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SEDL ANNUAL REPORT

TEACH. DISCOVER. SOLVE. ENGAGE. LEARN.

ADVANCING RESEARCH



IMPROVING EDUCATION

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TEACH. DISCOVER. SOLVE. ENGAGE. LEARN.

We do these things at SEDL every day through a multifaceted program of research, evaluation, professional development, and creation of products and services to meet the needs of schools, districts, communities, policymakers, and even researchers.

In 2007, SEDL staff members helped educators and decision makers across the nation face the challenges of improving student achievement and meet the goals of the No Child Left Behind Act. We also provided professional development and resources to afterschool practitioners nationwide and to the nation's 65 Parental Information and Resource Centers (PIRCs). We were involved in randomized controlled trials examining reading programs used in afterschool settings and have played a significant role in the expansion of the production, dissemination, and use of disability and rehabilitation research. And we continued learning ourselves—from our work in the field, our research, and our clients and partners. We value being a community of learners and constantly seek ways to expand our learning and share what we have learned.

Throughout this report you will see examples of the many ways SEDL expands and shares learning as we work with researchers, administrators, educators, and policymakers to find solutions to significant problems that affect all of us, especially our children and their future.



“We are grateful to begin the next chapter in our history with a new headquarters to foster creativity, productivity, and collaboration as we carry out our work in support of educators nationwide.”

WES HOOVER, PRESIDENT AND CEO

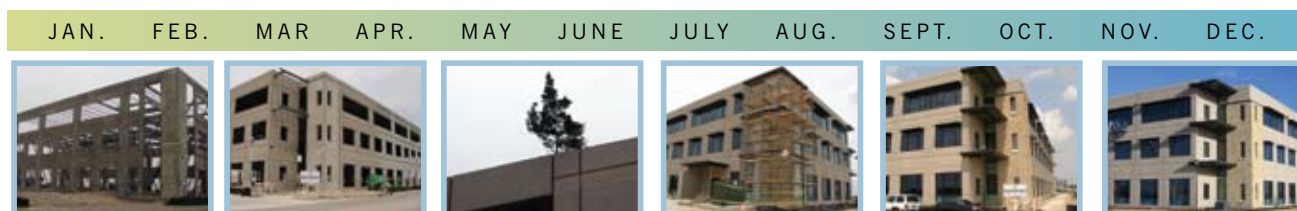
Letter From the President and CEO

As you will read in this report, 2007 was memorable for SEDL in many ways. First, we officially changed our name from the Southwest Educational Development Laboratory to SEDL to reflect the fact that our work reaches throughout the United States. We now have significant work across the South, and we have long had projects that are national in scope, such as the National Center for the Dissemination of Disability Research and the National Partnership for Quality Afterschool Learning. Since our founding in 1966, clients and partners have almost always referred to us as “SEDL.” It is the right time to move away from the regional emphasis implied by Southwest Educational Development Laboratory and draw on the solid reputation of the name SEDL.

Along with the name change came a new logo and tagline, “Advancing Research, Improving Education,” which you’ll see on

the cover of this report. The new tagline reflects that for more than 40 years, we have been committed to linking research and practice and promoting the use of research results to strengthen instruction and learning. Changing the logo also brought about a new look and feel for many of our products and our Web site, which many of you have already noticed.

The most notable change for our organization, however, was the completion of our new headquarters. On December 17, we moved into our new building in Austin’s new planned community called Mueller—an urban redevelopment of Austin’s old Robert Mueller Municipal Airport. The state-of-the-art Dell Children’s Medical Center is our next-door neighbor. The University of Texas Health Sciences Department has a research facility under construction nearby. The Mueller community also includes retail and residential areas. The growing



Timeline of Headquarters construction in 2007



Designed by Studio 8 Architects, SEDL's new headquarters glows in the Austin Mueller community.

Photo courtesy of David MacDermott, RVi Planning + Landscape Architecture

neighborhood feeling has created a very different environment for our employees and visitors than did our downtown location.

Our new building has office capacity for 110 employees, more than 5,000 square feet of conference space, and a 35-person boardroom to accommodate board meetings and community events. It was designed around the way we work, teach, and learn with many areas for collaboration and meeting. Designed by Studio 8 Architects in Austin, the new building is as efficient as it is beautiful—it was designed for a silver-level Leadership in Energy and Environmental Design (LEED) certification.

Our office in Metairie also moved in 2007, to a much larger space to accommodate our growing staff. The new Louisiana office has updated technology and videoconferencing capabilities to

help us better meet the needs of our partners and clients in the southeast.

Throughout these changes, SEDL has remained committed to our work with state agencies, districts, schools, and communities, highlights of which appear throughout this report. SEDL's board of directors, management council, and staff are grateful to begin the next chapter in our history with a new headquarters to support our research, development, and dissemination work and to foster creativity, productivity, and collaboration.

Sincerely,

Wes Hoover

SEDL at Work

Professional Development in Reading Paves the Road to Recovery in New Orleans

With SEDL's help, the Recovery School District (RSD) in New Orleans, Louisiana, has undertaken an ambitious project to provide job-embedded literacy training to all 900 teachers from 34 schools in the district—no matter what grade level they teach or what subject they teach.

Educators throughout the RSD agree that many students—elementary and secondary—just don't have a good foundation in reading. SEDL program manager Robin Jarvis said, "In the later grades, low achievement shows up in fluency and comprehension assessment, but it is attributable to poor foundation skills that students need to attain early on."

SEDL's work with the RSD focuses on training and supporting literacy coaches throughout the district who in turn provide support to teachers at all schools.

SEDL's ongoing professional development with the literacy coaches emphasizes theories of learning to read, best practices, data collection and analysis, and strategies to monitor successful implementation. The



One of the RSD literacy coach clusters gathers for a day of demonstration and observation with Jill Slack, SEDL project director (far right).

professional development is tied to essential components of Louisiana's statewide reading initiative and the Reading First model. The coaches also learn how to facilitate meetings and provide sound feedback to the teachers they support. SEDL staff meet monthly with the coaches in whole-group training sessions and follow up with them one-on-one. They also meet in clusters of 5–7 literacy coaches. There are three K–8 school clusters and two high school clusters.



Even secondary science teachers receive literacy training in the Recovery School District.

SEDL works individually with each literacy coach

Each literacy coach in the district receives four one-on-one sessions throughout the school year with a SEDL staff member. In these sessions, the SEDL mentor models a strategy in the classroom and in meetings with teachers while the literacy coach observes. Later, the literacy coach and SEDL mentor debrief. According to SEDL project director Jill Slack, “Debriefing always results in rich dialogue.” For the observations, the coaches use a district-developed observation form, which they also use when observing regular classroom teachers. The form probes for information about the teaching strategy observed, what

was successful, what was challenging, and how the strategy can be adapted for use in a particular classroom. Slack says they decided to use the district form throughout the coaches’ trainings to allow the coaches practice in using the form and responding with helpful feedback.

The SEDL staff person also observes the coaches as they model lessons for teachers, observe and debrief teachers, and lead teachers in discussions of data or journal articles that everyone has read. Slack noted that the RSD has been collecting a lot of student data, and most teachers need time and facilitation to interpret the data. Slack also explains that SEDL staff members don’t “just show up at the school.” Rather, they work with the literacy coach and plan what lesson the coach will demonstrate and what data or article the coach will use with the teachers. “We help them refine their strategies ahead of time,” Slack said.

Coaches learn as a group, too

In addition to the one-on-one training, the clusters each meet six times a year with SEDL staff to practice their coaching skills, refine their observation skills, and observe model lessons and lesson study.

The coaches in each cluster take turns hosting a cluster meeting at their school. During the meeting the host coach demonstrates

With SEDL’s help, the Recovery School District (RSD) in New Orleans, Louisiana, has undertaken an ambitious project to provide job-embedded literacy training to all 900 teachers from 34 schools in the district.



Third-grade teachers from Bauduit Elementary School and Sylvanie Williams Elementary School practice a strategy during literacy training.

for the other cluster members. Slack says the coaches must model a strategy in two classrooms. If the coach works at a PreK–8 school, he or she must give one demonstration at the PreK–3 level and another at the 4–8 level. If the coach is on staff at a high school, he or she must give a demonstration in a language arts class and a second one in another content area class. The host coach must also lead two study group meetings with subject-level or grade-level teachers that cluster members also observe and debrief.

RSD literacy coordinator Diana Sewell has been involved in the SEDL trainings and attends the cluster meetings. “The rich conversation regarding the strategy modeled really helped the literacy coaches understand the implementation of the strategy. It was a great experience for me to see the professional learning that took place during the cluster meetings,” she said.

Other sessions for RSD staff

In addition to working intensively with the RSD literacy coaches, SEDL provided a 3-day session for all RSD teachers in August plus three sessions for reading interventionists and two sessions for principals during the school year.

Sewell believes the SEDL literacy training has led to positive changes within the district. “Teachers are consulting with their literacy coaches about the implementation of a new strategy and aren’t reluctant to have their coaches observe them. Collaboration between the literacy coaches and teachers is taking place in the hallways, out in the school yard, and in scheduled meetings,” she observed. As for students, they like the engagement and opportunities to express their thoughts that the literacy strategies provide. “Bottom line, students are learning!” Sewell said.



“What I like most about SEDL is that there is always an opportunity to learn, whether it be a new educational initiative or a new technology or media SEDL can use to reach a world-wide audience.”

BRIAN LITKE, WEB ADMINISTRATOR

SEDL's NCDDR Helps Train Early-Career Researchers

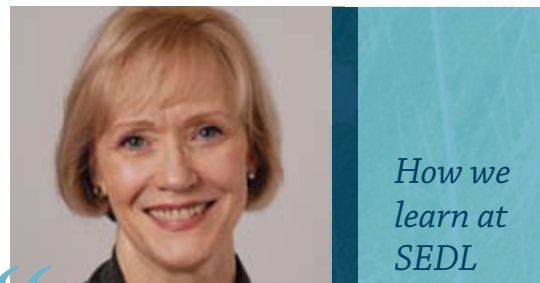
SEDL's National Center for the Dissemination of Disability Research (NCDDR) has long worked with researchers in the field of disability and rehabilitation to provide high-quality research results in formats useful to persons with disabilities and their families. In 2007, SEDL's work took on a new twist as the NCDDR staff began working with a group of early-career researchers to build their skills to develop systematic reviews.

Systematic reviews have become increasingly popular across the allied health, education, and disability and rehabilitation fields. These complex reviews identify, assess, and synthesize all relevant studies in order to answer a particular question or set of questions. They can lead to better conclusions about the effectiveness of an intervention. But unlike traditional reviews, systematic reviews aim to minimize bias by using rigorous processes to locate, select, code, and aggregate data from individual studies. The production of systematic reviews is a rigorous, time-consuming process but allows for more accurate assessments of the effectiveness of an intervention and evidence of knowledge gaps in the research literature.

Because there are few systematic reviews in the field of disability and

rehabilitation, SEDL staff have been working with the Campbell Collaboration (known as C2) to establish a coordinating group that can focus on developing systematic reviews of evidence in the field. C2 is an international organization that prepares, maintains, and disseminates systematic reviews of studies of interventions in the social and behavioral sciences. C2 reviews are designed to generate high-quality evidence in the interest of providing useful information to policymakers, practitioners, and the public regarding which interventions help, harm, or have no significant effect.

SEDL program associate Joann Starks said, "We chose to focus on the early-career researchers as they aren't so entrenched in the research they are doing. We hope that once they get started in the systematic



"I learn best by being immersed in the work that I am doing. This gives me an opportunity to hear how others interpret and apply new ideas and provides immediate feedback on the success of my efforts."

GLENDA COPELAND, PROGRAM ASSOCIATE

Twenty-seven researchers representing nine teams participated in the Web-based, nine-session training course designed around systematic retrieval, evaluation, synthesis, and interpretation of research evidence.

review process, they will see the value of the process and incorporate that in their research.”

Because the researchers are scattered nationwide, a live Web-based training made sense. The nine-session course was designed to develop skills and products that reflect state-of-the-art approaches to the systematic retrieval, evaluation, synthesis, and interpretation of research evidence. Active C2 members were the primary course instructors. Starks said, “We hope that skills learned in the course will be used to establish cutting-edge research plans in new proposals as well as contribute to the growing collections of systematic reviews.”

Twenty-seven researchers representing nine teams participated in the trainings. The teams represented institutions from across the country, including Cornell University, Marquette University, Mississippi State University, Oregon Health & Science University, the University of Texas Medical Branch, the University of Medicine and Dentistry of New Jersey, the University of Kansas, and the University of Illinois-Chicago. Of those nine teams, five now are in the process of developing systematic reviews. SEDL staff is providing support to help these teams produce strong reviews.

Many follow-up comments from participants reflected the complex process involved in undertaking a systematic review. As one researcher wrote, “The course was a wonderful presentation of how thorough research should be completed. In the run-time of the course, our group thought that we would be able to complete a systematic review, but we have been unsuccessful. . . . Our group discovered that a review takes much more time than expected.”

There is now a waiting list for another Web-based training series.



*How we
learn at
SEDL*

“I can’t help but learn through many instances of observing my SEDL colleagues and other professionals as they engage in instructional activities specifically designed to affect change in participants’ knowledge or experience. That’s the great benefit of working at SEDL—being immersed in an atmosphere of excellence and many opportunities to pursue thoughtful discovery that benefits other learners we serve.”

CHERYL HARRIS, PROGRAM ASSOCIATE

Texas Comprehensive Center Works Systemically to Change Schools



SEDL's Working Systemically approach for school reform was developed and refined through intensive site work with 60 schools and districts across five states from 2000 to 2005. The approach directly addresses issues that have the most impact on student achievement at all levels of the education system and builds the competencies of everyone involved in the improvement work. SEDL's comprehensive centers have been promoting the approach as a school improvement process useful in helping states and districts meet the goals of No Child Left Behind.

In 2007, Cory Green, senior director of NCLB program coordination at the Texas Education Agency (TEA), saw the promise of SEDL's Working Systemically approach to

help improve schools labeled as "potential." These are schools that have not met Adequate Yearly Progress benchmarks for the year, so they have the potential to be labeled as "needing improvement" according to NCLB standards. Green explained, "When the state needed to update and revise its school support team training to help the potential schools, there was no need to develop a new training module. Working Systemically easily meets the requirements of school support teams in statute and in doing so provides a research-based systemic approach to the school support process."

Nine of the 20 Texas Regional Education Service Centers (ESCs) with the most potential schools were funded to hire a professional to work with a district and two schools in that district to learn how to use Working Systemically. SEDL has been conducting training for the ESCs and the schools' district support teams that guide the improvement efforts. SEDL project director D'Ette Cowan said, "We have really engaged the districts in the process, helping them assume responsibility for the schools. We strongly believe that responsibility for instruction lies not only in the hands of the teacher, and we want district leaders to realize that and take action with that in mind."

The Working Systemically approach is a process that involves consideration of all levels of an education system: national, state, intermediary agencies, district, school, and classroom. It also considers essential components of the system: standards, curriculum, instruction, assessment, resources, professional staff, policy and governance, and family and community. Finally, it includes five competencies to be mastered for improvement:

- Creating coherence
- Collecting, interpreting, and using data
- Ensuring continuous professional learning
- Building relationships
- Responding to changing conditions

The five-phase process is time and labor intensive and involves changing the way educators and administrators work together for school improvement. A cornerstone piece of Working Systemically is the Professional Teaching and Learning Cycle (PTLC), which prompts educators to focus on data and collaborate to ensure instructional coherence. It is the PTLC that moves the systemic work to the classroom level.

Cynthia Stone, an administrative specialist with the Region 20 ESC in San Antonio,



The Working Systemically approach works at all levels of an education system, considers all components of a system, and works to build the core competencies needed for school improvement.

has been working with two south Texas districts and four potential schools within those districts. One of her districts is small, with only one school at each level. The other district is quite large, with 15 schools total. Stone is sold on the value of the Working Systemically approach. When she first heard about the approach from SEDL staff members, she thought, “Well, that’s what we have been doing and nothing changes.” But after receiving the Working Systemically training and tools, she saw its potential because of the way Working Systemically supports working with district

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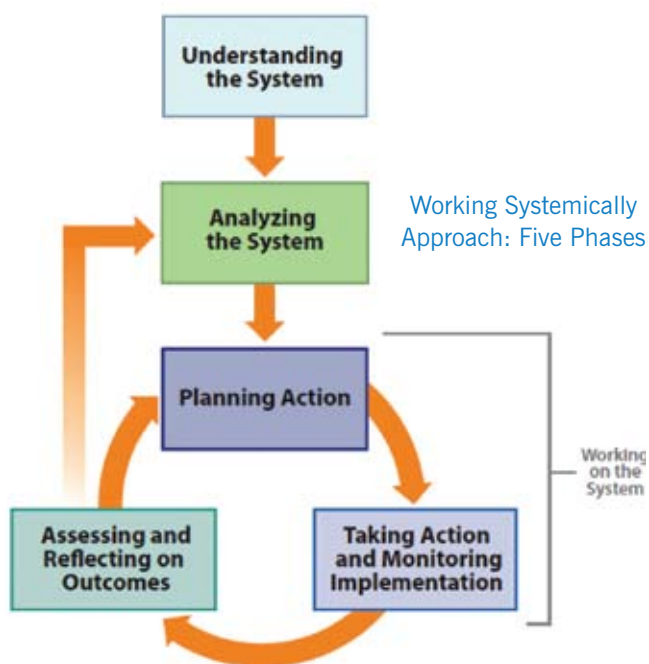
and school leaders as well as teachers. She said, “I realized the traditional way schools have worked on school improvement in the past wasn’t systemic because even though we supported teachers in the classroom, there was no support at the leadership level.”

Stone’s two districts, like those participating in the other ESC regions, have made the commitment to use *Working Systemically* for 2–3 years. They have formed district leadership or district support teams and have begun working through

the process. All of the schools have worked through phase 3, which is planning action.

Stone said that even though it is too early to tell how using the *Working Systemically* approach will affect student achievement, she has seen big changes in her two districts. The biggest change has been that the districts are now focused on student achievement. Stone explained, “Even though we haven’t gotten to the classroom level yet, the districts are more focused. They aren’t buying into every program that comes along. They are focused on their action plan.”

The larger of Stone’s districts developed a strategy in its action plan to create a supportive culture that encourages professional growth. To help create that supportive culture, the district has established a principals’ academy and has hired academic coaches who will use the PTLC as the basis for professional development on its campuses. That same district has included teachers on its district leadership team and recently added two school board members to the team. Stone said the teachers have provided valuable insights to the leadership team in a district where trust has been a major issue. To address trust issues, Stone said she has





SEDL project director D'Ette Cowan (center) leads Educational Service Center staff in using the Working Systemically approach.

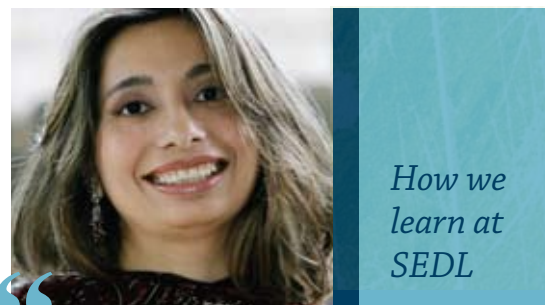
been giving the leadership team research articles to read and using processes that help build trusting relationships over time.

Stone likened her role to that of a critical friend. She uses the tools that SEDL has given her in her role. “I ask the questions that directors and principals can’t ask—I try to get them to talk about the elephants in the room,” she said.

Green has now requested that Title I staff at each ESC receive Working Systemically training so they can in turn provide training to schools needing improvement. Stone is excited that five others in the Region 20 office will be trained to use the approach. Cowan, too, is pleased that more and more educators and administrators in Texas are becoming familiar with and using a systemic approach to school improvement. “But,” she warned, “this is not a silver bullet. It isn’t a program but a complex,

intensive process for making improvement efforts more coherent and sustainable.”

Stone agrees with Cowan. “I really, really believe in this approach,” she said. “However, it must be approached cautiously and deliberately. Districts can’t hurry through it, but they must go through the process.” She said the districts she is working with have trusted the process but that some districts might not be willing to do so and the process wouldn’t work. She joked that she told her two districts, “I don’t have a plan B so you’ve got to be successful.”



“I believe that SEDL truly values its staff and their contributions. Over the years, the constantly evolving work of SEDL has offered me countless opportunities to grow creatively and professionally and has instilled in me a thirst for more knowledge.”

SHAILA ABDULLAH, MEDIA DESIGN ASSOCIATE

Implementing Randomized Controlled Trial Studies in Afterschool Settings: SEDL Provides Technical Assistance to Researchers

Nearly half of the public schools in the United States offer afterschool programs, providing a tremendous opportunity to improve children's lives as well as their academic success. However, empirical evidence concerning the impact of afterschool programs on student achievement has been mixed. For example, a national evaluation of the 21st Century Community Learning Centers found no statistically significant effects in academic achievement outcomes in reading or math for students participating in those programs. Other recent reviews and meta-analyses have shown some positive impacts of afterschool programs on academic achievement outcomes. As more and more afterschool programs are created, policymakers, practitioners, and researchers need to know, if fully developed, well-implemented afterschool programs impact student achievement.

To address this issue, the U.S. Department of Education supported through SEDL three randomized controlled trials (RCTs) that use rigorous methods to evaluate the benefits of promising afterschool reading interventions on student achievement. As part of SEDL's work with the National Partnership for Quality Afterschool Learning, our Research and Evaluation department coordinated

the competition for the three RCTs and is providing analytic and technical support to the grantees' efforts over a 2-year period (2006–2008). In order to provide the support needed by grantees, SEDL formed a consortium that allows the researchers to collaborate on their work.



The principal investigators in the studies come from a mix of academic settings. They come from research centers and university departments and they include researchers in nonprofit and for-profit research organizations. Through the consortium, the researchers are able to share concerns such as those related to monitoring to protect against contamination or addressing common threats to internal and external validity. SEDL program manager Michael Vaden-Kiernan said, "The Afterschool Research Consortium has been

SEDL's Research and Evaluation department coordinated the competition for the three randomized controlled trial studies and is providing analytic and technical support to the grantees' efforts over a 2-year period.

an important factor in providing technical assistance to the researchers involved in the three studies.”

Though the three RCT studies examining reading curriculum are still underway, SEDL's work administering the project and providing support has yielded important insights into the challenges of conducting rigorous research in the field of afterschool education.

The challenges the SEDL team has seen during the implementation of the RCTs include the following:

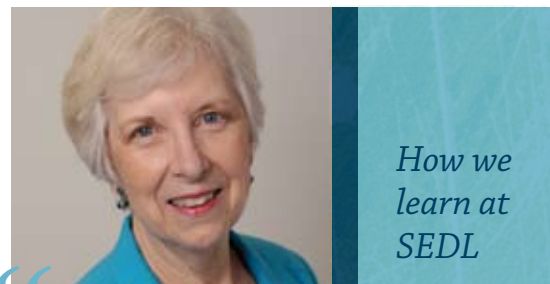
- Recruitment of sites
- Retention of sites
- Monitoring contamination between intervention and control samples
- Collaborating with program developers
- Measuring implementation

According to Vaden-Kiernan, the Afterschool Research Consortium has the potential to describe some of the successes in addressing these challenges through research and policy briefs, presentations of findings at professional conferences, and peer-reviewed publications.

“We're convinced the significant implementation challenges that we have



helped address should be shared with others in the field. We want to help reduce the steep learning curve that exists in the field around implementing such research designs in applied settings,” said Vaden-Kiernan. “In other words, we want to make it easier for others to undertake rigorous studies and understand what is at stake when trying to design field-based studies.”



“I find it rewarding to work with educators. They are creative and inspiring because of their own love of learning.”

MARILYN HEATH, PROGRAM ASSOCIATE

SEDL's Afterschool Work Deepens With California Demonstration Program



SEDL program associate Marion Baldwin and project director Zena Rudo collaborate on the pilot California After School Demonstration Program.

With more than 400,000 students served by afterschool programs, the State of California has good reason to focus on the quality of its afterschool programs. The California Department of Education (CDE) contracted with SEDL to provide research and professional development via the California After School Demonstration Program. This 3-year project is part of the state's technical support system for afterschool programs.

SEDL assisted the CDE in establishing high-quality standards based on research to use in the selection of 10 demonstration

programs. When the 10 programs are announced, SEDL will provide professional development and technical assistance around issues such as quality, training, and continuous learning. In turn, the demonstration programs will provide similar professional development and assistance to other afterschool programs throughout the state.

Project director Zena Rudo explained that another task of the demonstration program is to collect data from the sites to help increase understanding of promising practices in afterschool. SEDL will help promote these promising practices in California and nationwide.

This pilot project is developmental and collaborative in nature. "CDE has asked us to not only work with the demonstration programs, but also with the department, the afterschool regional leads in the state, and other stakeholders to develop this model for quality technical support for afterschool," Rudo said. This developmental approach is new, not only for California but for the field of afterschool. Rudo noted, "California has shown enormous support for afterschool across the state, and SEDL is excited to be a part of it."

News at SEDL

Art Contest Winners Illustrate How Education Will Affect Their Lives

One of the most rewarding things that happened at SEDL during 2007 was the student art contest.

Last April SEDL held a student art contest with the theme, “Education and My Future.” We received 178 entries from across the country. Staff members had the pleasure of judging the entries, which illustrated what education meant to each of the young artists. Now the work of the grand-prize winner and that of the first-, second-, and third-place winners from each of four categories hangs on the first floor gallery of our new building. The colorful, creative art illustrates why SEDL employees are passionate about their work with states, schools, and communities to improve education and thus the lives of children.

The grand-prize winner received an iMac computer. First-place category winners won an iPod 40GB, second-place category winners received an iPod Nano, and third-place winners won an iPod Shuffle. Each winner’s school received \$100.



Meagan Killian is delighted with her new iPod Nano, the prize for placing second in the SEDL student art contest.

To see all of the winners’ work, visit www.sedl.org/artcontest/index.html.

SEDL's National Art Contest: Education and My Future

GRAND-PRIZE WINNER

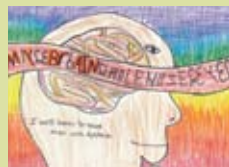


EDUCATION MAKES A DIFFERENCE
Lucy Wang, 6th grade
Holmdel, New Jersey

PREK-2ND GRADE



MY STAIRS TO THE SPACE
Wenyi Ouyang, 2nd grade
Highland Park, New Jersey



BRIGHT FUTURE
Meagan Killian, 2nd grade
Whitehouse, Texas



EDUCATION IS IMPORTANT TO FARMERS
Andrea Rhea, 2nd grade
Medford, Oklahoma

GRADES 3-6



EDUCATION IS VITAL TO MY FUTURE
Tiffany Guo, 3rd grade
Hillsborough, New Jersey



EDUCATION: IT MAKES MY MIND VIEW FAR AND FLY HIGH
Katherine Liu, 4th grade
Saratoga, California



MY HANDS — WITH AN EDUCATION MY FUTURE IS IN MY HANDS
Mia King, 5th grade
Fairburn, Georgia

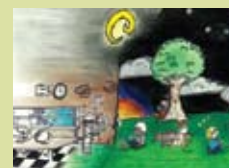
GRADES 7-9



OPEN THE POSSIBILITIES
Alicia Feng, 8th grade
West Windsor, New Jersey



APPLE TREE SCREENSAVER
Grace Li, 7th grade
Monmouth Junction, New Jersey

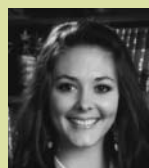


OUR TIME LINE OF LEARNING
Sean Underwood, 9th grade
Wichita Falls, Texas

GRADES 10-12



EVERYTHING WE LEARN TODAY IS RELATED TO OUR FUTURE
Athena Xie, 11th grade
Plainsboro, New Jersey



COGITO ERGO SUM
Katelyn Dacus, 11th grade
Jacksonville, Texas



THINKING AHEAD
Arturo Hernandez, 11th grade
Dallas, Texas

SEDL Mourns the Passing of Two Board Members



Cecil Picard



Carola García Lemke

This year SEDL lost two board members, Cecil Picard and Carola García Lemke.

Cecil Picard died on February 15, 2007 from Lou Gehrig’s disease. Carola García Lemke passed away on November 21, 2007, at Hospice Austin’s Christopher House from pancreatic cancer. Both Picard and Lemke were dedicated, professional educators and great assets to the SEDL board.

Picard grew up in Vermilion Parish, Louisiana, and went on to become a teacher, coach, principal, state legislator, and in 1996, Louisiana’s state superintendent of education. According to Carole Wallin, Picard’s chief assistant, his first act as superintendent was to tour the state’s school districts. She said the levels of poverty he saw appalled him and Picard decided the best way to counter that poverty was to begin teaching children at an early age. He began pushing for a strong preschool program, but it wasn’t until 2001 that the LA4 preschool program was established. The program features certified teachers and student support services such as vision, hearing, and dental screenings.

Wallin said Picard “was always dreaming of things to do to improve education.”

Lemke served on the SEDL board from November 2004 until her death. She was a knowledgeable presence on SEDL’s board and exuded the perfect blend of warmth, enthusiasm, and practicality. Lemke grew up in the border community of San Diego, Texas, and attended the University of Texas at Austin. She began her career as a speech pathologist at Dawson Elementary in Austin, later earning a master’s degree and administrator’s certification.

Former SEDL board president Rosa Maria Vida knew Lemke for more than 30 years. She said, “Thousands of young Austinites benefited from her dedication to schooling. Always searching for a better approach to enhance students’ learning and their skills, she helped lead a number of schools—Travis Heights, Bedichek Middle School, Zavala Elementary, and the UT Charter Schools—to higher levels of productivity.”

Awards

Murphy Receives First SEDL Career Development Award

Kathleen Murphy received SEDL's first Career Development Award. The program, initiated in 2007, is designed to support staff to further their careers and the quality of their work at SEDL. Murphy's award allowed her to take an online statistics course through the University of Texas's University Extension, Division of Continuing Education.

"This knowledge is enhancing my abilities to participate in ongoing conversations among and between SEDL staff and other researchers who work in the fields of education and disability research," Murphy said. "It has also been helpful to have a deeper understanding of statistical methods as I work on proposals for new SEDL research initiatives."

Murphy is a project director in SEDL's Disability Research to Practice program. She came to SEDL in 2004 after working as an assistant research professor at Baylor University and a visiting research professor at the University of Notre Dame.

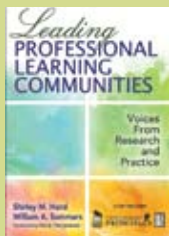
Cowan, Reynolds Win President's Awards

Each year, SEDL President and CEO Wes Hoover presents the Edwin Hindsman Award and the Rogers L. Barton Award to two outstanding employees. The 2007 recipients were D'Ette Cowan and Nancy Reynolds, respectively.

When Cowan came to SEDL in 1997, she brought with her a wealth of education experience. She had been a teacher and a principal and facilitated Title 1 school improvement efforts through the Region XII

New Books by SEDL Staff

Exploring the Role of Leaders in Professional Learning Communities



Professional learning communities (PLCs) are often touted as a route to school improvement, and there have been numerous new books about PLCs published in recent years.

Two now-retired SEDL employees, Shirley Hord and Bill Sommers, were dissatisfied with the approach to PLCs taken in these recent publications. Hord explained, "Bill and I saw that many of these books weren't thorough in their discussion of what a PLC really is and the learning that must take place within the community."

So, the pair wrote their own book, *Leading Professional Learning Communities: Voices From Research and Practice*. It explores the critical role of the principal and other leaders in establishing a PLC. The authors emphasize the constant focus that schools must have on student and teacher learning and the commitment and courage necessary to lead a PLC.

Leading Professional Learning Communities was published by Corwin Press in cooperation with the National Staff Development Council and the National Association of Secondary School Principals.



D'Ette Cowan



Nancy Reynolds

Education Service Center in Waco. Since coming to SEDL, Cowan has worked on several leadership and school improvement research, development, and dissemination projects. She is currently a project director on the staff of SEDL's Texas Comprehensive Center. Hoover said, "D'Ette has been intimately involved in developing and testing SEDL's Working Systemically model. She now has responsibilities for its refinement and moving it through the Texas Education Service Centers as a support structure for working with low-performing schools. Her contributions have been invaluable to this effort."

As an information associate, Reynolds directs SEDL's Information Resource Center. In this capacity, she supports staff by finding statistics, books, journal articles, and other information they need to carry out their responsibilities. Reynolds is also responsible for SEDL's archives. When giving Reynolds the Rogers L. Barton Award, Hoover said, "This year, we simply would not have been able to move into our new building without the expertise and efforts Nancy brought to ensuring that we archived what was needed. This involved sifting through the almost 35 years of materials that had accumulated since our move into the Southwest Tower in 1973."

Reynolds came to SEDL in 2003 after working for more than 16 years at the Texas Medical Association Library. She was the library director there for 7 years.

How Technology Can Change Teaching and Learning



A new book co-authored by SEDL program director K. Victoria Dimock and former SEDL employee Mary Burns has been released by Rowman and Littlefield Publishers. *Technology as a Catalyst for School Communities: Beyond Boxes and Bandwidth* shows how three very different schools handle the many challenges of integrating technology into their classrooms.

"The book is more about creating a community of practice than it is about integrating technology into the classroom," said Dimock. "We present a framework of professional development to help teachers become a community of practice as they learn to integrate technology into their classrooms. This framework makes it possible for teachers to collaborate and adopt new ways of thinking and learning. As they collaborate and learn together, teachers become much more enthusiastic about teaching, learning, and technology."

Kathleen Fulton, director of Reinventing Schools for the 21st Century said, "The framework Dimock and Burns present shows what is at the heart of teacher change—a supportive community." That support, said Dimock, is essential in adopting technology practices that lead to improved student learning.

Our People

Executive Committee

MATTHEW CAUSEY, CHAIRMAN

Dr. Causey serves as the associate vice chancellor for academic affairs at Southern University at New Orleans, where he is also an associate professor of mathematics. Previously, he was dean of the College of Science. He served as chairman of the Department of Mathematics and Physics from 1991 to 1996 and has been a member of the faculty since 1970.

GLORIA GRIFFIN, VICE CHAIRWOMAN

Dr. Griffin is superintendent of Millwood Public Schools (MPS) in Oklahoma City. Before joining MPS in 1994, Dr. Griffin was director of high schools and adult education for the Oklahoma City Public Schools (OCPS). She was director of middle schools and fifth-grade centers at OCPS in the late 1980s. Dr. Griffin also served as a middle school principal and middle and high school teacher during her 30-year career.

ARTURO ARCE, SECRETARY

Mr. Arce is the principal of Bryker Woods Elementary School in the Austin Independent School District (AISD). He started his education career as a speech and language

teacher in Kingsville, Texas. He served as the administrative supervisor for the AISD Professional Development Academy for 3 years before moving to his current position.

CHARLES COBBS, TREASURER

Mr. Cobbs is currently an assistant superintendent for secondary schools for Jonesboro Public Schools in Arkansas. Formerly he was principal at Annie Camp Junior High, Pine Bluff High School, and Arkadelphia High School and he served as assistant principal at Jonesboro High School. Mr. Cobbs is also a board member for the Instructional Microcomputer Project for Arkansas Classrooms. He received the Milken Family Foundation Award in 1995.

MARY ABEITA, IMMEDIATE PAST CHAIRWOMAN

Mrs. Abeita is a Native American studies resource teacher with the Indian Education Unit at Van Buren Middle School in Albuquerque. Before teaching at Van Buren, she drove a Title I “technology bus” for the Gallup–McKinley County area schools, where she taught reading lessons and provided computer services to students.

Executive Committee



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(LA)



GLORIA GRIFFIN
(OK)



ARTURO ARCE
(TX)



CHARLES COBBS
(AR)



MARY ABEITA
(NM)

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LINDA VILLARREAL (TX)
Executive Director, Education Service Center, Region 2, Corpus Christi



CATHERINE CROSS MAPLE (NM)
Deputy Cabinet Secretary, New Mexico Public Education Department, Santa Fe

RODNEY WATSON (LA)
Acting Superintendent, Recovery School District Outside New Orleans, Louisiana Department of Education, Baton Rouge



JOHN (JACK) McCOY (NM)
Project Manager, Maximus, Inc., Santa Fe

SEDL Management Council



WESLEY A. HOOVER
PRESIDENT AND CEO

Dr. Hoover has served as SEDL's president and CEO since 1996. He is responsible to the Board of Directors for the overall management and operation of SEDL. Dr. Hoover joined SEDL in 1980 as a programmer/analyst in the Division of Bilingual and International Education. He later became SEDL senior vice president, leading the Eisenhower Southwest Consortium for the Improvement of Mathematics and Science Teaching and the Office of Institutional Assessment and Evaluation.



ARNOLD KRIEGEL
VICE PRESIDENT AND CFO

As SEDL's vice president and CFO, Arnold Kriegel oversees SEDL's fiscal and technical accounting. A certified public accountant, Mr. Kriegel came to SEDL in 1973 from Unitech Corporation, where he was corporate controller. He also worked as a senior accountant and auditor for the Defense Contract Audit Agency.



MARTHA BOETHEL
DIRECTOR, SPONSORED FUNDING

Martha Boethel oversees SEDL's proposal planning and development activities as director of sponsored funding. Ms. Boethel began as a freelancer at SEDL in 1976 and through the years has held numerous positions in the Communications department, the Eisenhower Southwest Consortium for the Improvement of Mathematics and Science Teaching and the Development department.



VICKI DIMOCK
PROGRAM DIRECTOR

As program director of the Improving School Performance program, Vicki Dimock directs the work of SEDL's Southeast and Texas Comprehensive Centers as well as work under numerous smaller contracts. She has been with SEDL since 1991 and was the head of SEDL's Science, Technology and Mathematics program. Dr. Dimock has also worked for the Region XII Education Service Center and as a K-12 teacher.



ROBIN JARVIS
PROGRAM MANAGER

Robin Jarvis is program manager of the Southeast Comprehensive Center. She came to SEDL in 2007 after serving as the acting superintendent of New Orleans' Recovery School District, where she was in charge of opening and staffing schools after Hurricane Katrina. Dr. Jarvis worked in the Louisiana Department of Education in several different capacities and has 13 years of experience as a principal and K-3 classroom teacher.



CATHERINE JORDAN
PROGRAM MANAGER

Catherine Jordan leads SEDL's Afterschool, Family, and Community program. She is the director of the National Partnership for Quality Afterschool Learning and oversees work in several other large projects including the National Coordination Center for Parental Information and Resource Centers, the California Afterschool Demonstration Program, and Achieving Academic Success Through High-Quality Afterschool Professional Development. Ms. Jordan came to SEDL in 1998 after serving as director for the McLennan County Youth Collaboration—Communities in Schools, Inc.



CHRISTINE MOSES
DIRECTOR, COMMUNICATIONS

Christine Moses came to SEDL in 2007 to lead SEDL's external and internal communications efforts including public relations, marketing, production of publications, Web development and design, and information services. Before coming to SEDL, she was the program outreach director at the Connecticut Science Center and worked for several other east coast organizations including Fox 61-TV and Trinity College.



MICHAEL VADEN-KIERNAN
DIRECTOR, RESEARCH AND EVALUATION

Michael Vaden-Kiernan directs SEDL's research and program evaluation (of both internal and external programs) efforts. Dr. Vaden-Kiernan has spent the majority of his professional career conducting research and evaluation studies with the U.S. Department of Education and U.S. Department of Health and Human Services. He was employed as a senior research analyst with Abt Associates for more than 5 years.



JOHN WESTBROOK
PROGRAM MANAGER

John Westbrook manages SEDL's Disability Research to Practice program which includes the National Center for the Dissemination of Disability Research, the Research Utilization Support and Help project, and the Southwest Disability and Business Technical Assistance Center project. His current work includes developing strategies for the effective dissemination and utilization of disability-related information. Before joining the SEDL staff in 1982, Dr. Westbrook worked as a consultant and staff development specialist for the Texas Department of Mental Health and Mental Retardation.

Partners

ABLEDATA, Macro International, Inc.
 Abt Associates, Inc.
 Academic Development Institute
 Academic Information Management, Inc.
 Afterschool Science Coalition
 Agency for Healthcare Research and Quality, U.S. Dept. of Health & Human Services
 Alabama Department of Education
 American Institutes for Research (AIR)
 ANALYTICA
 Aurora Learning Community Association
 Boston University/Sargent College
 California Department of Education
 Campbell Collaboration
 Canadian Institutes of Health Research, Knowledge Translation Program
 Center for Assistive Technology and Environmental Access, Georgia Institute of Technology
 Center for Evaluation and Education Policy
 Center for Strategic Capacity Building on Minorities with Disabilities, University of Illinois at Chicago
 Center for the Education and Study of Diverse Populations
 Center on Instruction, English Language Learners Strand, University of Houston
 Center on Instruction, Special Education Strand, University of Texas at Austin
 Charles A. Dana Center at the University of Texas at Austin
 Charles Stewart Mott Foundation
 Coalition for the Advancement of Science and Mathematics Education in Oklahoma
 Cochrane Collaboration
 Colorado State University
 Crooked Oak Schools, Oklahoma City, Oklahoma
 Foundations, Inc.
 Georgia Department of Education
 Georgia Institute of Technology
 Gibson Consulting Group, Inc.
 Harvard Family Research Project
 Heart of Georgia Regional Educational Service Agency
 HeiTech Services, Inc.
 Intracultural Development Research Associates (IDRA)

Kessler Medical Rehabilitation Research and Education Corp.
 Kettering Foundation
 Lawrence Hall of Science, University of California Berkeley
 Learning Point Associates
 Louisiana Department of Education
 Lunar and Planetary Institute
 Maastricht University, The Netherlands
 Madison Parish
 Mathematics for English Language Learners, Texas State University
 Mid-continent Research for Education and Learning, Inc.
 McLean Medical School, Harvard University
 MIKO
 Mississippi Department of Education
 Mississippi State University
 Mount Sinai School of Medicine
 MPR Associates, Inc.
 National Association of Rehabilitation Research and Training Centers
 National Center for Latino Child and Family Research
 National Center for Research on Evaluation, Standards, and Student Testing, University of California, (CREST), Los Angeles
 National Institute on Disability and Rehabilitation Research
 National Institute for Literacy
 National Rehabilitation Information Center
 National Science Foundation
 National Staff Development Council
 New Mexico Public Education Department
 New Mexico Highlands University
 New Orleans Recovery School District
 Northwest Regional Educational Laboratory
 Northwestern Oklahoma State University
 Oklahoma State Department of Education
 Region I Education Service Center, Belle Chasse, Louisiana
 Region II Education Service Center, Hammond, Louisiana
 Region III Education Service Center, Thibodaux, Louisiana
 Region IV Education Service Center, Lafayette, Louisiana

Region V Education Service Center, Lake Charles, Louisiana
 Region VI Education Service Center, Natchitoches, Louisiana
 Region VII Education Service Center, Shreveport, Louisiana
 Region VIII Education Service Center, West Monroe, Louisiana
 Region 1 Education Service Center, Edinburg, Texas
 Region 2 Education Service Center, Corpus Christi, Texas
 Region 3 Education Service Center, Victoria, Texas
 Region 4 Education Service Center, Houston, Texas
 Region 5 Education Service Center, Beaumont, Texas
 Region 6 Education Service Center, Huntsville, Texas
 Region 7 Education Service Center, Kilgore, Texas
 Region 8 Education Service Center, Mount Pleasant, Texas
 Region 9 Education Service Center, Wichita Falls, Texas
 Region 10 Education Service Center, Richardson, Texas
 Region 11 Education Service Center, Fort Worth, Texas
 Region 12 Education Service Center, Waco, Texas
 Region 13 Education Service Center, Austin, Texas
 Region 14 Education Service Center, Abilene, Texas
 Region 15 Education Service Center, San Angelo, Texas
 Region 16 Education Service Center, Amarillo, Texas
 Region 17 Education Service Center, Lubbock, Texas
 Region 18 Education Service Center, Midland, Texas
 Region 19 Education Service Center, El Paso, Texas
 Region 20 Education Service Center, San Antonio, Texas
 Rehabilitation Engineering Research Centers

Rehabilitation Research and Training Centers
 Resources for Learning
 RMC Research Corporation
 SERVE, University of North Carolina at Greensboro
 South Carolina Department of Education
 Southeast Regional Resource Center, Auburn University
 Southeastern Equity Center, Fort Lauderdale, Florida
 Southeastern Oklahoma State University
 Southwestern Oklahoma State University
 St. Edward's University

Success for All Foundation
 Tallulah Head Start
 Texas Education Agency
 Texas Instruments
 The After-School Corporation
 The Aurora Project
 The CDM Group, Inc.
 The Institute for Rehabilitation and Research
 The Public Education Network
 U.S. Department of Education
 University of Alabama at Birmingham
 University of Buffalo, State University of New York

University of California at Los Angeles, Graduate School of Education & Information Science, Center X
 University of Colorado Health Sciences Center
 University of Houston's Texas Institute for Measurement, Evaluation and Statistics
 University of Louisiana at Lafayette
 University of Texas at Austin
 University of Washington
 WestEd
 WGBH Educational Foundation
 Wiley Interscience
 Wright State University School of Medicine

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Financials

Independent Auditor's Report

The Board of Directors
Southwest Educational Development Corporation:

We have audited the accompanying statements of financial position of Southwest Educational Development Corporation (Corporation) as of November 30, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as

well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southwest Educational Development Corporation as of November 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 15, 2008, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

Padgett, Strickmann & Co., LLP.

February 15, 2008
Austin, Texas

Statements of Financial Position

November 30, 2007 and 2006

Assets	2007	2006
Cash and cash equivalents	\$ 1,684,282	2,943,170
Building fund investments (note 2)	794,230	1,064,665
Accounts receivable	4,701	537
Contract billings receivable	1,367,716	1,323,159
Costs in excess of billings	968,337	646,398
Prepaid expenses and other assets	201,990	150,996
Property, plant and equipment:		
Acquired with unrestricted resources:		
Land	1,335,472	1,335,472
Construction in progress	8,369,506	842,984
Equipment and improvements, less accumulated depreciation of \$1,165,894 in 2007 and \$1,158,429 in 2006	117,686	44,763
	\$ 14,843,920	8,352,144
Liabilities and Net Assets		
Accounts payable	\$ 913,486	260,424
Accrued vacation	416,168	431,224
Contract advances	9,436	29,801
Due to other governments	102,170	171,441
Other liabilities	63,972	74,424
Notes payable to bank (note 6)	5,317,980	—
Total liabilities	6,823,212	967,314
Net assets:		
Unrestricted:		
Designated for building fund (note 2)	1,125,414	2,154,737
Undesignated	6,895,294	5,230,093
Total unrestricted net assets	8,020,708	7,384,830
Commitments and contingencies (notes 4 and 5)		
	\$ 14,843,920	8,352,144

See accompanying notes to financial statements.

Statement of Activities

Year Ended November 30, 2007

	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support:			
Research and development contracts earned	\$ 28,649	16,583,602	16,612,251
Investment income (note 2)	145,661	—	145,661
Other	450,590	—	450,590
Net assets released from restrictions	16,583,602	(16,583,602)	—
Total revenues, gains and other support	17,208,502	—	17,208,502
Expenses:			
Research and development programs	13,785,964	—	13,785,964
General and administrative	2,786,660	—	2,786,660
Total expenses	16,572,624	—	16,572,624
Net increase in net assets	635,878	—	635,878
Net assets at beginning of year	7,384,830	—	7,384,830
Net assets at end of year	\$ 8,020,708	—	8,020,708

See accompanying notes to financial statements.

Statement of Activities

Year Ended November 30, 2006

	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support:			
Research and development contracts earned	\$ 256,082	14,842,016	15,098,098
Lease income (note 3)	10,863	—	10,863
Investment income (note 2)	230,039	—	230,039
Other	938,347	—	938,347
Net assets released from restrictions	14,842,016	(14,842,016)	—
Total revenues, gains and other support	16,277,347	—	16,277,347
Expenses:			
Research and development programs	12,654,933	—	12,654,933
General and administrative	2,634,710	—	2,634,710
Total expenses	15,289,643	—	15,289,643
Net increase in net assets	987,704	—	987,704
Net assets at beginning of year	6,397,126	—	6,397,126
Net assets at end of year	\$ 7,384,830	—	7,384,830

See accompanying notes to financial statements.

Statements of Cash Flows

Years Ended November 30, 2007 and 2006

	2007	2006
Cash flows from operating activities:		
Net increase in net assets	\$ 635,878	987,704
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	19,513	106,501
Unrealized and realized loss (gain) on investments, net	9,454	(54,699)
Changes in assets and liabilities:		
Decrease (increase) in accounts and contract billing receivables	(48,721)	69,174
Increase in costs in excess of billings	(321,939)	(397,204)
Decrease (increase) in prepaid expenses	(50,994)	60,260
Increase in accounts payable	653,062	165,483
Decrease in accrued vacation	(15,056)	(85,783)
Decrease in contract advances	(20,365)	(134,375)
Decrease in due to other governments	(69,271)	(78,035)
Increase (decrease) in other liabilities	(10,452)	901
Net cash provided by operating activities	781,109	639,927
Cash flows from investing activities:		
Purchase of property, plant and equipment	(7,618,958)	(2,228,768)
Purchase of building fund investments	—	(500,000)
Proceeds from the sale of building fund investments	260,981	3,000,306
Net cash provided by (used in) investing activities	(7,357,977)	271,538
Cash flows from financing activities:		
Proceeds from long-term note payable	5,317,980	—
Net cash provided by financing activities	5,317,980	—
Net increase (decrease) in cash and cash equivalents	(1,258,888)	911,465
Cash and cash equivalents at beginning of year	2,943,170	2,031,705
Cash and cash equivalents at end of year	\$ 1,684,282	2,943,170

Noncash investing activity: The Corporation disposed of \$12,048 and \$184,313 of fully depreciated equipment in 2007 and 2006, respectively.

See accompanying notes to financial statements.

Notes to Financial Statements

November 30, 2007 and 2006

(1) Organization and Significant Accounting Policies

Organization

Southwest Educational Development Corporation (the Corporation), a Texas nonprofit corporation without capital stock, operates as Southwest Educational Development Laboratory. The Corporation's primary emphasis is to challenge, support, and enrich education systems in the southwestern United States in order to provide quality education for all learners. Its mission is to find, share, and sustain solutions for urgent problems facing educational systems, practitioners, and decision makers in the southwestern United States. In particular, the grants and contracts awarded to the Corporation are used to fund educational research and development projects which focus on ensuring educational equity for children and youth. The Corporation's primary operating area includes Texas, New Mexico, Oklahoma, Arkansas, and Louisiana. Grants and contracts from the U.S. Department of Education comprised approximately 88% and 79% of the Corporation's revenue in 2007 and 2006, respectively.

Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting applicable to not-for-profit organizations in accordance with accounting principles generally accepted in the United States of America.

A significant portion of the Corporation's operations are funded by contracts, grants

and cooperative agreements with the federal government, the Texas Education Agency and nonprofit organizations. Because such revenue sources must be expended in accordance with contract terms for specific purposes, the accounts of the Corporation are maintained on a system of fund accounting. For reporting purposes, the Corporation's net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions as follows:

Unrestricted net assets - net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors. A portion of the unrestricted net assets has been designated by the Corporation's Board of Directors as a building fund to accumulate resources for the acquisition or construction of an office building (note 2).

Temporarily restricted net assets - net assets that are subject to donor-imposed stipulations that require the passage of time or the occurrence of a specific event. When the donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Resources received with donor-imposed restrictions that are satisfied in the same period are reported as releases from restrictions. The Corporation has no temporarily restricted net assets as of November 30, 2007 or 2006.

Permanently restricted net assets - net assets required to be maintained in perpetuity due to donor-imposed stipulations. The Corporation has no permanently restricted net assets as of November 30, 2007 or 2006.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, money market mutual funds, certificates of deposit and all investments with an initial maturity of three months or less. Cash equivalents include interest-bearing deposits of approximately \$1,684,000 and \$2,943,000 in 2007 and 2006, respectively.

(c) Accounts and Contract Billings Receivable

The Corporation has receivables arising from various contracts that it believes are 100% collectible at year end. Grants and contracts receivable from the U.S. Department of Education comprised approximately 78% and 73% of the receivable balance at November 30, 2007 and 2006, respectively.

(d) Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the statements of activities.

(e) Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of the assets include three to six years for furniture and equipment.

Computer equipment with costs over \$5,000 and all other property, plant and equipment with costs over \$4,000 are capitalized.

(f) Contracts Earned

Research and development contracts earned revenue is private, state and federal grant revenues which is recognized as revenue when eligible expenditures are incurred. Contract billings receivables are amounts earned and due from the respective grant sponsor. Costs in excess of billings are amounts earned but not yet billed to the respective sponsor.

(g) Federal Income Taxes

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except to the extent it has unrelated business income. The Corporation had no material unrelated business taxable income during 2007 or 2006.

(h) Use of Estimates

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(i) Functional Allocation of Expenses

The costs of providing the research and development program and the supporting services have been summarized on a functional basis. Accordingly, certain costs

have been allocated among the programs and supporting services benefited.

(j) Post-Retirement Benefits

The Corporation sponsors an employee post-retirement health care plan and provides for the estimated costs of employees' health care after retirement. The Corporation's obligations under this plan are incurred over the estimated service periods of the employees. The Corporation's accrual for post-retirement benefit costs was \$56,000 and \$69,000 at November 30, 2007 and 2006, respectively, and is included in other liabilities in the accompanying statements of financial position.

(k) Vacation Policy

Corporation employees earn vacation leave, which may either be taken or accumulated until paid upon termination or retirement. Unused vacation leave may be accumulated up to 160 hours for staff members with less than 5 years service and 240 hours for staff members with more than 5 years service.

(2) Net Assets Designated for the Building Fund

The Corporation has a building fund to accumulate resources for the acquisition or construction of an office building. Beginning in 1992, the Board of Directors designated the earnings on the fund and half of the fixed fees earned by the Corporation on its Regional Educational Laboratory (REL) contracts for the building fund. From April 1, 1994 through November 30, 1995, the Board of Directors suspended this policy and then reinstated the policy December 1, 1995. The building fund consists of an investment fund that is invested in fixed income securities, equity securities, and money market mutual funds. On June 16, 2006, the Corporation made a land purchase for the purpose of building new office space. Construction of the new office space began on November 1, 2006. The money market mutual funds and certificate of deposit are included in cash and cash equivalents in the statements of financial position. Building fund investments at November 30, 2007 and 2006 are summarized as follows:

	2007	
	Cost	Fair Value
Investments:		
Corporate bonds	\$ 600,629	598,283
Fixed income mutual funds	200,311	195,947
	800,940	794,230
Money market mutual funds	331,184	331,184
Total net assets designated for building fund	\$ 1,132,124	1,125,414
	2006	
Investments:		
U.S. Government securities	50,066	50,515
Corporate bonds	803,548	813,631
Fixed income mutual funds	200,311	200,519
	1,053,925	1,064,665
Money market mutual funds and certificate of deposit	1,090,072	1,090,072
Total net assets designated for building fund	2,143,997	2,154,737

Investment income for the years ended November 30, 2007 and 2006 is comprised of the following:

	2007	2006
Interest and dividend income	\$ 155,115	175,340
Unrealized and realized gains (losses) on investments	(9,454)	54,699
	\$ 145,661	230,039

(3) Lease Income

During 2006, the Corporation was the lessor of temporary excess office space. At November 30, 2006 all lease contracts had expired.

(4) Retirement Plan

The Corporation provides a defined contribution retirement plan, organized under Section 403(b) of the Internal Revenue Code, for all of its regular employees by a payment of 14 percent of each employee's base salary as a contribution. All regular employees of the Corporation are eligible for participation in this plan. Eligible employees can begin participation on the effective date of their employment. Participants are immediately and fully vested in the plan contributions. Benefits are provided through fixed-dollar and variable annuities offered by the Teachers Insurance and Annuity Association and the College Retirement Equities Fund. Contributions, which were allocated to the various contracts of the Corporation, totaled \$726,124 and \$740,689 in 2007 and 2006, respectively.

(5) Commitments and Contingencies

The Corporation had various operating leases for office equipment which expired within fiscal year 2007. These leases were subject to cancellation based upon the availability of federal funding. Rental expense for these operating leases was approximately \$32,000 in both years.

In addition, the Corporation had an operating lease for headquarter office space from July 2002 to July 2007. Under the lease terms, the Corporation was to pay \$95,793 a month with a 2% increase annually beginning August 2003. Effective July 1, 2006, under the terms of the lease, the Corporation reduced the square footage that it leased through July 30, 2007. The Corporation has a holdover rental amount of 10% for 90 days after October 31, 2007, and a holdover rental amount of 25% for 90 days after January 31, 2008. Total office rental expense was approximately \$1,125,000 and \$1,191,000 in 2007 and 2006, respectively.

The Corporation performs services under various federal contract and grant agreements, which are subject to compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

In November 2000, the Corporation's Board of Directors established a Severance Pay policy. The severance policy is one week's pay for each year of service up to a maximum of 13 years of service. There was no liability required to be recorded as of November 30, 2007 or 2006, for the Severance Pay policy.

(6) Notes Payable to Bank

The Corporation purchased land on June 16, 2006, for the purpose of constructing new office space. On August 24, 2006, the Corporation was granted a property tax exemption for the land purchase. The Corporation closed on financing in the amount of \$6,885,000 for the construction of a new office building on October 31, 2006. There was no balance outstanding as of November 30, 2006.

Notes payable to bank is summarized as follows at November 30, 2007:

Master Revolving Note, variable rate demand optional advances, due on demand	\$ 500,000
Fixed Rate Installment Note, interim construction term loan, maximum amount of \$6,885,000, due April 30, 2008	4,817,980
Total notes payable to bank	\$ 5,317,980

Under the terms of the Construction Loan Agreement dated October 31, 2006, the construction loan maturity date is April 30, 2008. At such time, the construction loan will be converted into a mini-perm loan. Upon the conversion of the construction loan, the principal balance due will be payable in monthly installments (amortized on a 30 year basis) of principal and interest (fixed rate of 6.78%) through October 31, 2013.

Under the terms of the Construction Loan Agreement, the Corporation is required to maintain a debt service ratio of 1.2:1 and minimum net income of \$0. The

Construction Loan Agreement is secured by the Corporation's land and building, as well as bank deposits, investments, accounts receivable, inventory, software and other assets. At November 30, 2007, the Master Revolving Note described above, bore interest at prime interest rate plus 3% (7.5% at November 30) and the Fixed Rate Installment Note described above, bore interest at 6.78%. The Corporation capitalizes construction period interest related to the construction of its new office space. During 2007, the Corporation incurred and capitalized \$111,050 of construction period interest.



SEDL's mission is to solve significant problems facing educational systems and communities to ensure a **quality education for all learners.**

Credits

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