

THE THREE RS

RELATIONSHIPS. RESEARCH. RESULTS.

2004 ANNUAL REPORT

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At SEDL, we operate across federal, state, regional, and local levels to improve education for all learners. We do so in a strategic, yet personal, way—**WE CREATE RELATIONSHIPS** that allow us to build and apply research results and knowledge to improve practice and, ultimately, student performance.

Wes Hoover
President and CEO



LETTERS TO STAKEHOLDERS

Dear Stakeholders:

At SEDL, we operate across federal, state, regional, and local levels to improve education for all learners. We do so in a strategic, yet personal, way—we create relationships that allow us to build and apply research results and knowledge to improve practice and, ultimately, student performance. In 2004, SEDL's performance affirmed our ability to bring about changes in practitioners' knowledge and improvements in practice and performance.

For example, we used our relationships with federal sponsors to help them build research evidence and work with their grantees in using that evidence. We assisted one national agency in helping researchers shift their focus from activities to outcomes. We also helped federal administrators manage data for grantees and pursued relationships with other researchers to identify and validate promising afterschool practices.

If educators are to make evidence a critical part of school reform as envisioned in the No Child Left Behind Act (NCLB), they need structures to help them base their practices on that evidence. SEDL is uniquely positioned to make critical connections between research and practice. We know that many people find it daunting to understand what research says, much less to recognize its limitations and what it means if they try to apply those results to their own problems. In 2004, we used our roles as leaders and advisors to demonstrate the need for and use of information based on research and professional wisdom.

In addition to our work with clients, partners, and sponsors, SEDL staff reached major milestones in the implementation of our strategic plan. SEDL staff members created research, development, and dissemination agendas; conducted a branding and identity campaign; and completed an internal communications audit. Several staff members were recognized within SEDL and by their peers in the field for their contributions to research and service to students.

With such a committed, high-caliber staff, we accomplished our goals of 2004 and face the exciting challenges of 2005. As we prepare to deliver on our major federal contracts and compete for new awards, I am proud to lead this group of dedicated professionals in the service of our mission—ensuring a quality education for all learners.

Sincerely,

Wesley A. Hoover, PhD
President and CEO



Dear Fellow Educators:

One of the highlights of my career as an educator has been the opportunity to serve as chairman of SEDL's Board of Directors. As I look back on the past year, there are so many accomplishments that seem noteworthy and so many dimensions of SEDL that I appreciate.

I appreciate SEDL for its commitment to school administrators. As a school administrator myself, I am grateful for the assistance SEDL provides in helping navigate challenges ranging from developing and retaining highly qualified teachers to diagnosing school safety issues to complying with No Child Left Behind. It is gratifying to know that principals and administrators have such a valuable resource to turn to when facing the issues in education today.

I appreciate SEDL for its commitment to teachers and professional educators. From applying frameworks like the Professional Teaching and Learning Cycle (PTLC) to fostering relationships with informal educators and schools, SEDL helps teachers grow professionally, which ultimately helps our students. The high-quality research, wisdom, and tools SEDL provides online easily explain why millions of users visit the SEDL Web site and interact with staff on an annual basis.

I appreciate SEDL for its commitment to collaborate with local, state, and federal education leaders. In 2004, I had the opportunity to observe—and participate in—the SCIMAST Fall Forum in Albuquerque, New Mexico. It was marvelous to watch the collaborations across states and the development of ideas. It has been even more exciting to watch those ideas come to fruition.

Perhaps I most appreciate SEDL for its commitment to parents and our communities. SEDL's leadership in afterschool learning is giving our younger citizens safe and engaging places to learn before and after school. SEDL's outreach in sharing research about effective family and community connections with schools has helped school districts across the nation comply with No Child Left Behind and improve schools' connections and involvement with parents and the community.

As chairman of the SEDL Board of Directors, I am proud of the many accomplishments of the staff. In particular, I appreciate the guidance of SEDL's CEO, Wes Hoover. I am grateful for his steady, thoughtful, and dedicated management as well as that of the entire management team. Finally, I am proud to serve with my colleagues on the SEDL Board of Directors.

Sincerely,

A handwritten signature in blue ink that reads "Rosa María R. Vida". The signature is written in a cursive style and is set against a light blue rectangular background.

Rosa María Vida, PhD
Chairman

“ I have found everything from
SEDL to be very **informative** and
well grounded in research. ”

—**SEDL customer**





RELATIONSHIPS. RESEARCH. RESULTS.

WHAT WE DO

At SEDL, we work to ensure a quality education for all learners. To meet this goal, we conduct or find the best research and develop relationships with federal, regional, state, and local entities to apply this research or interpret research results in ways that lead to better teaching, increased learning, and improved student performance. In 2004, we provided professional development, technical assistance, and information to practitioners and decision makers in order to bridge research and practice by helping them interpret and apply findings to their own settings and experiences.

NATIONAL RELATIONSHIPS

SEDL COLLABORATES WITH NATIONAL RESEARCHERS AND EXPERTS TO FACILITATE QUALITY STUDENT LEARNING AFTER SCHOOL

Improving educational outcomes isn't just a classroom proposition. Through the National Partnership for Quality Afterschool Learning, an eight-member partnership housed at SEDL, SEDL works to ensure students have access to quality learning opportunities in the hours before and after school.



IN 2004, THE PARTNERSHIP IDENTIFIED AND VISITED ALMOST TWO DOZEN AFTERSCHOOL SITES AND BEGAN IDENTIFYING HOW HIGH-QUALITY CONTENT IS BEING SUCCESSFULLY INTEGRATED INTO AFTERSCHOOL ACTIVITIES.

The partnership collaborates with afterschool experts nationwide to generate the models, tools, and assistance needed for afterschool programs to provide high-quality academic content while fostering high student participation. It is funded by the U.S. Department of Education's Office of 21st Century Community Learning Centers, part of the Office of Elementary and Secondary Education.

Besides SEDL, the partnership comprises the Institute for Responsive Education in Boston; the

Mid-Century Research for Education and Learning in Aurora, Colorado; the National Center for Research on Evaluation, Standards, and Student Testing at the University of California, Los Angeles; the Northwest Regional Educational Laboratory in Portland, Oregon; SERVE in Greensboro, North Carolina; the U.S. Department of Education Office of 21st Century Community Learning Centers in Washington, DC; and the WGBH Educational Foundation in Boston.

SEDL and the partnership identify promising and exemplary practices to help hundreds of afterschool programs nationwide meet two main goals: (1) implementing quality academic content using appropriate teaching and learning methods and (2) attracting students to and keeping them in high-performing afterschool programs. In doing so, the partnership engages in site identification, site validation, product development, technical assistance, and training. The partners began collaborating in Fall 2003 and spent the majority of 2004 engaged in start-up activities, such as reading/literacy and math product development, Web design, and site visits, says SEDL program associate Deborah Donnelly.

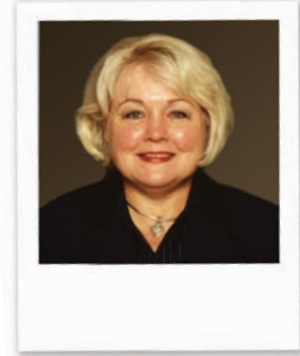
The partnership staff use site visits as one source of data to validate promising and exemplary practices for afterschool programs in reading, mathematics, science, arts, technology, and homework. Data from these sites are then analyzed to identify high-quality content, which other afterschool programs can implement using appropriate teaching and learning methods. In 2004, the partners identified and visited almost two dozen reading/literacy and mathematics afterschool sites and began



THE PARTNERSHIP STAFF USE SITE VISITS TO VALIDATE PROMISING AND EXEMPLARY PRACTICES FOR AFTERSCHOOL PROGRAMS IN MANY CONTENT AREAS.

identifying how reading/literacy and mathematics are being successfully integrated into afterschool activities. Additional sites with exemplary or promising practices in science and the arts will be identified in 2005. Programs with promising or exemplary practices in technology and homework help will be identified in 2006.

“We believe the work we’re doing is going to build the capacity of staff in afterschool programs to embed academic enrichment into their programs and get students excited about afterschool programs and excited about learning,” Donnelly says. ■



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Deborah Donnelly, Program Associate
National Partnership for Quality Afterschool Learning at SEDL

SEDL RESOURCES HELP DISABILITY AND REHABILITATION SCIENTISTS MANAGE SHIFT FROM RESEARCH ACTIVITIES TO OUTCOMES

Making the findings of disability and rehabilitation scientists accessible to consumers drives two projects of SEDL's Disability Research to Practice program.

The National Center for the Dissemination of Disability Research (NCDDR) and the Research Utilization Support and Help (RUSH) project serve the National Institute on Disability and Rehabilitation Research (NIDRR) by helping 400 grantees understand what they need to do to make sure the results of their research can be used effectively. During 2004, SEDL and NIDRR expanded the focus of their working relationship in response to a government-wide push for funding agencies to measure and report on how their programs of work accomplished their purposes.

Increasingly, federal agencies are being asked to describe and demonstrate clearly the value of the programs and projects they fund. In fact, these agencies are expected to measure and report on how their funding served a particular purpose and how they can prove that progress toward that purpose has been realized.

"Increased accountability is expected for NIDRR along with a host of other federal agencies," says SEDL

“ John Westbrook and the projects he manages at SEDL function as an extender of NIDRR efforts by articulating new ideas, raising awareness, and providing technical assistance to other grantees so they can act on the evidence. ”

Margaret Campbell, Program Specialist

National Institute on Disability and Rehabilitation Research

program manager John Westbrook. "Clearly, this shift moves agencies away from thinking of themselves as funding a variety of activities to thinking of themselves as achieving a variety of measurable outcomes within targeted systems."

According to Margaret Campbell, a program specialist at NIDRR, this shift in expectations is far reaching.

"It's no longer enough for a rehabilitation scientist to test hypotheses, gather positive findings, and publish in a peer-reviewed journal. They need to think about the effects they want and at what level of the system," Campbell says. "NCDDR and RUSH have been a tremendous help at all levels in getting the word out about the change in focus and what it means for grantees."

Throughout 2004, SEDL promoted the concept and use of logic modeling, a technique used by evaluation researchers to analyze, plan, and refine project designs. A logic model is a highly visual method of describing relationships between project resources, activities, outputs, and outcomes. During 2004, NCDDR and RUSH used such regular publications as NCDDR's *Research Exchange*, informational briefing papers, the RUSH Web site, and technical assistance to support grantees in understanding and using logic models. The job is far from done according to Campbell and others at the agency.

"This shift in expectations will touch the system in ways we're only beginning to appreciate. This is a work in progress," says Campbell. "John Westbrook and the projects he manages at SEDL function as an extender of NIDRR efforts by articulating new ideas, raising awareness, and providing technical assistance to other grantees so they can act on the evidence." ■

SEDL DEMONSTRATES EXPERTISE IN CREATING RESOURCES TO MANAGE SCHOOL DATA FOR FEDERAL PROGRAMS

Although many people think of SEDL as a regional entity, we actually conduct work on a national scale—including work for federal programs. One way SEDL demonstrates its educational experience on the national stage is through long-term Web-based projects with the U.S. Department of Education.

The Comprehensive School Reform (CSR) awards database, the Smaller Learning Communities (SLC) database, and the Reading First database are examples of SEDL-developed electronic resources that allow states and other users, including researchers, to secure information about schools and districts awarded grant dollars under these federal education programs.

“We and the general public have at our fingertips all kinds of information about where Reading First money is going,” says Sandi Jacobs, a Reading First education program specialist. “The database has greatly helped organize and compile information for researchers, policymakers, and all kinds of folks who have an interest in the program.”

In 1998, SEDL collaborated with the U.S. Department of Education to develop the CSR awards database (<http://www.sedl.org/csr/awards.html>). SEDL continues to maintain the database by monitoring data entered by state coordinators and by implementing enhancements requested by Department of Education staff. The database features basic and advanced search options and includes tables displaying the ongoing status of CSR awards and secure areas for state CSR coordinators or Department of Education staff. As of March 2005, the database includes records for 5,633 schools.

The SLC database (<http://www.sedl.org/slc/>) includes contact and demographic information,

The number of school records in the SEDL databases as of March 2005:

CSR Awards Database	5,633	schools
SLC Database	833	schools
Reading First Database	4,747	schools

narrative profiles, and implementation information on districts and high schools implementing SLCs. The database also contains a listing of the SLC structures and strategies high schools are using to improve student achievement and behavior, as well as a link to a Department of Education primer on these approaches. As of March 2005, the SLC database includes records for 833 schools from 366 districts throughout the nation.

The Reading First database (<http://www.sedl.org/readingfirst/>) includes information on districts and schools receiving funds for Reading First, an ambitious national initiative to help every young child in every state become a successful reader. Each state's information is maintained by a state Reading First coordinator. Records are summarized by state, locale, and Title I status. As of March 2005, the Reading First database indicates 1,391 district awards representing 4,747 schools. ■

STATE RELATIONSHIPS

SEDL EVALUATORS DEVELOP RELATIONSHIPS TO BUILD KNOWLEDGE AND ORGANIZATIONAL CAPACITY

SEDL understands the need to develop and maintain good relationships in order to fulfill its mission. SEDL's Evaluation Services, for one, is taking this idea to heart. Evaluation Services staff are committed to using strategies that let them serve a broader set of clients with a variety of evaluation needs. One such strategy involves partnering with other organizations that bring skills into the mix that complement those of SEDL evaluators. For example, if an evaluation calls for a particular kind of analysis that SEDL has only used occasionally, bringing in a partner or group of partners with these skills allows SEDL to offer a more expansive repertoire of evaluation methods. Similarly, SEDL's specific skill sets add depth and ability to partnerships.



SEDL STAFF WORKED AS CONSULTANTS TO EVALUATE TEA'S STUDENT SUCCESS INITIATIVE TEACHER TRAINING ACADEMIES.

In the spring of 2004, the Texas Education Agency (TEA) began seeking a third-party consultant to evaluate its Student Success Initiative Teacher Training Academies. SEDL quickly recognized the benefit of finding a

partner before submitting a proposal. In the end, SEDL found not one partner but four. The winning proposal was submitted by Gibson Consulting Group, Inc.; SEDL; Academic Information Management, Inc.; Resources for Learning; and Dr. Ann Smisko. Gibson Consulting Group, Inc., led the study.

SEDL was responsible for conducting a literature review of best practices in professional development, expert reviews of the academy training materials and resources, and surveys to ascertain how teachers perceived the training and whether they were implementing the strategies in the classroom. The other partners conducted site visits, analyzed data, evaluated expenditures, and reviewed policy implications. By allowing each partner to focus on its area of strength, the partnership was able to work quickly and efficiently.

"There are so many benefits to working with partners," says SEDL program specialist Melissa Dodson. "It not only complements what we can offer but also builds our capacity to offer these services in the future."

An additional benefit is strengthening relationships with clients. TEA representatives were so pleased with the partnership's work that they referred to the partnership as a model of how they would like future evaluations to be conducted and encouraged SEDL to respond to another TEA proposal. This one successful partnership set the stage for future work, both as an individual organization and as part of future partnerships.

"From our standpoint it was a great experience, and we're hoping to do it again," says Greg Gibson, founder and president of Gibson Consulting Group, Inc. "Pulling together a report that looked like one person wrote it was challenging, but SEDL was fantastic to work with." ■

DATA MANAGEMENT SERVICES UNITE SEDL AND STATES IN REACHING COMMON GOALS

With more than 2 decades of experience in education research and development, as well as technical expertise in Internet data systems, SEDL developers are uniquely qualified to deliver customized Web-based applications to support education improvement efforts. In 2004, SEDL worked with the Texas Education Agency (TEA) and the Arkansas Department of Education to create electronic solutions for their data management needs.

School districts are required to submit a long-range strategic technology plan in order to be eligible for federal E-Rate and No Child Left Behind Title II, Part D funding. To make the submission and approval processes for these technology plans more efficient, TEA wanted to create an online system. TEA, SEDL, and Region 12 Education Service Center collaborated to design and develop Texas e-Plan.

"We are greatly pleased with the overall use of e-Plan," says Anita Givens, director of educational technology at the TEA. "The willingness of programming staff at SEDL to make adjustments on the fly as they were needed was very helpful. We are incredibly pleased with what we have been able to do, working together."

Since launching it in January 2004, SEDL has added increased functionality and enhanced features to the system, including data integration with the Texas STaR Chart Needs Assessment, a tool for evaluating the technology-readiness of schools and districts.

Another similar project SEDL began working on in 2004 is a Web-based school improvement planning application as part of the Arkansas Comprehensive School Improvement Plan (ACSIP) for the Arkansas

“ The SEDL staff brings experience and knowledge to the development of this product. Through this partnership, the department is meeting a need that otherwise might not be possible. ”

Charles Watson, Federal Liaison and Program Manager

Arkansas Department of Education

Department of Education. Designed to improve the efficiency of school improvement plan development and submission, expedite the monitoring, review, and approval of school plans, and enhance access to school plan information, the system is set to be launched in Spring 2005.

"The SEDL staff brings experience and knowledge to the development of this product," says Charles Watson, federal liaison and program manager with the Arkansas Department of Education. "Through this partnership, the department is meeting a need that otherwise might not be possible."

By helping states with their data management needs, SEDL has reinforced strong working relationships with the state departments in the region.

"Our state departments are one of our primary partners," says SEDL program manager Vicki Dimock. "Their mission is to ensure a high-quality education for all the children in their states. If we can partner with them, it helps all of us accomplish our missions." ■

LOCAL RELATIONSHIPS

SEDL'S PROFESSIONAL TEACHING AND LEARNING CYCLE HELPS SCHOOLS REALIZE VISION

In our efforts to improve teaching and learning, SEDL doesn't work on changing schools—we work with schools to implement change. SEDL's regional educational laboratory (REL) works with low-performing schools and districts to strengthen their performance by collecting and analyzing data about their own practice and performance.

SEDL has found that applying the Professional Teaching and Learning Cycle (PTLC) at schools such as Osceola High School in northeast Arkansas helps the schools focus on the alignment of curriculum, instruction, and student assessment with state standards.

In late 2003, SEDL began building a collaborative relationship with the Osceola School District, a mostly rural district of about 1,800 students. Much of the work with Osceola has been focused at Osceola High School, which has approximately 315 students, a majority of them African American and economically disadvantaged. Low-performing schools rarely have strong alignment among curriculum, instruction, and student assessment, says SEDL program associate D'Ette Cowan, who has been working as a site coordinator in Osceola with program associate Deborah Reed, a reading specialist.

Applying the PTLC, which emphasizes teacher collaboration and professional development, teachers study standards and agree on expectations; select instructional strategies and resources that meet standards and expectations; plan lessons that include a common assessment; implement the lesson and analyze student work; and revise the lesson as necessary to ensure that all students are proficient in the targeted standards. Through working with Osceola,

SEDL hopes to gain valuable insight on how the cycle helps teachers focus their instruction to increase student learning.

The PTLC doesn't work, however, without supportive leadership at the district and school levels. Osceola established a campus leadership team that worked with the district leadership team, including the superintendent, administrators, and principals of all Osceola schools. These teams must work together to fulfill the three specific leadership roles of the PTLC: communicating clear expectations, building capacity, and monitoring and reviewing progress.

Osceola has embraced the process, and Douglas Caldwell, principal of Osceola High School, says he has noticed a difference in the way in which his staff now approach their work.

"(SEDL) helped us understand that we all need to be pointing in the same direction in all our different



SEDL PROGRAM ASSOCIATE D'ETTE COWAN WORKS WITH OSCEOLA SCHOOL DISTRICT OFFICIALS DURING THE 2004 SUMMER LEADERSHIP INSTITUTE.



PRINCIPAL DOUGLAS CALDWELL SAYS HE HAS NOTICED A DIFFERENCE IN THE WAY IN WHICH HIS STAFF APPROACH THEIR WORK.

programs,” Caldwell says. “We were a hit-or-miss, grab-what-we-could kind of school in terms of curriculum. The teachers have bought into the approach. We’re now all on the same page.”

Caldwell says he believes it’s too early to see marked improvement in reading test scores, but he believes his school has a better understanding of how to make research-based curriculum decisions and implement classroom teaching strategies aligned to state standards. He says Osceola has been so pleased with SEDL’s work that he hopes to continue working with SEDL after the initial contract expires in 2005. ■



“ SEDL helped us understand that we all need to be pointing in the same direction in all our different programs. We were a hit-or-miss, grab-what-we-could kind of school in terms of curriculum . . . We’re now all on the same page. ”

Douglas Caldwell, Principal
Osceola High School

SEDL DEVELOPS RELATIONSHIPS BETWEEN SCHOOLS AND COMMUNITY-BASED ORGANIZATIONS IN LOUISIANA

Making up for lost time is never an easy task. That's why the Improving America's Schools Act of 1994 established 15 regional technical assistance centers to assist states, school districts, schools, tribes, community-based organizations, and other recipients of funds under No Child Left Behind responsible for the education of children who have been historically underserved, such as children from high-poverty areas and immigrant children.



STUDENTS AT BAUDUIT ELEMENTARY SCHOOL CONVERTED A STAIRWELL INTO A RAINFOREST AS PART OF A CULMINATING ACTIVITY HIGHLIGHTING THEIR SCIENCE INTERACTIONS THEME.

One aspect of the work of SEDL's Southeast Comprehensive Assistance Center (SECAC), one of these 15 regional technical assistance centers, involves fostering relationships between schools and community-based organizations. In 2004, SECAC expanded this role by working with new partners and collaborating on new projects in southern Louisiana.

"This has been an evolutionary process," SECAC program specialist John Hanley says. "Over the past 3 years, we have gone from working on partnership projects with Audubon Zoo and Bauduit [Elementary School] to working with school districts and nonprofits all over the New Orleans area."

New partners include the Audubon Nature Institute's public facilities (Audubon Zoo, Audubon Aquarium of the Americas, and Audubon Louisiana Nature Center), the Louisiana Children's Museum, and the New Orleans Museum of Art. Educators who work in these kinds of public facilities are known as informal educators.

"Informal educators are the key to a successful partnership with schools," Hanley says. "They know how schools operate. Many of them have been teachers themselves, so they know how to help teachers



IN 2004, SECAC SPONSORED TWO WORKSHOPS FOR MORE THAN 60 INFORMAL EDUCATORS FROM THE GREATER NEW ORLEANS AREA.

and students make good use of the exhibits and other resources.”

For example, students at Bauduit Elementary School in Orleans Parish frequently visit Audubon Zoo as part of the district’s Signature Elementary Schools Program. These guided field trips follow lesson plans teachers developed with the help of informal educators at the zoo. The lesson plans in turn are based on Louisiana’s Benchmarks and Standards and aligned with the state’s Grade Level Expectations (GLEs).

The Signature Schools Program is a theme-based magnet program administered by the Orleans Parish Public School System. As a Signature School partner with Bauduit Elementary School and Audubon Zoo, SECAC assisted with curriculum design and produced a formative evaluation of the school’s program. In 2004, SECAC also collaborated with a new Signature School, Harney Elementary School, and its partner, the Audubon Aquarium of the Americas, by assisting with curriculum development.

In 2004, SECAC sponsored two workshops for more than 60 informal educators from the Greater New Orleans area. These daylong workshops specifically targeted informal educators who offer professional development to teachers. The training provided an overview of Louisiana’s GLEs and continuing learning units. It was the first time GLE training was specifically adapted for informal educators.

“We have seen many positive results in the education community through the relationships SECAC has fostered with schools and community-based organizations,” SECAC program manager Marie Kaigler says, “and this is very gratifying.” ■



“ This has been an evolutionary process. Over the past 3 years, we have gone from working on partnership projects with Audubon Zoo and Bauduit [Elementary School] to working with school districts and nonprofits all over the New Orleans area. ”

John Hanley, Program Specialist

SEDL’s Southeast Comprehensive Assistance Center

SEDL'S EVALUATION SERVICES EXAMINES THE USE OF ARTS IN IMPROVING STUDENT LEARNING

At SEDL, we understand that you can't simply create one product or service and move on to the next; you must evaluate the effectiveness of the product or service and refine it as needed. That's why staff in the Evaluation Services (ES) unit work with SEDL program staff to design and implement goals-based evaluation plans for our research-based products and services.

ES works to enhance clients' ability to achieve their program goals and to ensure that clients' programs, products, and services are of the highest quality. While SEDL's internal programs may be regular clients of ES, they aren't the only ones. One external client is the Arkansas A+ Schools Network, a model based on the idea that arts-integrated instruction leads to enhanced learning opportunities for all students.

Started in 2003, the Arkansas A+ Schools Network is a whole-school reform approach that views the arts as fundamental to how teachers teach and how



THE IDEA IS THAT USING ART NOT ONLY ENGAGES STUDENTS BUT ALSO MAKES THE CURRICULUM MORE MEANINGFUL AND MEMORABLE.

students learn. Staff from the 10 Arkansas schools involved have learned to combine interdisciplinary teaching with daily arts instruction in order to tap into the multiple ways students learn. The idea is that using art not only engages students but also makes the curriculum more meaningful and memorable. For example, students may perform interpretive readings of literature by playing the part of a character or portraying the scenery. A music teacher may use a rhythm stick and spelling words to simultaneously teach spelling, rhythm, and oral presentation skills.

"The beauty of the program is that it's not counter to the testing and accountability movements in education; the arts are seen as a tool to support students in successfully mastering standards," says SEDL program specialist Jessica Snell-Johns.



THE ARKANSAS A+ SCHOOLS NETWORK IS A WHOLE-SCHOOL REFORM APPROACH THAT VIEWS THE ARTS AS FUNDAMENTAL TO HOW TEACHERS TEACH AND HOW STUDENTS LEARN.

SEDL's ES was brought in from the very beginning to define implementation and identify barriers and facilitators to implementation. Team members have designed and administered surveys on teacher practices, principal practices, school climate, and quality of support to meet these goals. By providing data through open and continuous communication, the evaluation team has enabled the A+ staff to think about new ways to enhance the model's effectiveness.

"I'm very much aware of everything that's going on, yet I know the objectivity is there," says Marie Parker, director of the Arkansas A+ Schools Network. "SEDL's evaluation team has been able to stimulate ideas within us and help us begin to think outside of the box."

Snell-Johns believes that by starting the evaluation process at the beginning rather than after the implementation, the model has a greater likelihood of achieving results. Working together, SEDL and the Arkansas A+ Schools Network are striving to create an effective and lasting approach to improving student learning.

"They're very interested in being reflective and diligent in their efforts to improve the educational experiences for students," says Snell-Johns. "They're looking toward sustainability, and SEDL is helping them do that." ■



“ SEDL has served as our external evaluator on the Great Expectations and A+ school improvement programs. Their evaluation services have provided a range of information for us as we have monitored the implementation of these programs the past two years. From our ongoing contract with SEDL we have been able to identify a number of program strengths and areas for improvement. ”

Marie Parker, Director
Arkansas A+ Schools Network

SEDL PARTNERS IN INNOVATIVE TECHNOLOGY PROGRAM FOR PRESERVICE TEACHERS

As the cliché goes, an ounce of prevention is worth a pound of cure. That's why SEDL forms relationships with service providers to improve instruction by providing training not only for established teachers but also for preservice teachers.

One example of such a relationship is the one SEDL formed with St. Edward's University of Austin, Texas, as part of the university's Building Teams and Tools for Teaching (BT3) project.

In 2001, St. Edward's University received a 3-year \$779,000 grant as part of the U.S. Department of Education's Preparing Tomorrow's Teachers to Use Technology (PT3) program to establish the BT3 project. This project was established to train preservice teachers, K-12 teachers, and university faculty on effectively incorporating technology into their teaching; promote collaboration between schools and agencies and between teachers and students; develop, implement, and evaluate an effective model of teacher preparation that infuses technology and curriculum; and create a benchmarking/evaluation tool that teacher preparation programs can use to evaluate their effectiveness.

The project encompasses educational institutions in Austin, Dallas, Houston, and San Antonio. Partners included Concordia University, the University of the Incarnate Word, 59 K-12 public and private schools, four independent school districts, and two nonprofit organizations, including SEDL and the TLT Group.

SEDL supported the BT3 project by providing staff development and consultation services. Specifically, SEDL's *Active Learning With Technology* portfolio serves as the foundation of the program. Developed

for educators who work with K-12 teachers, the portfolio was designed to help educators learn to develop and implement learner-centered environments supported by technology.

The project calls for teachers to attend a 60-hour summer institute where they learn to incorporate technology into their curriculum while meeting state and national teaching standards. Using the *Active Learning With Technology* portfolio, teachers work in teams to complete a series of modules that could be crafted for use in their own classrooms. Additionally, participants create technology-infused lesson plans based on Texas state teaching standards, the Texas Essential Knowledge and Skills (TEKS). University faculty members provide the most up-to-date, research-based information available in content and pedagogy.



USING THE ACTIVE LEARNING WITH TECHNOLOGY PORTFOLIO, TEACHERS WORK IN TEAMS TO COMPLETE A SERIES OF MODULES THAT COULD BE CRAFTED FOR USE IN THEIR OWN CLASSROOMS.



THE BT3 PROJECT CALLS FOR TEACHERS TO ATTEND A 60-HOUR SUMMER INSTITUTE WHERE THEY LEARN TO INCORPORATE TECHNOLOGY INTO THEIR CURRICULUM WHILE MEETING STATE AND NATIONAL TEACHING STANDARDS.

“Participants, trainers, and administrators have expressed great enthusiasm over using the *Active Learning With Technology* portfolio,” says Allison McKissack, PT3 grant director at St. Edward’s. “It has proven instrumental to the success of the professional development that we offer our preservice teachers, K–12 teachers, and university faculty.”

Since its inception, BT3 has trained 184 preservice teachers, 160 K–12 teachers, and 42 university faculty through its summer institutes. Additionally, the program has trained more than 200 K–12 teachers through other workshop venues. Altogether, these educators have impacted more than 15,000 Texas K–16 students. St. Edward’s now requires all student teachers to participate in BT3, which has become a permanent part of its School of Education. ■



“ Participants, trainers, and administrators have expressed great enthusiasm over using the *Active Learning With Technology* portfolio. It has proven instrumental to the success of the professional development that we offer our preservice teachers, K–12 teachers, and university faculty. ”

Allison McKissack, PT3 Grant Director
St. Edward's University

HIGHLIGHTS OF 2004

During 2004, SEDL staff accomplishments furthered our efforts to build, develop, and apply knowledge to improve teaching and learning.



In **FY 2004** we reached our all-time highest level of competitive contracts and grants with **\$19 million dollars** in active awards.

Some of that funding was awarded as a result of SEDL's performance and expertise in previous work. For example, because of the accomplishments of its afterschool work, SEDL won an additional **\$940,000** to provide technical assistance to afterschool programs.

As the National Institute of Disability Research and Rehabilitation (NIDRR) focused on accountability for research outcomes in 2004, the agency awarded SEDL a transitional 1-year scope of work for its National Center for the Dissemination of Disability Research (NCDDR) because, as NIDRR reported in the *Federal Register* (Vol. 69, No. 74, p. 20604), **"IT WOULD BE CONTRARY TO THE PUBLIC INTEREST TO HAVE ANY LAPSE IN THE RESEARCH AND RELATED ACTIVITIES CONDUCTED BY NCDDR."**

We contributed to building and using evidence to improve practice by **PRESENTING AT CONFERENCES** throughout the nation.

REL staff gave **33 INVITED PRESENTATIONS** on findings from our intensive site work, policy research, diversity, and family involvement in student learning.

improving PRACTICE and





We created **Web sites** with features and functions that make it easier for our clients and customers to **INTERACT WITH US.**

SEDL staff updated the site for the **SOUTHCENTRAL RTEC**, created a new **ONLINE STORE**, and established an **ELECTRONIC LIBRARY**. The Web site for SEDL's **NATIONAL CENTER FOR FAMILY AND COMMUNITY CONNECTIONS WITH SCHOOLS** (<http://www.sedl.org/connections/>) was named a finalist in the Association of Educational Publishers' Distinguished Achievement competition. Sites were judged based on technical merit, quality of writing, educational value, originality/creativity, and audience interest.

We introduced a new internal information system known as the **SEDL INFORMATION MANAGEMENT SYSTEM (SIMS).**

SIMS is a system of tools and modules designed to **MANAGE** important business processes, **INCREASE** efficiency, **ELIMINATE** redundancy, and **BRIDGE** departments. It integrates data management for 40 core organizational processes, including recording time, leave, and purchase requests.

STUDENT PERFORMANCE

We implemented a **STRATEGIC PLAN** to strengthen our organizational capacity.

Teams of staff members throughout the company launched a **BRANDING AND IDENTITY CAMPAIGN**, completed an **INTERNAL COMMUNICATIONS AUDIT AND PLAN**, and designed research, development, and dissemination **AGENDAS** for key areas of work.



“ I would and do recommend documents from SEDL because they are timely, well organized, informative, and research based. ”

—SEDL customer





RELATIONSHIPS. RESEARCH. RESULTS.

WHO WE ARE

We may work as one, but we are made up of many. In 2004, SEDL staff, board members, and advisors contributed to our collective body of work through such individual efforts as conducting research, leading seminars, creating new products, writing reports, serving on advisory boards, and providing guidance to clients. Our researchers have backgrounds in developmental and educational psychology, experimental psychology, social anthropology, sociology, and program evaluation. Many staff members have experience as classroom teachers, district administrators, and state department of education personnel. The board of directors governs our work and helps share our message with educators and policymakers throughout our regions and the nation.

2004 EXECUTIVE COMMITTEE

OFFICERS OF THE BOARD (LEFT TO RIGHT):
ROSA MARÍA VIDA, JO A. PETTIGREW, NANCY EDDY,
MARY ABEITA, AND TONY RECASNER.



MEMBERS OF THE EXECUTIVE COMMITTEE PROVIDE LEADERSHIP AS OFFICERS OF THE ENTIRE BOARD AND SERVE ON THE BOARD'S STANDING COMMITTEE FOR LONG-TERM INVESTMENT.

ROSA MARÍA VIDA, *Chairman*

Rosa María Vida, MS, PhD, is the superintendent of Catholic Schools for the Laredo Diocese. She has served as dean of the College of Education and an education professor at Texas A&M International University in Laredo and has held positions at Laredo State University, as well as the Laredo and Austin independent school districts.

JO ARNOLD PETTIGREW, *Vice Chairman*

Jo Arnold Pettigrew, MA, EdD, is the executive director of the United Suburban Schools Association (USSA). Before joining USSA, she spent nearly 13 years as the assistant executive director of the Oklahoma State School Boards Association.

NANCY EDDY, *Secretary*

Nancy Eddy, MEd, JD, is a K-6 counselor at Clinton Elementary School in Little Rock, where she has served since 1984. She also has served as chair of the Pulaski Federation of Teachers, president of the Central Arkansas Labor Council, and a volunteer with the United Way.

MARY ABEITA, *Treasurer*

Mary 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.

TONY RECASNER, *Immediate Past Chairman*

Tony Recasner, MS, PhD, is the director of the New Orleans Charter Middle School, where he has served since 1998. He also has worked as staff psychologist for the Office of Academic Enrichment at Loyola University and with various public and community service organizations.

2004 BOARD MEMBERS



LEONEL BRISEÑO (NM)
*Program Director
 CARAS/AmeriCorps Program
 Las Cruces*



ALVIN FUTRELL (AR)
*Director, Teacher Admissions
 and Field Experiences
 Henderson State University
 Arkadelphia*



MARY J. GARCIA (NM)
*State Senator
 Doña Ana*



SANDY GARRETT (OK)
*Superintendent of
 Public Instruction
 State Department of Education
 Oklahoma City*



GLORIA GRIFFIN (OK)
*Superintendent
 Millwood Public Schools
 Oklahoma City*



IMELDA GUERRA (TX)
*Principal
 Magee Intermediate School
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*Executive Assistant to the
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 New Orleans*



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 State Department of Education
 Little Rock*



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*Chair, Department of
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 Arkansas State University
 State University*



PAULA PATRICK (LA)
*Federal Programs Director
 Sabine Parish School Board
 Many*



CECIL PICARD (LA)
*Superintendent of Education
 State Department of Education
 Baton Rouge*



SERAFIN RAMON (OK)
*Former Dean, School of Science,
 Mathematics, and Nursing
 Oklahoma Panhandle
 State University
 Goodwell*



ERNEST ZAMORA (TX)
*Associate Commissioner
 for Support Services and
 School Finance
 Texas Education Agency
 Austin*



JOHN PAIGE (TX)
*Dean, School of Education
 St. Edward's University
 Austin*

In October 2004, Paige resigned from the board when he was elected to a 6-year term as vicar general of the Congregation of Holy Cross in Rome, Italy. We wish him success in this new endeavor.

SEDL MANAGEMENT COUNCIL



WESLEY HOOVER
President and CEO



JOAN BUTTRAM
*Executive Vice President
and COO*



ARNOLD KRIEDEL
Vice President and CFO



JJ BASKIN
*Director of Institutional
Development*



VICKI DIMOCK
Program Manager



CATHERINE JORDAN
Program Manager



MARIE KAIGLER
Program Manager



JOYCE POLLARD
*Director of Institutional
Communications*



SUE STREET
*Director of Evaluation
Services*



JOHN WESTBROOK
Program Manager

STAFF RECOGNITION

THROUGHOUT ITS HISTORY SEDL HAS ATTRACTED AND RETAINED STAFF MEMBERS OF THE HIGHEST QUALITY AND EXPERTISE. OUR STAFF MEMBERS HAVE BEEN HONORED FOR THEIR SKILLS AND KNOWLEDGE BY THEIR COLLEAGUES BOTH WITHIN AND OUTSIDE THE COMPANY.

SCHOLAR EMERITA SHIRLEY HORD RECEIVES NSDC AWARD

Scholar emerita Shirley Hord received the 2004 Susan Loucks-Horsley Award from the National Staff Development Council (NSDC). Each year this award is given to an NSDC member whose research, writing, and professional relationships improve educators' understanding of change and promote high-quality professional learning. Hord, who joined SEDL in 1986, is known for her work with the Concerns-Based Adoption Model.

PROGRAM MANAGER JOHN WESTBROOK HONORED DURING THE SOUTHWEST CONFERENCE ON DISABILITY

Program manager John Westbrook received the Charlotte Toulouse Award for Contributions to Communication Between People With Disabilities and Disability Researchers from the Southwest Conference on Disability. Westbrook, who has been with SEDL since 1982, leads SEDL's Disability Research to Practice program. The award recognizes significant contributions to encouraging communication and building bridges between people with disabilities and disability researchers.

PRESIDENT AND CEO WES HOOVER SELECTED AS NEKIA'S BOARD CHAIR

President and CEO Wes Hoover served as chair of the board of directors of the National Education Knowledge Industry Association (NEKIA) in 2004. In this capacity, Hoover represented the knowl-

edge industry on a panel, "Scientific Evidence in Education: A Report Card in Policy and Practices," which was sponsored by NEKIA, the Center for Education of the National Academies, and the Progressive Policy Institute.

SEDL STAFF MEMBERS RECOGNIZED BY PRESIDENT AND CEO

Web administrator Brian Litke and information associate Lacy Wood were honored in 2004 by CEO Wes Hoover with the Edwin Hindsman Award and the Rogers L. Barton Award, respectively. Litke, who joined SEDL in 1996, oversees SEDL's corporate and project Web sites and plans and implements Web development tools for both



LACY WOOD AND BRIAN LITKE WERE RECOGNIZED FOR THEIR OUTSTANDING WORK IN 2004.

internal and external clients. Wood, who joined SEDL in 1997, provides information management services through the development of high-quality databases and other tools. ■

PARTNERS AND ADVISORY BOARDS

OVER THE YEARS, SEDL HAS CULTIVATED RELATIONSHIPS WITH STATE DEPARTMENTS OF EDUCATION, UNIVERSITIES, REGIONAL EDUCATIONAL LABORATORIES, SERVICE AGENCIES, SCHOOL DISTRICTS, AND OTHER ORGANIZATIONS TO HELP MEET OUR GOALS. WHETHER WE'RE ENHANCING OUR OWN WORK OR EVALUATING AND ADVANCING THAT OF OTHERS, WE UNDERSTAND THE MUTUAL BENEFITS SUCH RELATIONSHIPS CAN PROVIDE.

PARTNERS

ABLEDATA, Macro International, Inc.
 Academic Information Management, Inc.
 After-School Corporation
 Alabama Department of Education
 American Indian Research and Development, Inc.
 Angelo State University
 Arkansas Department of Education
 Arkansas Department of Higher Education
 Arkansas State University, Jonesboro
 Arkansas Tech University
 Audubon Aquarium of the Americas, New Orleans
 Audubon Louisiana Nature Center, New Orleans
 Audubon Zoo, New Orleans
 Cameron University
 Center for Assistive Technology and Environmental Access, Georgia Institute of Technology
 Center for Strategic Capacity Building on Minorities with Disabilities, University of Illinois at Chicago
 Center on School, Family, and Community Partnerships, Johns Hopkins University
 Challenger Learning Center, Baton Rouge
 Charles A. Dana Center at the University of Texas at Austin
 Coalition for the Advancement of Science and Mathematics Education in Oklahoma (CASMEO)
 College of Santa Fe
 College of Santa Fe at Albuquerque
 Compact Six, Greater New Orleans area
 Cox Communications, New Orleans
 Delta State University
 East Central University
 Eisenhower National Clearinghouse
 ESCORT
 Fort Worth Museum of Science and History
 Foundations, Inc.
 Georgia Chattahoochee-Flint Regional Educational Service Agency (RESA)
 Georgia Department of Education
 Gibson Consulting Group, Inc.
 Harding University
 Harvard University
 Heart of Georgia RESA, Eastman
 Henderson State University
 Huston-Tillotson University
 Institute for Responsive Education, Boston, Massachusetts
 Jackson State University

Learning Point Associates
 Longue Vue House and Gardens, New Orleans
 Louisiana Center for Educational Technology
 Louisiana Children's Museum, New Orleans
 Louisiana Department of Education
 Louisiana Division of the Arts
 Louisiana Gear Up
 Louisiana Systemic Initiatives Program
 Mid-continent Research for Education and Learning, Inc. (McREL), Aurora, Colorado
 Mississippi Department of Education
 Mississippi State University
 Mississippi Valley State University
 Morgan County Board of Education (Alabama)
 Mount Sinai School of Medicine
 National Alliance of State Science and Mathematics Coalitions
 National Center for Community Education
 National Center for Research on Evaluation, Standards, and Student Testing (CRESST), University of California, Los Angeles
 National Institute on Disability and Rehabilitation Research
 National Rehabilitation Information Center (NARIC), HeiTech Services, Inc.
 National Science Foundation
 National Staff Development Council
 Navajo Nation Rural Systemic Initiative
 New Era Math and Science Resource Center (Oklahoma City Public Schools)
 New Mexico Department of Education
 New Mexico Highlands University
 New Mexico State University
 New Orleans Museum of Art
 North Alabama Teacher Exchange
 Northeast Arkansas Delta Institute for Math & Science (Arkansas State University)
 Northeast Arkansas Rural Institute for Math & Science (Arkansas State University)
 Northeastern Oklahoma A&M College
 Northeastern State University
 Northeastern State University, Tahlequah, Oklahoma
 Northwest Regional Education Cooperative
 Northwest Regional Educational Laboratory, Portland, Oregon
 Northwestern Oklahoma State University

Oklahoma Achievement through Collaboration and Technology Support (OK-ACTS)
 Oklahoma Commission of Teacher Preparation
 Oklahoma State Department of Education
 Oklahoma State University
 Our Lady of the Lake University
 Ozarks Unlimited Resources Co-operative in Arkansas
 Prairie View A&M University
 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 12 Education Service Center, Waco, Texas
 Rehabilitation Engineering Research Centers
 Resources for Learning
 SERVE, University of North Carolina at Greensboro
 Southeastern Equity Center, Fort Lauderdale, Florida
 Southeastern Oklahoma State University
 Southern Arkansas University
 Southern University, Baton Rouge, Louisiana
 Southwestern Oklahoma State University
 St. Edward's University, Austin, Texas
 Tarleton State University
 Texas A&M University at College Station
 Texas A&M University at Commerce
 Texas A&M University at Corpus Christi
 Texas A&M University at Kingsville
 Texas Center for Educational Technology, University of North Texas
 Texas Christian University

Texas Computer Educators Association, Austin
 Texas Education Agency
 Texas Instruments
 The Aurora Project, Fairview, Oklahoma
 The Institute for Rehabilitation and Research,
 Houston, Texas
 The National Center for Early Development
 and Learning at the Frank Porter Graham
 Child Development Center, University of
 North Carolina at Chapel Hill
 The Public Education Network
 U.S. Department of Education
 University of Arkansas
 University of Arkansas at Little Rock
 University of Arkansas at Monticello
 University of Arkansas at Pine Bluff
 University of Central Arkansas
 University of Colorado Health Sciences Center
 University of Louisiana at Lafayette
 University of Louisiana at Monroe
 University of Mississippi Regional Service
 Center
 University of New Orleans
 University of North Texas
 University of Southern California
 University of Southern Mississippi
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ADVISORY BOARDS

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 Mark X. Odom
 Rebecca Sloan

Evaluation Services Advisory Board

Gary Boric, PhD
 Yvonna Lincoln, EdD
 James Sanders, PhD
 Wayne Welch, PhD

“ The regional educational laboratories produce **quality reports** based on **sound research practices** and reported in an unbiased and fair manner. I would recommend these organizations as great resources for any educator. ”

—**SEDL customer**





FINANCIALS

RELATIONSHIPS. RESEARCH. RESULTS.

HOW WE DO IT

As a 501(c)3 corporation, SEDL is dedicated to conducting business in an ethical and responsible manner. Funding for our activities comes from competitive grants and contracts awarded by various public and private sources. We also offer services for fee to conduct program evaluations, deliver professional development sessions, and develop Web-based data management tools.

INDEPENDENT AUDITORS' 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, 2004 and 2003, 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. 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, 2004 and 2003, 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 January 21, 2005, 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 audit.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying 2004 combining schedules and the schedule of indirect cost rate on pages 42–44 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards for 2004 on page 45 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information in these schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

KPMG LLP

January 21, 2005

STATEMENTS OF FINANCIAL POSITION
 NOVEMBER 30, 2004 AND 2003

ASSETS		2004	2003
Cash and cash equivalents	\$	1,682,438	1,294,985
Building fund investments (note 2)		3,361,726	3,165,024
Accounts receivable		2,785	36,309
Contract billings receivable		1,981,925	1,451,074
Costs in excess of billings		519,768	532,734
Prepaid expenses		166,081	219,546
Property, plant, and equipment:			
Acquired with unrestricted resources:			
Equipment and improvements, less accumulated depreciation of \$1,066,631 in 2004 and \$896,589 in 2003		263,669	435,223
TOTAL ASSETS	\$	7,978,392	7,134,895

LIABILITIES AND NET ASSETS		2004	2003
Accounts payable	\$	417,843	128,241
Accrued vacation		434,593	396,206
Contract advances		1,100,000	1,111,758
Due to other governments		38,169	40,756
Other liabilities		67,112	68,024
Total liabilities		2,057,717	1,744,985
Net assets:			
Unrestricted:			
Designated for building fund (note 2)		3,815,450	3,560,979
Undesignated		2,105,225	1,828,931
Total unrestricted net assets		5,920,675	5,389,910
Commitments and contingencies (notes 4 and 5)			
TOTAL LIABILITIES AND NET ASSETS	\$	7,978,392	7,134,895

See accompanying notes to financial statements.

STATEMENT OF ACTIVITIES
YEAR ENDED NOVEMBER 30, 2004

	UNRESTRICTED	TEMPORARILY UNRESTRICTED	TOTAL
Revenues, gains, and other support:			
Research and development contracts earned	\$ —	14,756,140	14,756,140
Lease income (note 3)	23,739	—	23,739
Investment income (note 2)	149,552	—	149,552
Other	1,008,557	25,577	1,034,134
Net assets released from restrictions	14,781,717	(14,781,717)	—
Total revenues, gains, and other support	15,963,565	—	15,963,565
Expenses:			
Research and development programs	12,784,272	—	12,784,272
General and administrative	2,648,528	—	2,648,528
Total expenses	15,432,800	—	15,432,800
Net increase in net assets	530,765	—	530,765
Net assets at beginning of year	5,389,910	—	5,389,910
NET ASSETS AT END OF YEAR	\$ 5,920,675	—	5,920,675

See accompanying notes to financial statements.

STATEMENT OF ACTIVITIES
YEAR ENDED NOVEMBER 30, 2003

	UNRESTRICTED	TEMPORARILY UNRESTRICTED	TOTAL
Revenues, gains, and other support:			
Research and development contracts earned	\$ —	12,221,907	12,221,907
Lease income (note 3)	42,344	—	42,344
Investment income (note 2)	195,882	—	195,882
Other	1,111,421	5,991	1,117,412
Net assets released from restrictions	12,227,898	(12,227,898)	—
Total revenues, gains, and other support	13,577,545	—	13,577,545
Expenses:			
Research and development programs	10,681,817	—	10,681,817
General and administrative	2,427,417	—	2,427,417
Total expenses	13,109,234	—	13,109,234
Net increase in net assets	468,311	—	468,311
Net assets at beginning of year	4,921,599	—	4,921,599
NET ASSETS AT END OF YEAR	\$ 5,389,910	—	5,389,910

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS
YEARS ENDED NOVEMBER 30, 2004 AND 2003

	2004	2003
Cash flows from operating activities:		
Net increase in net assets	\$ 530,765	468,311
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	171,554	172,305
Unrealized and realized gains on investments, net	(49,595)	(100,447)
Changes in assets and liabilities:		
Increase in accounts and contract billing receivables	(497,327)	(191,717)
Decrease (increase) in costs in excess of billings	12,966	(24,491)
Decrease in prepaid expenses	53,465	128,902
Increase (decrease) in accounts payable	289,602	(565,062)
Increase in accrued vacation	38,387	22,162
Increase (decrease) in contract advances	(11,758)	15,974
Increase (decrease) in due to other governments	(2,587)	35,111
Increase (decrease) in other liabilities	(912)	1,558
Net cash provided by (used in) operating activities	534,560	(37,394)
Cash flows from investing activities:		
Purchase of building fund investments	(1,078,416)	(740,157)
Proceeds from the sale of building fund investments	931,309	253,191
Net cash used in investing activities	(147,107)	(486,966)
Net increase (decrease) in cash and cash equivalents	387,453	(524,360)
Cash and cash equivalents at beginning of year	1,294,985	1,819,345
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,682,438	1,294,985
Noncash investing activity:		
The Corporation disposed of \$105,615 fully depreciated equipment in 2003.		

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

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 that 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 87% and 86% of the Corporation's revenue in 2004 and 2003, 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 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, 2004 or 2003.

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, 2004 or 2003.

(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 3 months or less. Cash equivalents include interest-bearing deposits of approximately \$1,575,000 and \$992,000 in 2004 and 2003, respectively.

(c) 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.

(d) 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 3 to 6 years for furniture and equipment.

(e) Contracts Earned

Research and development contracts earned revenue is private, state, and federal grant revenues which is recognized as revenue when 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.

(f) 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 2004 or 2003.

(g) 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.

(h) 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.

(i) 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 accruals for post-retirement benefit costs at November 30, 2004 and 2003 were \$67,000 and \$68,000, respectively, which is included in other liabilities in the accompanying statements of financial position.

(j) 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 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. BUILDING FUND INVESTMENTS

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. 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, 2004 and 2003, are summarized as follows:

	2004	
	COST	FAIR VALUE
Investments:		
Corporate stocks	\$ 1,194,347	1,347,254
U.S. government securities	250,639	261,582
Corporate bonds	702,413	769,507
Fixed income mutual funds	1,000,000	983,383
Total investments	3,147,399	3,361,726
Money market mutual funds and certificate of deposit	453,424	452,424
TOTAL DESIGNATED FOR BUILDING FUND	\$ 3,600,823	3,815,150

	2003	
	COST	FAIR VALUE
Investments:		
Corporate stocks	\$ 1,201,237	1,301,112
U.S. government securities	450,256	478,002
Corporate bonds	702,413	791,573
Fixed income mutual funds	600,000	594,337
Total investments	2,953,906	3,165,024
Money market mutual funds and certificate of deposit	395,955	395,955
TOTAL DESIGNATED FOR BUILDING FUND	\$ 3,349,861	3,560,979

Investment income for the years ended November 30, 2004 and 2003, is composed of the following:

	2004	2003
Interest and dividend income	\$ 99,957	95,435
Unrealized and realized gains on investments	49,595	100,447
TOTAL INVESTMENT INCOME	\$ 149,552	195,882

3. LEASE INCOME

The Corporation is the lessor of temporary excess office space. The lease agreements range from 1 to 2 years with optional renewal clauses.

Gross lease payments due under noncancelable lease agreements for the next 2 years, unadjusted for possible future escalation and renewals, are as follows:

2005	\$ 13,032
2006	7,602
	\$ 20,634

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 \$847,218 and \$762,082 in 2004 and 2003, respectively.

5. COMMITMENTS AND CONTINGENCIES

The Corporation had various operating leases that expired within fiscal year 2004. These leases were subject to cancellation based upon the availability of federal funding. Rental expense for these operating leases was approximately \$55,000 and \$49,000 in 2004 and 2003, respectively.

In addition, the Corporation had an operating lease for office space from July 2002 to July 2006. Under the lease terms, the Corporation is to pay \$95,793 a month with a 2% increase annually beginning August 2003. Also under the terms of the lease, if the Corporation loses its federal grant/contract funding, it is only obligated to pay one-half of the full rent expense through July 30, 2006, as a

cancellation penalty after a 90-day notice regarding the remaining lease period and the Corporation would still be responsible for the amount of rent applicable to the reduced square footage that is not subject to the cancellation penalty. Total office rental expense was approximately \$1,176,000 and \$1,146,000 in 2004 and 2003, respectively.

The Corporation performs services under various federal contractual and grant agreements that are subject to compliance audits. The amount, if any, of expenditures that 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 1 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, 2004 or 2003, for the severance policy.

COMBINING SCHEDULE—STATEMENT OF FINANCIAL POSITION INFORMATION
 NOVEMBER 30, 2004

	COMBINED TOTAL	U.S. DEPT. OF EDUCATION		OTHER	GENERAL OPERATING
		INSTITUTE OF EDUCATION SCIENCES	OTHER		
Assets:					
Cash and cash equivalents	\$ 1,682,438	—	—	—	1,682,438
Building fund investments	3,361,726	—	—	—	3,361,726
Accounts receivable	2,785	—	—	—	2,785
Contract billings receivable	1,981,925	1,060,872	639,361	162,592	119,100
Costs in excess of billings	519,768	—	—	—	519,768
Prepaid expenses	166,081	9,600	3,404	(2,195)	155,272
Due from (to) other funds	—	163,236	(416,627)	(120,855)	374,246
Property, plant, and equipment:					
Acquired with unrestricted resources:					
Equipment and improvements	263,669	—	—	—	263,669
TOTAL ASSETS	\$ 7,978,392	1,233,708	226,138	39,542	6,479,004
Liabilities:					
Accounts payable	417,843	133,708	226,138	1,373	56,624
Accrued vacation	434,593	—	—	—	434,593
Contract advances	1,100,000	1,100,000	—	—	—
Due to other governments	38,169	—	—	38,169	—
Other liabilities	67,112	—	—	—	67,112
Total liabilities	2,057,717	1,233,708	226,138	39,542	558,329
Net assets:					
Unrestricted:					
Designated for building fund	3,815,450	—	—	—	3,815,450
Undesignated	2,105,225	—	—	—	2,105,225
Total net assets	5,920,675	—	—	—	5,920,675
TOTAL LIABILITIES AND NET ASSETS	\$ 7,978,392	1,233,708	226,138	39,542	6,479,004

See accompanying independent auditors' report.

COMBINING SCHEDULE—STATEMENT OF ACTIVITIES INFORMATION
YEAR ENDED NOVEMBER 30, 2004

	COMBINED TOTAL	U.S. DEPT. OF EDUCATION		OTHER	GENERAL OPERATING
		INSTITUTE OF EDUCATION SCIENCES	OTHER		
Revenues, gains, and other support:					
Research and development					
contracts earned	\$ 14,756,140	8,765,998	5,110,735	879,407	—
Lease income	23,739	—	—	—	23,739
Investment income	149,552	—	—	—	149,552
Other	1,034,134	—	—	25,577	1,008,557
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	\$ 15,963,565	8,765,998	5,110,735	904,984	1,181,848
Expenses:					
Salaries	6,103,718	2,730,018	1,699,610	273,502	1,400,588
Employee benefits	1,871,063	826,389	499,859	80,987	463,828
Consultant fees	278,339	67,425	52,455	57,339	101,120
Staff travel	768,763	386,359	244,645	32,578	105,181
Consultant travel	328,125	211,592	46,146	28,224	42,163
Facilities operation	1,296,961	694,898	349,924	72,411	179,728
Communications	370,218	151,920	76,998	19,175	122,125
Reproduction	80,311	34,443	21,709	3,342	20,817
Supplies	172,108	104,298	26,154	9,016	32,640
Subcontracting	2,581,063	1,413,765	1,126,448	—	40,850
Depreciation	171,554	1,730	—	—	169,824
Other	1,410,577	637,113	134,196	41,854	597,414
Allocated costs	—	1,506,048	832,591	153,793	(2,492,432)
TOTAL EXPENSES	\$ 15,432,800	8,765,998	5,110,735	772,221	783,846
Increase in net assets	530,765	—	—	132,763	398,002
Net assets at beginning of year	5,389,910	—	—	—	5,389,910
Transfer (to) from other net assets	—	—	—	(132,763)	132,763
NET ASSETS AT END OF YEAR	\$ 5,920,675	—	—	—	5,920,675

See accompanying independent auditors' report.

SCHEDULE OF INDIRECT COST RATE
 YEAR ENDED NOVEMBER 30, 2004

	TOTAL COSTS	LESS GENERAL AND ADMINISTRATIVE EXPENSES	LESS SUBCONTRACTS IN EXCESS OF \$25,000	DIRECT COST
Salaries	\$ 6,103,718	1,205,548		4,898,170
Employee benefits	1,871,063	399,124		1,471,939
Consultant fees	278,339	74,050		204,289
Staff travel	768,763	64,120		704,643
Consultant travel	328,125	7,481		320,644
Facilities operations	1,296,961	271,206		1,025,755
Communications	370,218	101,928		268,290
Reproduction	80,311	13,786		66,525
Supplies	172,108	27,887		144,221
Subcontracting	2,581,063	40,850	2,133,626	406,587
Depreciation and amortization	171,554	7,093		164,461
Other	1,410,577	435,455		975,122
TOTAL	\$ 15,432,800	2,648,528	2,133,626	10,650,646
		(A)		(B)
Computation of indirect cost rate:				
$\$2,648,528$ (A) / $\$10,650,646$ (B) = 24.9%				

See accompanying independent auditors' report.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED NOVEMBER 30, 2004

FEDERAL GRANTOR/PROGRAM TITLE	FEDERAL CFDA/CONTRACT NUMBER	EXPENDITURES, INCLUDING INDIRECT COSTS
Major Program - Research and Development:		
U.S. Department of Education:		
Regional Educational Laboratory 00-05	84.ED-01-C0-0009	\$ 5,325,266
Pass through to University of Texas Dana Center	84.ED-01-C0-0009	793,844
Pass through to American Indian Research and Development, Inc.	84.ED-01-C0-0009	93,850
MATO - Reading First	84.ED-01-C0-0057	36,364
LPA Sub SLC Web site MATO	84.ED-04-C0-0109	17,795
National Institute on Disability and Rehabilitation Research	84.133D	79,266
NCDDR: Knowledge Dissemination and Utilization 99-04	84.133A	781,751
NWREL MATO Sub	84.ED-01-C0-0048	319,225
Math and Science Consortium 00-05	84.319A	1,458,371
South Central Regional Technology	84.302A	728,289
Pass through to University of North Texas	84.302A	280,014
Pass through to Fairview ISD	84.302A	50,000
Southeast Regional Assistance Center	84.283A	2,065,693
Pass through to American Indian Research and Development, Inc.	84.283A	37,655
Research Utilization	84.133A	195,526
21st Century	84.ED-03-C0-0048	948,988
Pass through to MCREL	84.ED-03-C0-0048	297,464
Pass through to IRE	84.ED-03-C0-0048	79,492
Pass through to UNC Greensboro (Serve)	84.ED-03-C0-0048	158,740
Pass through to NWREL	84.ED-03-C0-0048	212,580
Pass through to the Regents of the University of California (CRESST)	84.ED-03-C0-0048	319,217
Pass through to WGBH, Education Foundation	84.ED-03-C0-0048	13,629
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 14,293,019

See accompanying notes to schedule of expenditures of federal awards.

EXPENDITURES OF FEDERAL AWARDS

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Southwest Educational Development Corporation (Corporation). The majority of federal financial assistance is from the U.S. Department of Education. The Corporation's organizational structure is defined in note 1 to the financial statements.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting where grant revenues are recognized as expenditures are incurred.

(3) Relationship to Financial Statements

Federal financial assistance revenues along with state financial assistance revenues are reported in the Corporation's financial statements for the year ended November 30, 2004, as research and development contracts earned.

(4) Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule may not agree with the amounts reported in the related federal financial reports filed with the grantor agencies due to timing differences.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Southwest Educational Development Corporation:

We have audited the financial statements of Southwest Educational Development Corporation (Corporation) as of and for the year ended November 30, 2004, and have issued our report thereon dated January 21, 2005. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be

detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, the United States Department of Education, and other entities who passed through federal funding to the Corporation, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 21, 2005

RELATIONSHIPS. RESEARCH. RESULTS.

Editor: Debbie Ritenour

Writers: JJ Baskin

Darryl Ewing

John Hanley

Joyce Pollard

Copy Editor: Nancy Richey

Designer: Shaila Abdullah

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SEDL executives and staff appreciate the efforts and time of the officers and members of the 2004 Board of Directors in guiding SEDL's research, development, and dissemination agendas. We give special thanks to the members of the 2004 executive committee for their advice and counsel: Rosa María Vida, chairman; Jo Pettigrew, vice chairman; Nancy Eddy, secretary; Mary Abeita, treasurer; and Tony Recasner, immediate past chairman.

This publication complements and draws upon work performed by the Southwest Educational Development Laboratory under a variety of funding sources, including the U.S. Department of Education and the U.S. government. It is not supported with direct program funds related to any SEDL programs or projects and does not necessarily reflect the views of the U.S. government or any other source.

The financial support that SEDL receives from client organizations, governmental contracts, and philanthropic donations helps ensure that SEDL's mission and programs will continue to improve education. The Southwest Educational Development Laboratory is a 501(c)(3) organization, IRS Tax ID 74-1545911. All donations are tax-deductible as allowed by law. Donations made through check or money order can be mailed to Southwest Educational Development Laboratory (SEDL), Office of Institutional Development, 211 E. 7th St., Suite 200, Austin, TX 78701-3253.

