverage for children with autistic and pervasive developmental disorders. As reported in Education Daily, Florida is the fifth state to approve such a law. The law also covers those who are still in high school and who were diagnosed by the time they were eight years old. Coverage would be limited to \$36,000 per year and \$200,000 for a lifetime, but an exemption is provided for companies that, before April 1, 2009, sign a compact to increase coverage for behavior analysis and other treatments “when medically necessary” due to a developmental disability.

Education Daily reports that the Broward County (Ft. Lauderdale) school district has partnered with the local business community to provide computers to almost 10,000 parents of Title I students, along with one year of free Internet service. The district hopes families will continue the Internet service on their own after one year.

Georgia Update

June 2008

According to The Atlanta Journal-Constitution, Georgia's system for assessing middle school students broke down completely this year. Preliminary results from the Criterion-Referenced Competency Test (CRCT) showed that 70 to 80 percent of sixth- and seventh-graders failed the social studies exam and about 40 percent of eighth-graders failed math. The math scores are particularly meaningful because students must pass to advance to ninth grade. They will have to take the test again this summer. Among the reasons put forth for the extreme failure rates are: new (and vague) curriculum standards; a complicated process for test development; flawed test questions; inadequate training of teachers; and unrealistically high passing scores.

According to Education Daily, Governor Sonny Perdue has signed into law a \$50 million tax credit program intended to provide school choice to low-income families. Under the program, corporations can receive a 100 percent tax credit for donations to organizations that give scholarships to students attending private schools. Individuals can also receive 100 percent tax credits (up to \$1,000 per individual and \$2,500 per couple) for such donations. It is estimated that more than 10,000 Georgia students could take advantage of the new law.

As reported in The Atlanta Journal Constitution, a pilot program -- known as "Learn & Earn" -- has been operating since January with 20 students in two Fulton County schools. The 15-week privately-funded, after-school tutoring program was intended to help students who were performing below academic standards in math and science. Students received \$8 an hour for participating in the experiment which is believed to have improved students' grades and test scores (although official results will not be released until the summer).

Hawaii Update

June 2008

In her annual State-of-the-State address to the legislature, Governor Linda Lingle proposed establishment of “creative academies” within Hawaii’s schools. The academies would be modeled after the STEM (science, technology, engineering, and mathematics) academies that began implementation last year. The new creative academies would allow students to focus on such subjects as digital media, animation, and writing/publishing.

As reported in Class Notes, the Hawaii Charter School Review Panel has awarded a charter to the Hawaii Technology Academy which will use the curriculum, technology, and academic services of K12, Inc.

Illinois Update

June 2008

The Chicago Sun-Times reports that Illinois Governor Rod Blagojevich has proposed a \$150 million initiative to cut school violence by providing after-school alternatives. Called Community Investment Works, the program would fund community grants, after-school programs, and jobs for teenagers. This year alone, 24 Chicago students have died violent deaths.

Education Daily reports that a U.S. District Court ruling calls for the Chicago school district to provide information about systemic problems in programs for English language learners (ELLs). Published reports suggest that as many as 3,000 ELLs in Chicago have received inadequate education. Under the ruling, 100 Chicago principals will give depositions concerning the number of ELLs served in their schools, the types of services received, and the qualifications of their teachers.

In an unrelated development, Chicago will be expanding its foreign language curriculum next year. More students will take Chinese and Arabic and a new Russian program will begin. This expansion of foreign languages -- including 15 new language teachers -- will be paid for with cuts in other undetermined programs.

Indiana Update

June 2008

Education Daily reports that Indiana's Schools Superintendent, Suellen Reed, will step down after four terms at the end of the calendar year. During her remaining months in office, the Superintendent says she plans to focus on: prioritizing instruction around essential learning concepts; Statewide rollout of new computer-based teaching tools; full-day kindergarten; and the Learn Green, Live Green initiative supporting environmentally responsible behavior.

Iowa Update

June 2008

As we reported last month, Iowa has approved a Statewide curriculum for all schools -- public and private -- to become effective in 2010. The Iowa Core Curriculum has raised concern among private schools who argue that it establishes State government control of private school classrooms. The State counters that the curriculum addresses skills and concepts, but does not dictate the specific classes to be offered or textbooks to be used.

In early May, Governor Chet Culver approved a one-cent increase for Iowa's sales tax -- up to six percent -- replacing a local-option tax collected at the county level. It is estimated that the change will give local school districts an additional \$200 per student, although some districts with major retail centers could see reductions. As reported in Education Week, approximately \$372 million will be distributed to school districts for infrastructure repair in the first year.

Kansas Update

June 2008

The Kansas City Star reports that Governor Kathleen Sebelius has requested \$27 million in additional funding for early childhood education next year, almost doubling the State's current spending. It is unclear whether the legislature will approve the Governor's request. Sebelius is one of 16 governors cited by Pre-K Now who have proposed a total of \$261 million in increases for prekindergarten program, bringing those states' total to \$5.2 billion.

As reported in The Topeka Capital-Journal, the Kansas Senate has passed legislation that requires Kansas public school students to attend kindergarten. Under the bill, the State's compulsory school attendance age would be lowered from 7 to 6, meaning kindergarten-aged children would have to attend at least a half-day class. The bill contains a provision that would allow parents to opt their children out of the mandatory kindergarten if they attend private school or for religious reasons.

Kentucky Update

June 2008

As reported in District Administration, Kentucky has implemented an integrated Internet networking program in coordination with the technology communications firm, Nortel. The \$20 million program is part of the State's 2007-12 Education Technology Master Plan intended to expand student access to resources beyond the regular school hours and locations. It will allow Kentucky's 650,000 students equal access to online courses and testing, as well as communications with subject matter experts from around the world.

Louisiana Update

June 2008

According to Education Week, Governor Bobby Jindal has proposed allocating \$10 million in State money to create a scholarship fund through which 1,500 low- and moderate-income children could attend private schools. Opponents of the plan call it a voucher program like others that have been rejected in the past and argue that the funds could be better used to improve public schools. The controversy has become more public with the airing of radio ads sharply critical of the plan's opponents.

The Louisiana legislature is considering a number of bills that would affect charter schools in the State. HB 321 would increase the State's cap on the number of charter schools from 42 to 70. HB 329 would change the allowed renewal period for charter schools (currently ten years) to a shorter period between three and ten years. Both bills were overwhelmingly passed by the State's House of Representatives. A third bill engendered greater discussion. HB 1105 would limit the amount chartering authorities (e.g., local school districts) could charge charter schools for administrative costs to two percent of the total per-pupil amount received by a charter school.

The New Orleans Time-Picayune reports that Governor Jindal has set forth a pledge -- called the "Day One Guarantee" -- the graduates from Louisiana's community and technical colleges will be prepared for the workforce immediately. If they are not, employers can send them back for free retraining. The guarantee applies to more than 100 workforce training programs at the State's two-year colleges. The State's budget does not include any funding specifically for the guarantee but the Governor has increased funding for two-year institutions next year.

As reported in Education Week, the Recovery School District (RSD) in New Orleans has shown significant progress on standardized test scores, but the failure rate is still over 50 percent. The RSD has had consistent problems keeping schools safe and having enough teachers. It is estimated that 85 percent of RSD students are at least two years behind grade level in reading and math. On this year's assessment, scores for fourth- and eight-graders improved significantly

in reading. But still only 48 percent of fourth-graders and 36 percent of eighth-graders had passing scores, compared with 76 percent and 69 percent, respectively, Statewide.

KALB television reports that the Livingston Parish school district has used a \$25,000 State grant to support a credit recovery system to help students make up credits for classes they failed during the school year. Credit recovery classes have been held twice a week for two hours at two high schools -- Denham Springs and Albany -- in English, Algebra I, geometry, physical science, and biology. A total of 255 students participated, each paying a \$60 fee.

Maine Update

June 2008

As reported in Education Daily, the U.S. Department of Education has approved the use of the SAT to meet Federal accountability requirements at the high school level. Maine becomes the first state to be approved for use of the college entrance exam. Maine education officials, as well as those in other states, believe use of the SAT could encourage more students to consider college.

Maryland Update

June 2008

According to Education Week, Maryland's total K-12 education budget for FY 2009 will be \$5.6 billion -- a 3.4 percent increase over the previous year. The increase includes \$37 million for high-cost school districts as part of the Bridge for Excellence Act of 2002 which mandated spending of \$1.5 billion over five years. This is the first year the legislature provided additional funds specifically to high-cost districts.

According to an analysis of scores on the 2007 Maryland School Assessment, Maryland middle schools have made consistent gains over the last two years. As reported in the Washington Post (based on data from the State's largest school districts), the proportion of middle school students scoring at the "advanced" level increased from 22 percent to 25 percent between 2005 and 2007; the share scoring at "proficient" or better has grown from 62 percent to 67 percent. These numbers are still lower than comparable scores at the elementary level where 27 percent rated as "advanced" and 81 percent rated "proficient." State officials attribute much of the improvement to a dramatic increase in the number of middle school students taking accelerated math classes and the greater use of data to evaluate student performance.

A program known as Stocks in the Future (SIF), developed by the Center for Social Organization at Johns Hopkins University, awards cash to high-performing students in Baltimore and Washington, D.C. to invest in the stock market. As reported in Education Daily, the SIF program teaches students strategies for earning and investing money. Analysis of test scores showed that 400 middle school students from seven schools who participated in SIF during the 2006-07 school year outperformed control group students in key academic areas.

As reported in the Baltimore Sun, the Baltimore City school district has set forth a plan to reduce school violence and cut its high school dropout rate. Budgeted at \$15 million for its first year, the plan calls for the establishment of two new alternative schools and the redesign of existing alternative schools. Currently, the city has slots for 1,450 students in its alternative schools. The

plan would create an additional 1,200 slots. The alternative schools are intended to help the more than 21,000 students (27 percent of the district's enrollment) who are at least one year behind their peers. The highest rate is in the ninth grade where 49 percent of the students are older than their peers.

Massachusetts Update

June 2008

According to the Boston Globe, 37 percent of the 19,000 entering freshmen at Massachusetts State colleges and universities in 2005 required at least one remedial course during their first college semester. More than half of African-American, Hispanic, low-income, and students with disabilities had to take at least one such remedial course. High school students have a tendency to pass the State's tenth-grade assessment and coast for the next two years. The State's Department of Higher Education wants the State to spend about \$1 million to give eleventh-graders a college placement test to determine their readiness for college work and the courses they should take in high school to improve their readiness.

The Boston Globe also reports that the Chairman of Massachusetts State Board has come out in favor of changes in the structuring of teacher salaries, including higher salaries for teachers in hard-to-staff schools, teachers of hard-to-staff subjects (math, science, special education), and teachers in schools that improve student performance. The Chairman did not specifically support merit pay based solely on student test scores. Not surprisingly, the Massachusetts Teachers Association voiced opposition.

Mississippi Update

June 2008

According to Education Week, Mississippi Governor Haley Barbour has signed a law that would allow the firing of local district superintendents if their districts are rated as “underperforming” for two years in a row under the State’s accountability system. However, because 65 of the State’s 152 school districts have elected superintendents, the Federal Voting Rights Act of 1965 would be triggered and would require Federal review (which could take many months) before an elected official can be removed from office. Moreover, the definition of “underperforming” is in flux because of the State’s new assessment system. New accountability definition and categories are not expected to be in place until the end of the 2008-09 school year.

Missouri Update

June 2008

As reported in Education Week, the Missouri legislature has approved a budget for FY 2009 that includes a \$130 million funding increase for K-12 education -- 2.5 percent more than the previous year. Most of the increase will be allocated to school districts' general operating budgets. Among the special allocations are increases of \$2.5 million for early-education programs and \$3.5 million for the A+ Schools Program which gives scholarships for tuition at community or technical colleges to students from low-performing schools.

Nevada Update

June 2008

The Las Vegas Sun reports that Virginia-based Imagine Schools, Inc., operator of one charter school in Nevada, is seeking to open a second school over the objections of State education officials. State officials have become concerned about the management of Imagine's existing 100 Academy of Excellence -- particularly the lack of qualified teachers, bad record-keeping, and poor student performance -- and do not want to approve a second Imagine school. However, because, in 2006, the application for the new school was approved, State law does not allow cancellation of that approval. State officials are continuing to look for loopholes in the law.

The Las Vegas Sun also reports that Nevada's first school for students with hearing impairments will open this Fall. The Las Vegas Charter School of the Deaf is expected to enroll 20-30 students for the 2008-09 school year. The Clark County (Las Vegas) school district serves a total of 405 students who have hearing impairments.

New Jersey Update

June 2008

As reported in Education Week, New Jersey has increased its State school aid and 75 percent of local school budgets were approved in April voting. At the same time, the State has reduced municipal aid by \$189 million with small towns -- those with fewer than 10,000 people -- facing the steepest cuts. When school and municipal aid are combined, 315 of the State's 566 municipalities will receive higher State aid.

According to the Newark Star-Ledger, a recent State report calls for a dramatic overhaul of New Jersey's public high schools with more emphasis on mathematics and science instruction. Called NJ STEPS, the new proposal recommends new, more rigorous course requirements -- including classes in algebra, chemistry, economics, and geometry -- for high school graduation, along with corresponding new State exams. Intending to reduce the high rates of remediation for incoming college freshmen, the plan calls for aligning K-12 programs with the demands of higher education. The State had already planned to revise many course requirements and assessments.

New Jersey is planning to cut back on its NJ STARS college scholarship program starting next Fall. The program, which guarantees a free county college education to top high school seniors, would limit eligibility to students whose families earned less than \$100,000 per year. NJ STARS currently provides scholarships to two-and four-year colleges for nearly 5,000 students, 30 to 40 percent of whom come from families making \$100,000 or more. It is estimated that the proposed change would eliminate 700-800 students next year and save the State \$2.5 million.

North Carolina Update

June 2008

A recent State-funded study has examined the impact of high school spending in North Carolina on student performance. Conducted by the Frank Porter Graham Child Development Institute at the University of North Carolina (Chapel Hill), the study found that larger expenditures on regular classroom instruction leads to higher achievement with teacher compensation the most significant factor. The State has already allocated additional funds to high schools with large poverty populations. During the 2005-06 school year, the quartile of school districts that serve the largest percentage of low-income students spent an average of \$1,500 more per pupil than the lowest quartile. The study also found a negative correlation between extra spending on “non-regular instruction” (e.g., after-school instruction, guidance counseling) and student test scores.

North Carolina is considering a major overhaul of the State’s K-12 testing program. The Raleigh News & Observer reports that among the recommendations of a State-appointed commission are fewer State tests and teacher bonuses tied to high school graduation rates. Specifically, the commission recommended elimination of State writing tests in fourth, seventh, and tenth grades and development of a new series of writing assignments, across all grade levels, to be given by local districts. Members of the State Board also supported the commission’s recommendation for an overhaul of the State curriculum but did not support eliminating the eight-grade computer skills test and five other exams from the testing program.

As reported in The Raleigh News & Observer, Federal officials have ruled that North Carolina’s public colleges and universities can admit illegal immigrants. The U.S. Department of Homeland Security says schools are not required to “determine a student’s status.”

North Dakota Update

June 2008

As reported in Education Daily, North Dakota is the first state to reach the Federal goal of having 100 percent “highly qualified teachers” (HQT) in its core academic classes. A number of states have claimed to have reached the 100 percent HQT target established by the No Child Left Behind Act, but only North Dakota has been certified, based on 2006-07 school year counts, to have attained the standard. Currently, most states have more than 80 percent HQTs and three states -- Iowa, Michigan, and Montana -- are over 99 percent.

Wayne Sanstead, the nation’s longest tenured state superintendent, plans to run for another term as North Dakota’s chief. At age 72, Sanstead has served for 23 years and six elected terms.

Oklahoma Update

June 2008

As reported in Education Week, Oklahoma has set forth a new ruling that requires high schools to make public information about school dropout and college remediation rates. Under the plan, principals (or representatives) of all schools serving grades 7-12 will be required to participate in one Statewide meeting each November addressing dropout rates and another in January or February dealing with the number of Oklahoma high school graduates attending college who need remediation in English, reading, math, and science. It is hoped that these meetings provide local school boards with better information on which to base decisions.

Pennsylvania Update

June 2008

As reported in Education Daily, Pennsylvania has proposed to create a new State education funding formula based on the legislature's "Costing Out" report. The new formula would provide \$2.6 billion for K-12 education over the next six years using a formula that establishes per-pupil support based on district spending relative to State-determined targets. Districts that receive funding increases in excess of the State inflation index must spend the amount above inflation for such school improvement items as smaller class sizes, extended learning time, pre-kindergarten programs, full-day kindergarten, curriculum reform, or teacher training.

Also according to Education Daily, the Pennsylvania Educational Improvement Tax Credit has been cited by the U.S. Department of Education as an effective means of supporting private schools. The program allows businesses to meet a portion of their State tax burden by donating to a P-12 scholarship fund -- as much as \$200,000 a year in tax credits. Part of the money in the fund is distributed to public school districts for school improvement (\$22.3 million this year); the remainder is given out in scholarships (vouchers) for private K-12 school tuition (\$44.7 million) and preschool vouchers (\$8 million).

Pennsylvania's Taxpayer Relief Act allows State revenue from gaming to be distributed to school districts. The State's 501 districts will receive a total of \$612.9 million in the first allocation under the 2006 Law. Philadelphia is the largest recipient with more than \$55 million from gaming revenues. Information on the amount of each district's allocation is available at: www.pde.state.pa.us.

According to State data, a total of 358 schools -- in 302 school districts -- are participating this year in Pennsylvania's Classroom for the Future program. Designed to increase classroom use of technology, the initiative provides high schools with laptop computers, multimedia stations, electronic white boards, etc. to enhance instruction in core subjects -- English, math, science, and social studies. Information on the program is available at: www.pde.state.pa.us/edhub

The Pittsburgh Post-Gazette reports that 64,000 Pennsylvania students are enrolled in 126 charter schools in the State, with another 20,000 on waiting lists. Nearly half of the schools -- which could be brick-and-mortar buildings or Internet-based cyber schools -- are in Philadelphia. Legal in Pennsylvania only since 2007, charter schools have been controversial because they draw funds from public schools and because they often cost more to operate than traditional public schools. The Pittsburgh school district, for example, made payments of more than \$28 million this year for 2,355 charter school students; \$8 million of that was reimbursed by the State.

Education Week reports that the Pittsburgh school district, facing continuing enrollment declines, plans to eliminate the jobs of 153 teachers and 16 assistant principals. This school year, the district's enrollment is 28,265, down nearly 1,200 students from 2006-07. Enrollment is expected to drop another 1,500 students next year. This year, the district faces an estimated deficit of \$26.4 million on an operating budget of \$526.6 million. If no cuts were made, the deficit next year would have been more than \$35 million.

Also according to Education Week, the Pittsburgh school district has implemented a program, called the Lighthouse Project, intended to establish "community" or "full-service" schools that go beyond instruction to focus on student health and welfare. Currently operating at Pittsburgh Westinghouse High School in Homewood, the Lighthouse Project is part of the district's effort to turn around failing schools. It hopes to replicate the program in other troubled neighborhoods.

Rhode Island Update

June 2008

As reported in The Providence Journal, Rhode Island is the only state (with the possible exception of Pennsylvania) with no predictable education funding formula. Local school districts do not know, from year to year, how much money they will be receiving from the State causing inevitable budgetary and cash flow problems. The legislature has proposed a complex State aid formula that includes enrollment, student need, and tax base. Under the proposed formula, Providence and many suburban districts would get more money while many smaller districts would see cuts in State aid. Debate over the new formula is likely to continue for some time.

Peter McWalters plans to step down as Rhode Island's education commissioner in June 2009 after 17 ½ years in the position. One of the nation's longest-serving commissioners, McWalters has, during his tenure, created a new high school diploma system, implemented Statewide testing under the No Child Left Behind Act, and undertaken initiatives to improve middle school performance.

South Carolina Update

June 2008

Class Notes reports that K12, Inc. has been approved to operate an online school in South Carolina. The South Carolina Virtual Charter School is processing enrollment applications for the 2008-09 school year. The State has instituted a first-year cap of 1,000 students for the virtual school.

As reported in Greenville Online, South Carolina is conducting a pilot program in Marion County that has distributed inexpensive laptop computers to 500 low-income students in grades K-5 at two schools. Developed by the One Laptop per Child organization for children in developing countries, the computers cost \$180 each and are designed to withstand the rough treatment they are likely to receive from young students. The \$100,000 cost of the pilot program has been contributed by private sources. It is hoped that the program could be expanded to all schools in the State where students do not have access to such technology in their homes. The effectiveness of the pilot program will be evaluated by the non-profit Palmetto Project.

Tennessee Update

June 2008

As reported in the Tennessean, the Tennessee legislature adjourned after approving Governor Phil Bredesen's \$27 billion revised State budget. The approved budget represented cuts of more than \$300 million this year and \$470 million next year, imposed because of the State's weakening economy. Declining to draw down the State's "rainy day" fund, the Governor proposes to cut \$86.5 million from the State's Basic Education Program (BEP) K-12 funding formula, \$55 million from higher education, and \$25 million from a planned expansion of pre-kindergarten programs. The cut in the BEP program will eliminate some planned reforms, but will still contain regular inflationary growth.

Legislators also cut \$10 million -- down to \$90 million -- from a program to provide grants and loans for schools' energy conservation efforts. The legislature also agreed on a compromise bill that would prevent HOPE scholarship recipients from losing their scholarships if their grade-point averages drop below 3.0.

Texas Update

June 2008

According to [The Dallas Morning News](#), State data indicate that 75 percent of Texas eighth-graders and 83 percent of fifth-graders passed the math portion Texas Assessment of Knowledge and Skills (TAKS) this Spring allowing them to be promoted to the next grade. This is the first year the math TAKS has been required for eighth-grade promotion. Students who failed either reading or math TAKS have two more opportunities to pass -- one in May and another in July.

After more than three years of debate and controversy, the Texas State Board of Education has approved new English/language arts curriculum standards. The new standards will apply to \$626 million in instructional materials that will be in Texas classrooms over the next decade. As reported in the [Houston Chronicle](#), the State was under pressure to adopt the English curriculum to give publishers time to develop textbooks and other materials for the 2009-10 school year. The approved standards were developed by StandardsWork, a private company that incorporated input from a cadre of national experts. The Board rejected an approach set forth by a group of Texas teachers who had pushed to have the standards include reading comprehension as a major component and to include grammar as a separate section rather than having it embedded throughout the curriculum.

According to the Texas Education Agency (TEA), last school year, more than 60,000 Texas public high school students took at least one dual-credit course -- up 68 percent in the last five years. The [Houston Chronicle](#) reports that the State has agreed to fully fund the college and the high school for the costs associated with dual enrollment. Limited research suggests that students who take dual-credit courses perform better in college than those who do not. Some educators, however, question whether dual-credit courses are as rigorous as Advanced Placement (AP) or International Baccalaureate (IB) classes.

Utah Update

June 2008

The Salt Lake Tribune reports that 20 percent of Utah's high school seniors (37,693 students) failed the State's exit exam -- the Utah Basic Skills Competency Test (UBSCT) -- a two percentage point improvement over last year. Students who attempt and fail the test three times, but who meet all other graduation requirements, will receive diplomas noting the UBSCT failure. The mathematics section of the UBSCT -- covering pre-algebra, algebra, and basic geometry -- seemed to pose the biggest problem with only 84 percent of seniors passing. The reading and writing portions -- which test at the eight-grade level -- were passed by 91 percent and 88 percent, respectively. Seniors must pass all three sections.

Vermont Update

June 2008

The Burlington Free Press reports that, this year, 116 of Vermont's 306 schools (38 percent) failed to make adequate yearly progress (AYP) under the Federal No Child Left Behind Act. This number is nearly three times the number that missed AYP in 2007; the increase can be largely attributed to higher benchmarks. Thirty-nine schools (13 percent) have missed AYP goals for at least two consecutive years. Vermont uses the New England Common Assessment Program (NECAP) as the standardized test for measuring AYP.

Wisconsin Update

June 2008

The legal and political wrangling over online education in Wisconsin appears to have been settled. As reported in [Class Notes](#), Governor Jim Doyle has signed a measure that preserves virtual education in the State and sets an enrollment cap of 5,250 students. Currently, there are about 3,400 students attending virtual charter schools in the State. The new legislation supersedes a December court ruling that argued virtual schools violated a number of State laws. Virtual school advocates have applauded the legislation but plan to lobby for removal of the enrollment caps.