MEMORANDUM

DATE: January 27, 2015
TO: TechMIS Subscribers
FROM: Charles Blaschke and Suzanne Thouvenelle
SUBJ: Proposed ESEA Reauthorization Bill; Secretary Duncan’s Response; New E-Rate Funding/Rules; Education Predictions 2015-16; CEP Report on Extended Learning Time; and State Funding Report

The first TechMIS Special Report provides highlights from HELP Chairman Lamar Alexander’s almost 400-page draft ESEA reauthorization proposal, which includes some previously-proposed changes (i.e., 2011 and 2013), as well as new ones, particularly those with implications for TechMIS subscribers. These include a significant “overturn” of scientifically-based research evidence requirements, which have been supported by the Obama/Duncan Administration, new flexibilities on supplement-not-supplant requirements allowing, for example, all RTI-level approaches to be used in any Title I school, alternative state assessment flexibilities, allowing states to continue using state waiver provisions where they are not in conflict with new ESEA provisions, among others. Compared to current USED policies, most proposed changes/provisions are positive for for-profit organizations.

The second Special Report highlights the “lines in the sand” and current priority requirements which Secretary Duncan will likely fight to have integrated into ESEA, ranging from continuation of current annual state assessments, using student achievement scores as one of several measures for evaluating teachers, applying “rigorous” school improvement interventions to lowest-performing schools, and continued use of competitive grants for the Secretary’s priority flagship projects (e.g., Race to the Top, among others). If the House and Senate pass a compromise bill and reach agreement with the President who signs the bill, then the Administration has to publish regulations which could reflect the current Administration’s final interpretations, perhaps before a new administration comes aboard in 2017.

As we have discussed with some TechMIS subscribers during the SIIA December 9th conference and subsequently over the holiday period, we are jointly preparing an analysis and implications for TechMIS subscribers of the December 19th OMB Uniform Code “interim final regulations”
Washington Update headlines include the following:

- **Page 1**
  FCC Approves $1.5 Billion Increase in E-Rate Cap to $3.9 Billion With Likely Positive Implications, But Some Questions Still Remain

- **Page 2**
  New Center on Education Policy (CEP) Report Identifies Significant Barriers and Challenges Confronting Districts/Schools in Implementing Extended Learning Time (ELT), Which Questions its Viability and Market Potential, Especially Since Effects on Student Performance Vary

- **Page 4**
  New Education Commission of the States (ECS) Report Identifies Growing Trends of States Requiring Teacher Candidates Pass a Specific Reading Instruction Assessment Prior to Licensure

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- **Page 6**
  The Alexander ESEA Reauthorization Bill Would Eliminate the 21st CCLC After-School Program as a Separate Funding Stream (Slightly Over $1 Billion) Merging into Two Block Grants which Districts Could Use to Fund Most Current Before and After-School Activities Allowed Under 21st CCLC

- **Page 6**
  Education Predictions and Implications Over the Next Two Years

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  A number of miscellaneous items are also addressed including:
a) A recent survey from the Center on Budget and Policy Priorities found that although most states are providing more funding in the new school year than they did a year ago, the “funding has generally not increased enough to make up for cuts in past years.”

b) Field test data released by the Smarter Balanced (SB) consortia shows special education students with IEPs scored significantly lower than “all students” in the field test, which was not unexpected.

c) As reported in Inside Higher Ed, enrollment in online education has shown “no discernible growth” between the fall of 2012 and 2013.

d) Under the waiver renewal process, four states (Kentucky, North Carolina, New Mexico, and Virginia) have accepted USED’s offer to apply for expedited review for renewal of their waivers.

As always, if anyone has questions, please contact Charles Blaschke directly. For those TechMIS subscribers attending the National Title I conference on February 5-7 and would like to meet with Charles Blaschke, please contact him directly at 703-362-4689.
Special Report:
Early Introduction of the Most Recent ESEA Reauthorization Bill by Senate Committee Chairman Lamar Alexander Includes Key Provisions from Alexander’s Earlier Sponsored Bills as Well as New Ones, But Leaves Some Room for Compromises

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As key GOP education policy playmaker and now Senate HELP Committee Chairman, Alexander will likely submit his proposed ESEA reauthorization bill (see Update below) reflecting his priorities in previous bills over the last four years with some changes that leave room for critical compromises for a “full” ESEA reauthorization or series of “fix-it” amendments.

In previous ESEA Reauthorization bills, Alexander has been steadfast in his “battle” for reducing Federal intrusion into state responsibilities, supporting numerous major block grant proposals, doing away with many Obama/Duncan priority competitive grant programs, and returning to heavier reliance on formula programs such as Title I, but with some changes (e.g., “portability” in which Title I funds follow the child); he continues to embrace parental choice and expand charter schools, while remaining rather silent in support of non-public school vouchers.

However, as Education Week’s Politics K-12 blog (December 15th) reported the expected bill, “There would be one major change: an end to the Federal mandate for annual testing.” Instead, the bill would leave decisions about testing schedules up to states. Some states would likely stick with “annual assessments while others would try out grade span testing and still others would mix and match.” Reducing the amount of testing has increasingly become a political concern in democratic circles reflected by numerous bills introduced in Congress over the last year and pressures from Democratic Governors and other quarters, associations such as the CCSSO, and states such as New Hampshire, which have supported proposals to use alternatives to existing state summative assessments such as mastery or competency testing. During the Bush Administration, such proposals for the use of alternative tests, such as “out-of-level testing” proposed by Oregon, were denied ten years ago under NCLB because they “contaminated” results for state-by-state accountability reporting. Since the Administration proposed using student test scores as part of teacher evaluations, the NEA and AFT, organizations that represent teachers, have heightened objections to the use of standardized tests.
As *Politics K-12* notes, if the Obama/Duncan Administration wants to have its fingerprints on the new ESEA reauthorization, it must compromise its current stand supporting annual state testing. As Secretary Duncan recently said, such testing requirements are among his “lines in the sand” (see Washington Update on Secretary Duncan’s January 12th speech related item). In reality, by extending the time when states will have to require the use of student test scores as part of teacher evaluations, the Administration has already recognized the need for and followed through on a compromised position. It is worth noting that during confirmation hearings early in 2009, then Senator Lamar Alexander referred to then Superintendent Arnie Duncan as the “best of the Administration’s nominees for cabinet positions,” and his professional relationship and mutual respect appears to have continued with some exceptions.

Melding some of the common sense and generally supported provisions/requirements under the NCLB state waivers into a full ESEA reauthorization or series of fix-it amendments would also require compromises on some of the most likely additional provisions in Alexander’s previous proposals for reauthorizations noted below.

As *Politics K-12* has reported when comparing the Democratic versus the GOP/Alexander bills for ESEA reauthorization, the degree of Federal intrusion in determining state accountability systems is a key consideration. The Alexander bill would rely on state reporting of results as the “main lever for school improvement,” rather than focusing most resources as the waivers have done on the 15 percent of schools in greatest need. Also, Title II funds would be used to develop teacher evaluation systems, which could take into account student outcomes, but only if the states used that prerogative.

**UPDATE 1/20/15**

On January 12th, a summary draft ESEA reauthorization bill, which was followed shortly thereafter by the introduction of the full 380-page draft, was made available ostensibly to allow HELP Committee Chairman Lamar Alexander, to point to new directions for ESEA; it also outlined serious talking points for debates in committee and subsequently “fodder” for “floor” amendments. Some of the major proposed provisions not included in previous ESEA reauthorization bills (e.g., 2013 and 2011) supported by Chairman Alexander, which could have major implications, if passed, for TechMIS subscribers are noted below.

**Supplement-Not-Supplant**

At a general level, long-standing ESEA Title I supplement-not-supplant provisions remain; however, some of the requirements previously placed upon non-schoolwide programs have been removed. For example, the language emphasizes that the way supplement-not-supplant is determined would only require that the methodology “ensures that such school receives all of the state and local funds it would otherwise receive if it were not receiving assistance under this part.” The Secretary of Education could not require any specific way used by districts to determine whether supplement-not-supplant violations have occurred and otherwise pretty much “ties his or her hand.” Essentially, the new supplement-not-supplant provision would treat any Title I school (including targeted schools) like schoolwide programs are treated. As David
DeSchryver, veteran ESEA policy observer and critic of current supplement-not-supplant provisions, states, “A district need only to show that the methodology of getting state and local funds to its schools is clear and transparent enough to ensure that Title I funds are not used to supplant state and local dollars. Under that test, it does not matter if an innovative digital learning program benefits Title I eligible students and all other students in the district. It does not matter that the service can both address core instruction and remediation. These factors are not relevant to the funding formula compliance test, and this opens up the market and makes innovative school leadership much easier to realize.” For example, as we have reported over the last three years, pressures were growing to use Level 1(core instruction) RTI approaches in Title I schoolwide programs; now all RTI approaches would be allowed for use in any Title I school under the new bill.

As we have noted in numerous reports over the last four years, more and more flexibility has been provided to schoolwide programs regarding supplement-not-supplant provisions. September 2, 2009, ARRA regulations continue to allow districts “identified for improvement” greater flexibility in using Title I funds not only to provide training for teachers in Title I schools, but also other teachers in non-Title I schools in areas related to the reason why the district was identified for improvement. For example, innovative tutoring approaches in Title I programs could also be used in non-Title I schools if they were purchased with non-Title I funds. This would allow all districts much more flexibility to do so. Another provision would allow the district to designate any school a Title I schoolwide program regardless of whether the school has 40 percent or more poverty enrollment. The bottom line is the proposed revised supplement-not-supplant provision provides much greater flexibility for firms with effective programs to sell them not only to Title I, but also non-Title I schools without having to worry about supplement-not-supplant provisions. However, as with current supplement-not-supplant provisions, some SEAs still would appear to have a great say so in whether or not they would continue to support a more strict interpretation of supplement-not-supplant provisions in Title I schools for fear of state audited exceptions.

In a related area, as Chairman Alexander has proposed in previous bills, “maintenance of effort” provisions would be eliminated, which in certain areas (e.g., special education funding), might be opposed by certain groups in districts; at a general level most education groups could generally oppose the elimination for fear that the door would be open for SEAs and district officials to reduce state and district funding if Federal funding for programs increases.

As Education Week’s Politics K-12 blog notes, the proposed provisions would allow districts to transfer more funds from one program to another. For example, 100 percent compared to 50 percent under state waivers could be transferred between Title II and Title IV grants (e.g., 21st CCLC after-school program) related to safe and healthy students. As Politics K-12 notes, this “would essentially become a big block grant targeting school climate, violence prevention, and mental health.”

**School Improvement Interventions**
School Improvement Grants established under previous legislation would no longer exist;
however, the amount of funding which could be used for school improvement would remain about the same; eight percent of a state’s Title I allocation could be set aside for such purposes (now 4% is set aside). About $500 million is under the SEA 4% set-aside, which under state NCLB flexibility waivers could be used for Priority, Focus, and now so-called Tier 3 SIG schools (see December 2014 TechMIS report). As Politics K-12 notes, “States and districts wouldn’t be required to try out bold actions to fix schools that aren’t making any progress.” States “would be allowed to come up with interventions and have districts carry them out as long as that’s in line with state law.” On the other hand, states would still have to identify low-performing schools, but would be allowed greater flexibility in deciding how to do so and how many to identify. It should be noted that in a previous proposal, Chairman Alexander increased the 4% set-aside to 8% to create a separate funding “stream” which would have allowed supplemental educational services (SES) to have been funded; however, under the current proposal, there is no requirement for SES to be provided. Under state ESEA flexibility waivers, few districts have continued to provide SES.

Evidence-Based Products/Approaches

In a complete 180 degree turn, the newly-proposed Alexander bill would require USED to present research proving that an approach proposed (e.g., in the Title I state plan or in turn by the local districts plan sent to the state) does not work rather than placing the onus upon the district to justify an approach using high-quality research-based evidence that the approach does work. As Sarah Sparks, Inside School Research blogger on Education Week (January 14th) wrote, “…if the Federal Education Department wants to reject a state’s coordinated accountability plan or waiver request, for example, it must provide ‘a body of substantial high-quality education research that clearly demonstrates that the state’s plan does not meet requirements of [the law] and is likely to be ineffective or is inappropriate for the intended purpose.’…..Moreover, the draft bill would require a state to use the same ‘substantial high-quality recent education research’ justification to deny local school districts’ improvement plans.” Unlike the 2002 NCLB law, which mentions research-based scientifically-based research more than 100 times, the Alexander bill “mentions research less than two dozen times and uses a broader ‘scientifically-valid’ definition of research, which includes applied research, basic research, field-initiated research in which the rationale, design, and interpretation are soundly developed…or simply asks for evidence in programs and plans.”

One direct implication is that USED would appear to become a primary user of the What Works Clearinghouse; a more appropriate name might be “What Doesn’t Work Clearinghouse.” Second, many thought the Congress reauthorization of the Institutes for Education Sciences (IES), which adheres to more strict interpretation of current law, would be passed by Congress and signed by the President during the “lame duck” session in December. This new IES legislation could be overturned by the Alexander bill, and if that happens, there are major implications for firms selling products, services and approaches to schools. For example, if a firm hired a third party to evaluate its product which was found to be effective, but the design was “flawed,” according to WWC; USED could cite the WWC “report” to justify not approving the district use of the approach, even though the evaluation design, not the instructional approach did not meet WWC “rigorous standards.” The “approach” might have been effective.
On the positive side, under the Alexander bill, LEAs could use their own criteria of “evidence” in selecting and purchasing products and services, unless SEAs or USED can “prove” with research justification that such products and approaches are not effective.

In its January 16th blog, *Marketplace K-12* blog identified issues affecting the outlook for the ed tech industry in 2015. Districts want proof that a product works, “which often means conducting pilots or research that provides meaningful measurement of learning outcomes.” If this is true for district purchases using state and local funds, the proposed ESEA bill could make purchase requirements significantly less stringent if districts use Federal funds for such purchases.

Numerous observers’ analyses of the proposed Alexander bill have described a number of Federal limits in the bill — Federal oversight, Secretary’s discretion authority, and Federal authority over Title I and other programs; several could have direct implications for some TechMIS subscribers:

- As Anne Hyslop, Bellwether Education Partners noted, “States only have to notify the Secretary of Education if it changes its standards, tests, or accountability systems in its state consolidated plan” — and peer reviewers have to have worked with SEAs and LEAs in the last five years and have 45 days to determine whether plans should be approved.
- While states have been required to demonstrate that they have adopted challenging standards, rigorous criteria, etc., now states only have to provide “assurances.” Hyslop notes that the Secretary would not have authority over state standards.
- Hyslop also reported, “Districts may develop their own testing systems instead of statewide systems…local systems can be approved by their State Education Agency as meeting all Federal requirements for use, quality, validity, and reliability.” Districts or schools are no longer required to submit results of a comprehensive needs assessment, which is part of the process for identifying interventions for Title I schoolwide programs; moreover, USED cannot specify, refine, or prescribe school improvement strategies for state or local agencies in Title I schools, which are identified for improvement.

While the Alexander bill proposes a long list of changes, several critical implications will become more clear after the debates in the Senate, House, and conference committees, and if the President signs the bill after the rulemaking process (about 12 to 18 months). In general the most likely changes will include:

- Less testing, and with a variety of methods, resulting in with greater flexibilities allowed and delegated to states and districts; USED accountability pressures on districts will be less with most sanctions no longer required; and state accountability systems will vary more, requiring only state notifications to the Secretary;
- At a general level, a dual system for most formula programs, such as Title I, will exist, which will allow states that wish to maintain certain state waiver provisions to continue doing so, as long as the waivers provision do not conflict with the new law;
- A significant drop in competitive grant program funds (e.g., Race to the Top, School Improvement Grants, among others) with freed-up money allocated to formula programs
such as Title I and IDEA; greater funding per-pupil will be allocated to all districts with increased flexibility (e.g., supplement-not-supplant) allowed in most states.

As Politics K-12 concluded, “And states would have to consider the performance of student subgroups, like students in special education and English language learners, and use a four-year graduation rate. There don’t seem to be major requirements beyond that.”
In a January 12th speech, Secretary Duncan outlined his priorities for ESEA reauthorization, generally following the three principles of strengthening teacher evaluations, turning around low-performing schools, and retaining NCLB annual testing at a general level. Comments and documents from USED spokesmen before and after the speech provided additional information suggesting those priorities on which the Obama Administration will likely “draw lines in the sand” and those which to varying extents could be negotiable.

The speech referred to President Lyndon Johnson’s congressional speech 50 years ago calling for “equal education opportunities” which subsequently were reflected in the initial ESEA. During the first three or four years of the Obama Administration, its policies reflected an increased emphasis not only on “equal education opportunity,” but also “equity in terms of results” (student test scores used in teacher evaluations and other accountability measures). While the Administration was apparently serious in its proposed reauthorization in 2010-11, reflected in its “Blueprint,” ESEA reauthorization, which received a much lower priority until now, especially when the Administration took advantage of the Secretary’s “discretionary authority.” This culminated in the NCLB state flexibility waivers which allowed the Secretary much more discretion in using ARRA stimulus funds (separate from ESEA appropriations) and more authority to implement its priorities than it would have had under an ESEA reauthorization. However, as Education Week’s Politics K-12 blog (January 12th) stated, Primarily, the speech is a sign that the Administration which initially pushed hard for reauthorization and then became somewhat aloof to Congressional efforts to renew the law is taking this latest attempt at reauthorization seriously.” Moreover, the article quotes a senior official who stressed USED is ready to collaborate “We’re going to be open to a lot of new ideas that come forth from Congress on a bipartisan basis.”

In his speech, the Secretary reiterated the Administration’s priority that “all students need to take annual statewide assessments that are aligned to their teacher’s classroom instruction in reading...
and math, grades three through eight, and once in high school… I am absolutely convinced that we need to know how much progress students are making, but we also must do more to ensure that the tests -- and time spent in preparation for them -- don’t take excessive time away from actual classroom instruction. Great teaching, and not test prep, is always what best engages students and what leads to higher achievement…and that’s why we will work with Congress to urge states and districts to review and streamline the tests they are given and eliminate redundant unnecessary tests and provide support for them to do exactly that…We’ll urge Congress to have states set limits on the amount of time spent on state and districtwide standardized testing and notify parents if they exceed those limits.”

As we suggested in the analysis of the CCSSO key ESEA reauthorization priorities, Politics K-12 (January 9th) also predicts, “And the Secretary wants to ensure that states and districts aren’t going overboard with a lot of unnecessary or redundant tests, something he’s signaled before by applauding efforts by the Council of Chief State School Officers and the Council of Great City Schools to help their members take a hard look at their assessment systems and weed out unnecessary or low-quality tests.” In light of Chairman Lamar Alexander’s proposed reauthorization bill to reduce annual assessments and directly-related burdens, testing flexibilities will likely become a major focus of the planned January 20th Senate HELP Committee hearings on ESEA annual testing requirements.

Early on in his speech, Secretary Duncan emphasized what could be construed as a new priority which could have some implications for TechMIS subscribers as he stated, “I believe that all students must be held to high expectations for learning, no matter their zip code, race, or ethnicity, and whether they are still learning English…We should support leaders in the field to build on evidence and evaluate those efforts so that educators and policymakers can learn about what works and stop doing what doesn’t work. We should support innovations in promising areas that increase equity -- from building upon students’ hugely important social and emotional skills to effective parent engagement to expanding social economic integration of schools that benefits all of our children. I believe that every single child deserves fair access to resources of her school and her district -- and access to excellent teachers and principals.” A follow-up USED press release expands further on the Secretary’s intent, “Duncan called for Congress to ensure that funds are distributed among all schools so that all students, regardless of zip code, have access to excellent teaching and resources like technology, instructional materials, and safe facilities.” We agree with some observers that suggest USED envisions greater priority being placed upon the development of open “education resources” delivered online and through other modes of distance learning, and placing an even higher priority on initiatives under the ConnectEd initiative announced more than a year ago using the new flexibilities and funding allocated to Priority 2 wifi and related components under the E-Rate Modernization initiative (see related item). One can also infer from his speech that a higher priority will be placed upon requiring that districts use Federal education program funding to purchase products, services, and related approaches that have demonstrated stronger evidence of their effectiveness, not only in competitive grants, but also formula programs which the Administration suggested more than a year ago needed to be done (see TechMIS Washington Update August 2014).
As expected, the Administration proposes to place a higher priority on funding for preschool programs, as initially proposed in the 2010 Blueprint. As Ed Central notes, the Blueprint called for an increased use of Title I funding to support preschool programs. While this has occurred in a number of districts, the large majority of districts have been hesitant to do so for a number of reasons, including the lack of mandated state assessment in this area and higher priority being placed on math and reading grades three through eight and in high school. As Ed Central also notes, the Administration might be hoping to make new Preschool Development Grant program part of ESEA; however, the GOP leadership in Congress may oppose increased Federal funding in this area, noting state funding increases which have occurred due to governor priorities in an increasing number of states.

As expected, the Secretary reiterated the need for ESEA reauthorization to include the Administration’s priority placed on teacher and principal evaluation and support systems which takes into account, among other measures, student achievement. As he stated, “I believe that all teachers deserve fair, genuinely helpful systems for evaluations and professional growth that identify excellence and take into account student learning growth.” USED’s follow-up press release suggests measures in addition to student learning should be used “…like classroom observations by peers and school leaders, additional professional growth opportunities, parent and student feedback, commitment to the school community, and professionalism.” And, he called for a modernization of the teaching profession by amending the law to include “improved preparation, support, and resources and pay, while also recognizing the work of teachers and leaders in leading dramatic transformational change.” State and district use of these various alternative measures could provide opportunities for firms with specific products and tools that could be used to implement the use of such alternative measures in a cost effective, but equitable manner.

While some of the immediate coverage of the speech and conference calls with reporters indicate that the Administration wants its current priority to turn around low-performing schools included in ESEA, neither the speech or some of the follow-up USED interpretations and summaries specifically address the use of rigorous interventions to be used in the turnaround process, such as under the School Improvement Grants. Education Week noted many large-scale flagship competitive grant programs such as Race to the Top and i3 are “toast;” this may explain part of the reason, or another reason could be the exclusion of funding for School Improvement Grants under previous GOP ESEA reauthorization proposals. However, one can legitimately ask if the Administration continues to push student assessments and evaluations as a means to identify individual student needs, if there is little or no priority placed on subsequent interventions, what is the justification for assessments?

Also included in the Secretary’s speech are references to the President’s 2016 proposed budget, which calls for an increase of $2.7 billion in education funding, of which $1 billion would be allocated to Title I, a large portion of the remainder to efforts to provide professional development support to teachers and principals and to implement statewide assessments. Such a proposal will most likely be “dead on arrival” with the GOP-controlled Congress and Senate. On the other hand, as Education Week notes, such proposals for increased funding could be a
rallying point among Democrats who otherwise might join forces with GOP ESEA reauthorization proposals.

The Obama Administration would likely support the CCSSO position on annual assessments, but object to the teacher evaluation allowances and probably would go along with the interventions selected by the SEAs to improve performance in lowest-achieving schools. And, as Petrelli said about the chiefs’ positions that they could “even form the basis of a final agreement on ESEA reauthorization down the line.”

The first set of hearings on a key provision annual testing is scheduled in the Senate on January 20th-21st, 2015.
FCC Approves $1.5 Billion Increase in E-Rate Cap to $3.9 Billion With Likely Positive Implications, But Some Questions Still Remain

At its December 11th meeting, the FCC approved by a vote of 3 to 2 a $1.5 billion increase in the E-Rate program cap to $3.9 billion, which was strongly supported by most education groups and many technology vendors, particularly those with wifi, and related devices product lines and services. This increase, which was “discussed” earlier last year, was formerly proposed after the earlier July 11th vote to support the E-Rate Modernization Initiative. Under that initiative, the FCC was to free-up about $5 billion of reserves, appeals, and other prior funding commitments that were “on hold” in order to provide necessary funding for Priority 2 internal connections, including wifi and related devices targeted to implement, among other priorities, the President’s ConnectEd initiative. This initiative supported rapid expansion of the use of digital devices, etc. to support efforts such as one-to-one computing and other individual student instructional programs. Very few of the E-Rate funds were available over the last two years for funding such Priority 2 services after meeting the districts’ request for Priority 1 services, which in itself were two to three times the amount of the $2.5 billion annual E-Rate allocation.

As reported in Education Week (January 6th), FCC Commissioner Pai, who voted against the $1.5 billion increase, argued that it would redirect E-Rate funding to meet internal wifi needs at the expense of providing increased connections to the web, a major barrier affecting many rural and small districts. In an interview with Education Week, Patrick R. Halley, Associate Chief FCC Wireline Competition Bureau who led the E-Rate Modernization effort passed last July, reportedly responded that, “Schools request for aid for internal wireless network related equipment should be paid for with E-Rate money that was already allocated prior to the December spending cap increase…Phasing out support for ‘legacy technologies’ such as phone lines, pagers, and email service should free-up $3.5 billion over the next five years, and the commission has already ordered that $2 billion in existing reserves go to support internal wifi projects.”

When the E-Rate Modernization proposal was made almost two years ago by FCC Commissioner Wheeler, we estimated that approximately $1.5 to $2 billion in E-Rate appeals that were “on hold” would be “freed-up” and provided to districts as the appeals were found to be meritorious and funds were allocated to districts. In turn, these E-Rate refunds could be used by districts for any purpose, including purchasing non-E-Rate eligible items (such as professional development and instructional materials and digital and other wifi devices). Shortly after this announcement occurred, we identified a number of districts in late 2013 and in early 2014 that received funding commitments which were made. For example, Dallas
Independent School Districts had eight appeals going back to 2005, that were found to be meritorious and Dallas was allocated approximately $120 million over a nine month period (i.e., between December 2013 and mid-July 2014), which were used to support technology-related professional development and other non-eligible E-Rate services. However, after the July E-Rate Modernization initiative was passed and proposals began to be seriously discussed regarding an increase in the E-Rate funding cap, it would appear that the effort to free-up appeals and other commitments, including reserves, declined. One implication is that the amount of funds, which we estimated to be $1.5 to $2 billion for appeals on hold became under less pressure to be considered. Even though E-Rate official Patrick Halley, as noted above, that the FCC has already ordered $2 billion in existing reserves to support wifi projects, it is not clear whether such funds have actually been committed and whether pressures will once again be made on the FCC to increase its efforts to take into account previous appeals and commitments on hold into consideration in the next few months.

As far as the $1.5 billion increase, some of it is expected to be allocated beginning this summer to district and library applicants; however, as the Education Week article notes, many of the changes in the E-Rate Modernization initiative passed in July, 2014 and some in the December 11th rule will not take effect until 2016. Seasoned observers of the 18-year-old E-Rate program generally agree that the impact of the FCC funding and related decisions will depend on implementation when and how that occurs.

In its case study of 17 schools in 11 districts in four geographically dispersed states CEP, which has conducted the most objective studies of extended learning time (ELT) implementation, has identified a number of practical barriers and challenges facing districts. In spite of more initial funds and funding flexibilities, district/school leaders question the benefits of ELT approaches. TechMIS providers of products and approaches designed to help districts implement ELT should seriously reconsider the viability and sustainability of this particular market niche.

Over the last five years the CEP has analyzed and found ELT, as implemented under School Improvement Grants and NCLB state waivers flexibility, that state and local education officials have widely-different perceived value based on their experiences (See July 31, 2012 TechMIS Washington Update). This series of 17 case studies conducted between October 2013 and March 2014 involved onsite interviews, documentation reviews, and other sources of data. The case study schools were located in districts, which received SIG funding, or in waiver states, which were provided opportunities for LEAs to redirect funds from 21st Community Learning Center grants and Title I set-asides for SES (20%) and professional development (10%) to ELT initiatives. At a general level, the CEP findings question once again the value of
ELT perceived by districts, which in turn should be taken into account by firms targeting the ELT initiatives in schools with products/services designed to implement ELT.

A major CEP finding was, “Case study schools are meeting the Federal requirements to expand learning time, but ELT is costly and the short-term nature of Federal grants is causing difficulties for some schools.” As CEP notes, nearly all case studies interviewees felt sustaining ELT when grants ended was a major concern. Contributing to increased cost were such factors as coordination of multiple programs and reform initiatives, staff challenges, teacher and student fatigue, and transportation. Sustaining such programs was particularly difficult where the only funding source was SIG funding or flexibilities under state waivers to use Title I set-asides for ELT. In other cases, problems arose when the schools attempted to combine state and Federal funding.

Related to the practical cost considerations, CEP also reports, “Few case study districts and schools were taking advantage of the flexibility afforded by waivers to redirect certain Federal funding streams to ELT.” Moreover, as CEP observes, “Local leaders often noted that this option [transferring 21st Century Community Learning Center funds to ELT] could cost more than the traditional use of 21st CCLC grants to provide learning opportunities for targeted students outside of the regular school day.” As a sidebar, the most current Chairman Alexander ESEA reauthorization bill would no longer fund the 21st CCLC as a separate funding stream, but rather include it as part of two block grants which would allow its funds to be used generally at the state’s or district’s discretion (See related Washington Update).

The CEP report identifies different ways in which districts are expanding learning time, ranging from reducing non-instructional time within the day, to adding days to the school year, to extending other opportunities during school and the summer. Because of concerns over sustainability, some of the case study schools used virtually all of their ELT funds for increasing time for teacher collaboration and professional development, which was used as a “capital investment” to improve students’ performance over time. Some employed providers to deliver enrichment or academic services, as the ELT might have to be discontinued after initial grants were completed.

Regarding the effects of ELT on student outcomes, CEP notes there was “evidence of improved student outcomes in some, but not all of the case study schools; however, several schools were in the early stages of ELT implementation at the time of the study.” Another interesting finding was varying levels of involvement and district support existed for ELT initiatives; and that “school leaders participating in these case studies often emphasize that improving the quality of instruction in low-performing schools was just as important as increasing the quantity of instructional time.”

It should be noted that the state flexibility waiver guidance for state renewals by the end of this school year continues to allow the option to use 21st CCLC funding for ELT. However, CEP reports that of the 17 case study schools that were included, only two took advantage of the option by incorporating ELT into a regular school day using 21st CCLC funds.
In closing, CEP notes several positive impacts reported by interviewees. Several districts and schools felt that “ELT has led to improved student academic performance and persistence,” even though they caution such positive impacts cannot be “directly related to expanded learning time.” Other interviewees felt providing teachers with more time to plan, collaborate, and participate in professional development have led to improvements in the quality of instruction and has ultimately made their schools more successful.” And, “One of the main accomplishments of ELT was to change how schools leveraged and used time and resources according to case study interviewees.” And last, CEP noted that most interviewees felt ELT can be an effective component of a school improvement strategy, especially for students who “needed extra time or targeted instruction.” However, “a few state, district, and school officials noted that other strategies may be more effective than ELT in improving student achievement.”


New Education Commission of the States (ECS) Report Identifies Growing Trends of States Requiring Teacher Candidates Pass a Specific Reading Instruction Assessment Prior to Licensure

According to its January report, “Trends in Teacher Certification,” ECS has identified 14 states that require (or will shortly) that new teacher candidates actually demonstrate knowledge of the science of reading instruction using a standalone assessment to be provided prior to possible licensure. The assessments focus on the science of teaching, primarily for early childhood and elementary teacher candidates.

The Praxis Teaching Reading test will shortly be used in Alabama, Tennessee, and West Virginia for early childhood, early elementary/middle, and in Tennessee also for secondary education and special education. The Foundations of Reading test will be used in Connecticut, Massachusetts, New Hampshire, North Carolina, and Wisconsin for early childhood and elementary teacher candidates, and in Connecticut, North Carolina, and Wisconsin for special education teacher candidates.

According to ECS, state-developed or unspecified testing and reading instructions are also used in California, Mississippi, New Mexico, Ohio, Oklahoma, Virginia. For example, in California, the Reading Instruction Competence Assessments (RICA) is required which would allow a candidate to teach all subjects in a self-contained classroom. Beginning in July 2017, Ohio requires all teachers pre-K through 9 to pass a “rigorous examination of principles of scientifically-based reading instruction.” Currently, Praxis reading is required for teachers of third-grade students. Virginia and New Hampshire have adopted standalone reading instruction assessments.

As ECS notes, 14 states require the above as part of an initial teacher licensure specifically by state law or policy and are focused on the science of teaching reading. For additional information about individual state laws and policies, go to www.ecs.org

The ninth annual edition report “A Growing Movement: America’s Largest Charter School Communities,” by the National Alliance for Public Charter Schools, includes useful information on growth trends in the public charter school market which should help TechMIS subscribers interested in developing market strategies. With the expected expanded growth of the charter school “movement,” including funding support, at the Federal and state level resulting from the midterm elections (see last TechMIS report), the report identifies the largest and fastest growing charter school communities, which have contributed to the increase of student enrollment by 70 percent in 42 states to a current level of approximately 2.7 million students, which is approximately five percent of total public school enrollment.

The Alliance report can be useful in developing a strategy that targets geographical locations/districts including the following:

- among the ten districts with the largest enrollments are Los Angeles (121,000), New York City (58,000), Philadelphia (55,000), and Detroit (51,000);
- among the 50 districts with the highest number of charter school students nationwide, 24 districts experienced ten percent or greater growth over the last year;
- among the ten districts with the highest enrollment growth over the last year were: Clark County (36%), Palm Beach County (34%), Duvall County (31%), and Mesa (31%);
- among the ten districts with the highest percentage of students enrolled, New Orleans had the largest share (91%), followed by Detroit (55%), District of Columbia (44%), and Flint City (44%).

The report also cites the 2014 Phi Delta Kappa/Gallup poll which found that 70 percent of the public favored charter schools and notes that one million student names are on waitlists nationwide to attend charter schools, which are likely to rise.

In computing the charter school enrollments in the district, the Alliance used residential data on each charter school student to assign them to a traditional public school district (i.e., in Delaware, Michigan, and Ohio); however, as it notes, for the remaining states (40), it is assumed that the students live within the boundary of the traditional school district in which their charter school is located.” The district is “obligated” to provide its average Title I per-pupil allocation to the charter school for those Title I eligible students enrolling in charter schools. As we reported in the last TechMIS report, Title I funds would “follow the child,” as proposed by the new HELP Committee Chairman Lamar Alexander. Parent choice vouchers would be allocated directly to parents, which could increase funding for charter schools. Also, as the report notes, “More than 50 percent of charter schools nationwide are their own independent LEA rather than being part of traditional public school district LEAs.” In these cases, Title I funds are supposed to be allocated by the SEA directly to charter schools which have enough Title I eligible students to be eligible for receiving Title I funds. In both cases, as a result of the
midterm elections at both the Federal and state level, more Title I funds are likely to be actually provided.


**The Alexander ESEA Reauthorization Bill Would Eliminate the 21st CCLC After-School Program as a Separate Funding Stream (Slightly Over $1 Billion) Merging the Funds into Two Block Grants**

The Afterschool Alliance identified activities for which districts could use the two proposed block grants under the Safe and Healthy Student block grant, which would encompass virtually all ESEA Title IV programs, including 21st CCLC; LEAs could fund a variety of enrichment, academic, and support activities.

- The block grant would flow by formula from USED to SEAs and then by formula to LEAs rather than being based on LEA grant competitions and all activities would have to contribute to improve student safety, health, well-being, and academic achievement during and after the school day.
- Funding would be targeted to low-income schools serving low-income students and could allow non-profit community-based organizations to provide input and assist in implementing programs, which could be used for before and after-school or during summer recess periods.
- The proposed block grant would be authorized at $1.6 billion.

Under the Title II Improving Student Academic Achievement block grant, funds would also flow by formula from USED to SEAs and then by formula to LEAs.
- LEA applications would be based on a needs assessment and allowable uses would include both providing programs and support, extended learning opportunities, before and after-school programs, summer school programs, and programs that extend the school day, school week, or school year calendar.
- Other allowable uses include AP programs, increasing access to libraries, English language learner programs, professional development for teachers and principals, and instructional technology.
- Authorization level for the Title II block grant is $3 billion.

In addition, the Alexander bill would allow 100 percent transferability between Title II and Title IV block grants and allows a combination of both titles for providing funds for allowed before and after-school activities.

**Education Predictions and Implications Over the Next Two Years**

The December Whiteboard Advisors Education Insider survey compiled policy predictions from Washington policymakers and “influencers” over the next two years on annual testing, Common Core, and ESEA reauthorization which we have highlighted below. Also included are observations and some implications for many TechMIS
subscribers.

About three-fourths of Washington insiders feel that NCLB/waiver requirements for annual testing will continue, but if given the flexibility, about two-thirds feel that more than ten states will “forgo” high stakes exams and that more than a third of “insiders” predict 20 or more states would do away with the requirement. In a related Washington Update item, Politics K-12 suggests a similar impact if the new ESEA reauthorization proposed by Chairman Lamar Alexander to do away with annual testing requirements is passed. One insider commented that states which have sold the public an appreciation of and a demand for growth data as a “tool to inform transparency decisions and continuous improvement will continue because it’s the right thing to do to increase student achievement.” Another stated, “Not many states will fully abandon it [annual testing], but maybe they will develop smarter accountability measures and use testing as it’s intended as a spot audit, not an executor’s decision.” As we have noted in earlier reports, the market demand for formative assessments versus summative assessments has increased significantly, more than doubling over the last year, according to SIIA, and such assessment tools and other ways of determining mastery will continue to grow as a critical and necessary part of the movement toward personalized learning as states are given more flexibility.

Over the last three months, the percentage of Washington insiders “who think 20 or more states will have standards that are at least 90 percent aligned [to Common Core] jumped from 33 percent to 56 percent. Similarly, the percentage of insiders who think 20 or more states will have standards that are at least 75 percent aligned increased from 27 percent to 81 percent,” according to the December report. Insiders’ predictions are in line with those of the AAP Pre-K Learning Group, which after the mid-term election felt that the election of the GOP takeover of governorships and legislatures would have a major impact on less than ten states’ adoption/pullout from Common Core. In its December Policy Insider, AAP cites an analysis conducted by Real Clear Education which ranks states in terms of likelihood of repealing Common Core. These states included South Carolina, Arizona, North Carolina, Missouri, Wisconsin, Maine, Georgia, and Ohio, with South Carolina ranked the most likely on a scale of five to ten. Other states pulling out of Common Core represent a modest risk and include: Tennessee, Florida, Louisiana, North Dakota, and Pennsylvania. We agree with most observers who feel that Common Core will be debated at a “granular” level, while the most important area in terms of implications for any TechMIS subscribers will be the type of assessments used, which will be the major driver of instruction. This will be after the true first-year results of student achievement will become available as the number of students not meeting proficiency will go up significantly in virtually all states. Cut scores will become an important issue, as well as an increased demand for remediation and support and in many states alternative assessments to those currently used or modified versions will be seriously considered for use.

According to the survey, slightly over half of the insiders believe “we could see ESEA reauthorization by mid-year 2016.” Some argue that Obama needs a legacy, even though the Administration has supported
waivers more strongly through use of the Secretary’s authority in the waiver process versus a desire on the part of Republicans to demonstrate, they can govern before the 2016 elections. We agree with some of the following insiders reasons:

- “Chairman Alexander and Chairman Kline will be able to reach a successful conclusion; the big question is whether the Obama Administration will deal, but Congress will pass the bill.”
- “I believe political will is building to authorize the bill, if for no other reason than frustration with Secretary Duncan’s approval/denial of waivers, but there should be a lot of red flags with Senator Alexander’s idea to devolve all authority to the states.”
- Because Alexander wants to get something done, one insider notes, “This could also be positioned as a vote to reign in Executive branch authority given the growing concern with the Administration’s use of questionable legal authority with ACA, EPA, immigration, and ESEA waivers.”

Assuming no ESEA reauthorization occurs this year, a compromise could be a series of fix-it amendments which would incorporate some of the mutually agreed-upon state waiver provisions into the amendments; in the mean time, waiver approvals will continue to be extended and more flexibility will be provided through “loosened” requirements.

Within the context of the White Board Advisor predictions it is interesting to note Secretary Duncan’s predictions for 2015, as reported by Education Week’s Politics K-12 blog (December 24th). Among these are:

- Ten million more students will have high-speed Internet access (one has to assume that he’s counting on the FCC to implement its December 11th order to increase the annual cap from $2.5 to $3.9 billion and allow more funding for Priority 2 (e.g., wifi, digital devices and other classroom technology) is implemented on schedule.
- Higher high school graduation rates with an increase above last year’s record of 80 percent which could be attributed to more flexible definitions and the individual state waiver process.

In addition, as Politics K-12 blogger Alyson Klein states, “Not on Duncan’s list? A reauthorization of the No Child Left Behind Act…That omission puts Duncan pretty much in line with the majority of education insiders surveyed by Whiteboard Advisors, a government-relations organization in Washington. On the most recent poll conducted by the group, just 40 percent of insiders expected to see NCLB renewal in 2015.”

Education predictions from other policy influencers and observers:

- As reported in Fritzwire (January 6th), Joe Packer, the Executive Director of the Committee for Education Funding and a seasoned education lobbyist over several decades, is quoted, “My prediction is that the fiscal year 2016 will be very chaotic, confusing, and confrontational for education funding and the Federal budget in general. I think there is a high probability of budget gridlock and a government shutdown in October, return of fiscal riffs. Either the Congress passes a labor-HHS-education appropriations bill that gets vetoed by
the President (because of deep cuts and unacceptable policy riders) or the labor-HHS-ED bill will get filibustered in the Senate by dems for the same reason.”

- As reported in Fritzwire (January 7th), Richard Strickland, Co-founder of the Parent Coalition for Student Privacy, points to three inter-related trends which will increase in 2015 related to students’ privacy protection: “In 2015, expect parents across the country to demand strong student data governance in their schools, comprehensive private legislation from their elected officials, and accountability from the ed tech industry.” While Strickland referred to the in Bloom demise, it was a casualty, if not instigator of this movement. She does not refer to a recent California legislation, which could be a growing example of what is expected. (President Obama just announced such a proposal on January 12th).

- Andy Smarick, Bellwether Education Partners, has predicted, “A new round of fights about Common Core and common testing will erupt when 2014-15 test scores are released.” A number of highly-respected Washington education political observers have made a similar prediction such as Andy Rotherham, former special assistant at USED and State Education Board member Virginia, said during the last SIIA Government summit last spring (see related Washington Update).

- Andy Rotherham in Ed Wonk, who admittedly has been a skeptic of many of the education technology advocate claims, pointed to another issue to watch in 2015, “To be sure, there’s still a lot of hype, but there are also some initiatives starting to show what’s possible here, particularly around personalized learning complicated questions remain, especially around data privacy, but the potential for technology to expand competency-based models and other ways of meeting students where they are and genuinely differentiating instruction should prove itself out more this year with teachers, parents, and policymakers.”

Miscellaneous (a)

A recent survey from the Center on Budget and Policy Priorities found that although most states are providing more funding in the new school year than they did a year ago, the “funding has generally not increased enough to make up for cuts in past years.” For example, in 30 states, per-pupil funding for this year is less than per-pupil expenditures before the great recession, and in 14 states per-student funding is ten percent lower than before the recession hit. The states in which per-pupil education spending has increased over 2008 are: North Dakota (32%), Alaska (16%), Connecticut (9%), Delaware (7%), Massachusetts (6%), Washington (6%), Rhode Island (6%), Maryland (5%), Wyoming (4%), Minnesota (4%), Missouri (4%), New York (2%), Oregon (2%), New Hampshire (2%), Pennsylvania (1%), and Nebraska (1%). States in which per-student expenditures are 15 percent less or greater than inflation adjusted per-pupil expenditures in 2008 are: Oklahoma (-24%), Alabama (-18%), Arizona (-18%), Idaho (-16%), Wisconsin (-15%), Kansas (-15%), and North Carolina (-15%). As the report notes, about 46 percent of K-12 education funding is from the state. The report also found that “at least 20 states cut per-pupil funding this year; in most of these states, the cuts added
to those the states have made in previous years leaves them even further below pre-recession levels.” The state funding numbers in the report only include “state formula aid” and not state funds for categorical programs.

The major reasons for funding deficiencies, according to the Center, are rising costs due to inflation, demographic changes, and increasing needs, as there are about 725,000 more K-12 students than there were in 2007-08. States have largely avoided raising taxes to provide new revenues and Federal aid to states have been cut, noting that since 2010, Federal spending for Title I is down ten percent after adjusting for inflation, and Federal spending on student with disabilities is down eight percent.

The October 16th report is available at: http://www.cbpp.org/files/10-16-14sfp.pdf

Miscellaneous (b)

Field test data released by the Smarter Balanced (SB) consortia shows special education students with IEPs scored significantly lower than “all students” in the field test, which was not unexpected. For example, as reported by Education Week (January 2nd), students with IEPs’ scores ranged from 61 percent in fourth-grade math to 77 percent in seventh-grade English/language arts at the lowest level of four; this compared to 27 percent of all students in fourth-grade math and 34 percent in seventh-grade reading. However, an SB official emphasized that in comparison to the National Assessment of Educational Progress (NAEP), the gaps were not larger. She argued that the SB Common Core tests are still new and are more challenging, requiring students to demonstrate analytical and problem-solving skills in more significant ways. SB officials estimate that fewer than half of all students will be able to demonstrate proficiency by scoring at level 3 or above when the tests are administered in 2015.

As noted in the “predictions” Washington Update, pressures in some states will result in changes in test cut scores or other changes to reduce the growth in public opposition to Common Core test score results’ impact on their students. Demand for effective remedial instructional programs and support should increase.

Miscellaneous (c)

As reported in Inside Higher Ed, enrollment in online education has shown “no discernible growth” between the fall of 2012 and 2013. The data indicate that the number of students enrolled in fully-online programs grew from 2.6 million to 2.65 million -- “a margin small enough to be considered statistical noise, as many institutions changed how they report enrollment data during that period.” The author of the study, higher education consultant Phil Hill, reportedly said, “Think of the implications here if online education has stopped growing in U.S. higher education. Many of the assumptions underlying institutional strategic plans and ed-tech vendor market data are based on continued growth in online learning. It is possible that there will be market changes leading back to year-over-year growth, but for now the assumptions might be wrong.” Reports on distance learning growth in K-12 continue to show growth; however, the growth in higher
education can now be questioned as far as the future is concerned.

**Miscellaneous (d)**

Under the waiver renewal process, four states (Kentucky, North Carolina, New Mexico, and Virginia) have accepted USED’s offer to apply for expedited review for renewal of their waivers. Three states (Florida, New York, and Tennessee) were offered but turned down the offer and will go through the more lengthy second waiver renewal process. However, according to *Education Week* (January 22nd), Tennessee and New York State Superintendents have recently vacated their offices, which may have affected the decisions.

One of the key factors in determining whether or not the states were offered the expedited review process was whether or not they are selecting schools for intensive interventions in accordance with USED guidelines and priorities. According to *Education Week*, the so-called “equity profiles” are being determined for each state by USED, which is allowing states to review these policies before they are made public later this year. One direct implication is that the final state selection for Priority and Focus schools will not likely be made available until later this year, or when the states are offered opportunities to complete the waiver renewal process.

It should be noted that the most recent ESEA reauthorization bill sponsored by HELP committee Chairman Lamar Alexander would allow states whose waivers have been approved to continue conducting Title I and other funding and related activities in accordance with the waiver provision if the waiver provision is consistent with the resulting ESEA reauthorized provision. This of course is contingent upon the reauthorization being completed after House and Senate conference Committee and if signed by the President after regulations are formulated much later next year. Current officials in states with pending waiver renewal requests are likely to be carefully watching (i.e., some of these states may have new governors, chief state school officers, or key legislative turnover) the ESEA reauthorization process, taking into account whether or not key waiver provisions, which they currently support, are consistent with likely ESEA reauthorized provisions.