# Education TURNKEY Systems, Inc.

256 North Washington Street
Falls Church, Virginia 22046-4549
(703) 536-2310
Fax (703) 536-3225


## MEMORANDUM

**DATE:** May 27, 2015

**TO:** TechMIS Subscribers

**FROM:** Charles Blaschke, Suzanne Thouvenelle, and Cheryl Sattler

**SUBJ:** Niche Market Selling and Marketing Strategies; E-Rate Refunds; Proposed I-TECH Bill; Dual Enrollment Growth; Preschool Spending; FY 2016 Budget Resolution; and California $400 Million Waiver Request

The Special Report on developing marketing/sales strategies for niche markets (version 2.0) is an updated and significantly expanded version, which takes into account a host of new policy changes over the last six years affecting such markets. Specifically, the report can be used to:

- orient new sales staff to various niche markets and how to approach them;
- assist marketing staff in developing strategies; and
- assist other corporate officials in deciding which niche markets offer the greatest potential in the context of existing or planned new products and services, among other considerations.

The second Special Report is an E-Rate update, similar to those we have provided over the last 15 years, which includes a list of districts, which are receiving E-Rate refunds as a result of their having paid the full price for Priority 1 or Priority 2 eligible products and/or have been informed that their appeals of prior "turndowns" have now been found to be "meritorious." These districts can use such refunds through the so-called BEAR process to purchase software, professional development, and related products that are not eligible for funding under Priority 1 or Priority 2. As noted in this report, under the new E-Rate Modernization Initiative, the "BEAR Process" now allows districts to receive their refunds directly rather than going through service providers and to do so in a more timely manner. Moreover, most of the $1.6 billion increase in the E-Rate funds for this year came from a "reserve," which included reimbursements for appeals found to be meritorious and/or funds that had been withheld from districts. Both of these situations suggest that more districts will receive refunds in future FCC/SLD quarterly funding commitment reports, which we plan to follow closely.

Washington Update headlines include the following:

- **Page 1**
  The "Innovative Technology Expands Children's Horizons" (I-TECH) Amendment to the Senate HELP Committee Passed ESEA Reauthorization Goes Beyond Its Predecessor, The Enhancing Education Through Technology Act (E2T2), in Several Areas, Which Have Direct Implications for Some TechMIS Subscribers

- **Page 3**
  The Johns Hopkins School of Education Expands its Reviews and Evaluations of Education Products

- **Page 4**
  New USED 2012-13 Survey Found Most States Placed a High Priority on Turning Around Low-Performing Schools But Many Had Inadequate Expertise and Therefore Used External Groups to Fill Gaps, at Least Initially

- **Page 5**
  Recent Trends Suggest Dual Enrollment Is Becoming a Growing Niche Market

- **Page 7**
  A number of miscellaneous items are also addressed including:
  - **a)** A new Education Commission of the States (ECS) report finds that states are placing a higher priority on computer science and coding skills, which can be used for math, science, and foreign language credits.
  - **b)** According to Education Week's *Inside School Research* blog (April 27th), the Coalition for Evidence-Based Policy is being folded into the Arnold Foundation which has been a prime funder.
  - **c)** California will be applying for a waiver which could free up $400 million to allow its districts to provide their own tutoring services in after-school or summer programs under the so-called 20% set-aside for supplemental educational services (SES) and "choice" requirement under NCLB.
  - **d)** The most recent Speak Up Survey reports that 58 percent of high school students said they rely on their own digital devices more than relying on technology issued by their districts, which might have been purchased as part of one-to-one computer initiatives or other large-scale purchases.
  - **e)** According to the annual State of Preschool Yearbook produced by the National Institute for Early Education Research (NIEER), over the past year bipartisan state funding for preschool has increased slightly, along with a similar increase in quality standards among states.
  - **f)** On May 5th, Congress passed a budget resolution, which establishes funding limits included for the FY 2016 budget following 2013's "sequester" which


**256 North Washington Street, Falls Church, VA 22046**
**703/536-2310, fax 703/536-3225, cblaschke@edturnkey.com**
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unless the appropriation committees break the sequester constraints, would fund education at existing levels for FY 2016 and make further cuts in later years.

**g)** During the SIIA Industry Summit in May, Education Week's *Marketplace K-12* blog provided highlights of a session in which SIIA members and districts officials discussed some problems and issues in conducting pilot tests of technology products and services before large-scale purchase decisions.

If anyone has questions about the implications for their firm, please contact Charles Blaschke directly at 703-362-4689.


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# Special Report:
# Selling Into Niche Markets

***A Technology Monitoring and Information Service (TechMIS)***
***Special Report (Version 2.0)***

***Prepared by:***
***Education TURNKEY Systems, Inc.***
***256 North Washington Street***
***Falls Church, Virginia 22046-4549***
***(703) 536-2310 / (703) 536-3225 FAX***

*May 27, 2015*

*Over the last three-and-a-half decades, Education TURNKEY Systems has monitored Federally-funded niche markets such as Title I, Special Education, School Improvement Grants, and the E-Rate; TURNKEY has helped officials and influencers formulate policies conducive to appropriate and integrated technology use in such niche markets and has helped more than 300 firms enter -- or expand their penetration into -- these markets. While these markets, such as the rapidly growing Title I/Special Education Response-to-Intervention/Personalized Learning niche market, offer great promise for some vendors, some pitfalls exist; below are suggestions on how companies can develop strategies and adjust their "consultative sales" tactics to minimize pitfalls and effectively sell to these niches.*

## Develop In-Depth Knowledge About the Niche

Several of the largest niche markets -- such as Title I and E-Rate -- are complex; serious vendors' key staff must develop an in-depth understanding of the principles underlying these programs, how the programs operate, and the changing "legal framework." If such a capability is absent and cannot be hired, then specialized training and orientation for 1-2 key staff might be needed.

## "Unlearn" Traditional Marketing Advice

Some traditional marketing lessons and strategies do not apply to niche marketing. **For example, rather than targeting sales to high-wealth districts/schools, the opposite should occur in Title I-oriented selling. Also, rather than targeting districts with only large Title I funding, companies should focus on those districts with recent and/or unexpected increases in Title I funding.** These districts are much more likely to purchase relevant products and services rather than hire teachers. For this 2015-16 school year, about 900 districts nationwide will receive moderate to large absolute or percentage increases in Title I funding before state

adjustments. Virtually all other Federal education funding targets high-poverty schools and districts with a large percent of their program formula funds being based upon district Title I allocations. If a district is receiving increases in Title I funds, it is very likely that it is also receiving increases in other programs such as Title IIA (professional development), 21st Century Community Learning Centers (after-school remediation), School Improvement Grants (e.g., Priority schools), and Title III (English language acquisition).

### Target Similarly Situated Districts/Schools Which are Required to Provide OR Allowed to Use (By New Regulatory Flexibilities) Multiple Federal Funds for Specific Types of Activities, Products, Staff Development, and Services

Over the last three years, Federal education policies have provided new "flexibilities" under the so-called state NCLB state waiver flexibilities, regulatory changes, and USED guidance which have required and/or strongly encouraged districts to use existing/increased funding for the use of certain types of products and services.

The examples below are not exhaustive nor mutually exclusive.

Over the last five years, the Administration's policy has been to increase Federal funding and flexibility to lowest-performing schools, thus creating increased demand for certain types of products and services. Under the School Improvement Grant (SIG) program, Priority schools (the lowest-performing 5%), and to a lesser extent Focus schools (those with largest subgroup achievement gaps), receive the bulk of SIG funding (more than $500 million). Virtually all Priority Schools also receive Title I funding under the new flexibility to "serve those schools with greatest need" (e.g., high schools). Of the four initially Federally-prescribed SIG intervention models, most schools use the so-called "transformation intervention model"; however, under new amendments, additional interventions are allowed (school reform models, state-determined interventions, preK interventions). Within this general guidance, additional flexibilities are likely to be provided under the new state flexibility waiver renewals. Districts are allowed to designate all Priority schools as schoolwide programs, which under Title I allow for even greater flexible use of funds (e.g., RIT approaches for "core instructional programs"). In addition, most of the SEA 4% set-aside for "school improvement" go to Priority schools. And, it is highly likely under the new E-Rate Modernization Initiative additional funding under E-Rate "refunds" through the BEAR process may also be provided to Priority and Focus schools for instruction/software and professional development (see related E-Rate Washington Update). Overall, the demand for specific types of instructional interventions, formative assessment tools, and directly-related professional development will continue to grow with increased funding for Priority schools.

For those districts in states which have not received NCLB state waiver flexibility, there exist opportunities for districts "identified for improvement" (i.e., most LEAs in the respective states) under USED flexibility guidance (September 2, 2009). For example, these districts can use Title I funds to purchase a tutoring or related program in a Title I school, and if found to be effective,

can expand its use in non-Title I schools for "similarly situated students." In addition, the districts identified for improvement which are still under NCLB provisions are allowed to use Title I funds to pay for professional development for not only teachers in Title I schools, but also teachers in non-Title I schools in the areas which cause the district to be identified for improvement (e.g., low math scores). In both cases, these activities and use of Title I funds would not be considered violations of the so-called supplement-not-supplant Title I provisions under the September 2009 flexibility guidance. This creates opportunities for expanded district sales of specific professional development or products for a firm at lower "costs of sales." Also, in the eight non-waiver states still operating under NCLB, most are required to set aside 20 percent for SES services and ten percent for professional development unless specific waivers have been allowed. On May 7, California requested a waiver, which would allow its 20% set-aside of approximately $400 million to be used for district-operated tutoring, thus creating opportunities for firms to partner with teacher groups and/or the districts which will operate their own SES program.

Districts which have disproportionality, as determined by the SEA (i.e., over-representation of minority students in special education programs), must set aside 15 percent of their IDEA funds (between $1.0 and $1.5 billion) for early intervening services to be provided by Title I or another district office for borderline students in order to minimize the need to place them in costly special education programs. In addition to RTI interventions, related professional development is allowed as an intervening service.

Since 2005-06, the estimated total amount of expenditures on Response-to-Intervention approaches funded by the 15% IDEA set-aside and increasingly Title I and local funds, has increased from approximately $500 million to about $4 billion today and continues to grow. If current provisions in ESEA reauthorization proposals continue and more states create more flexible state laws and policies relating to RTI, this growth will expand.

## Don't Assume District Officials and Principals are Aware of New Flexibility on Allowable Uses of Federal Funds

During the first 25 years of ESEA, Federal categorical programs were rather inflexible regarding use of funds with many state and local officials having an "audit mentality." Since the ESEA reauthorization in 1994, however, legislative amendments and a general "loosening" of strict interpretations have provided a much more flexible legal framework for Title I and IDEA. Although Federal officials and Congressional leadership have strongly encouraged districts to take advantage of new flexibility provisions, many superintendents and even coordinators of Federal programs are not aware of these flexibility provisions and, in some cases where they are aware, they are not taking full advantage of them. In addition, a 1999 GAO report found that a major barrier to increased flexibility at the local level were State Departments of Education, which in 25 states actually discouraged districts from taking advantage of new flexibility provisions such as commingling of funds in school wide programs.

In approaching local niche market "officials," vendors should not assume that new "flexibilities awareness" exists; if so, sales staff need to make them aware of such flexibilities. Some of the "new flexibilities," which are described in more detail in our Technology Monitoring Information Services reports and updates, include the following examples:

- The "incidental use" provision in IDEA, which allows IDEA funds to be used to purchase products and services which can be used by non-special education teachers and non-special education students on an "incidental basis," as well as all special education students if a school purchased the products under a schoolwide license where the cost for the school is the same, regardless of the number of users; the wear and tear is minimal; and no special education teacher or student is denied the use/service -- especially in schoolwide programs for specific types of interventions such as RTI approaches and professional development.
- Use of Title I funds to purchase professional development and tutoring services not only for use in Title I schools, but also in non-Title I schools in districts identified for improvement without violating supplement-not-supplant provisions -- especially in non-NCLB flexibility waiver states (discussed earlier).
- Using E-Rate refunds "or services" to purchase non-eligible E-Rate instructional software, formative assessment tools, and professional development (see related TechMIS Washington Update item).
- Co-mingling of Title I and other Federal funds in schoolwide programs to purchase products and services to serve all "students in need" which otherwise could not be purchased because of violating supplement-not-supplant provisions -- especially in all Priority schools (see earlier discussion).

Vendors who can supply this kind of information to school officials can have an enormous advantage.

## Use Consultative Selling to Reach Niche Market Decision Makers

A key to successful selling is providing timely and useful information to district administrators of Federal programs. Our TechMIS Annual Reports on preliminary district Title I allocations before state adjustments is usually available in March-April when SEAs receive such allocation notifications, but virtually all SEAs await sending districts official notifications until after their adjustments are made, usually in June-July. Many vendors complain that it takes ten to twelve phone calls to get through to a large urban district's Title I coordinator. One way to get immediate attention is to tell whoever answers the phone that you would like to make the Title I coordinator aware that they are likely to be receiving an increase in Federal funding next year of approximately x amount. This type of information is usually posted on USED's website after the districts begin receiving such Title I funds in July.

Other types of "consultative selling" use include:

- Identifying specific funding sources which are allowed to be used to purchase products and services with justifications for specific components of the "total package."
- Helping districts develop justifications, white papers, regulatory citations, etc. in seeking approval from SEA offices which have a "strict interpretation" or "audit mentality" in interpreting USED flexibility policies.

When approaching districts, sales staff ought to be aware of the politics of Federal programs/funding in an overall district context. In many cases, Title I and special education are considered separate "programs" as part of a "feudal" system in which each sometimes tends to "protect their own turf" from each other and the district administration office. Also, if a vendor is seeking districts that are likely to receive E-Rate refunds, it is much safer and effective to have a principal or other decision maker who wishes to purchase its product, but doesn't have the money, to contact the E-Rate office to determine whether any E-Rate refunds are available for purchasing. A vendor who "calls cold" directly to an E-Rate office is walking through a "political minefield." (See related TechMIS E-Rate item)

If a vendor provides new information about funding increases or other items noted above, the likelihood is high that these individuals will call back later about updates, etc., which can lead to a long-term professional relationship.

## As Federal Policy/Regulatory Changes and Uncertainties are Removed, Firms Have to be Prepared to Move Quickly to Take Advantage of Targets of Opportunities

Small and medium-sized firms that can move quickly to take advantage of opportunities created by policy/regulatory changes and/or removal of uncertainties and can have an advantage over larger firms in terms of generating sales.

For example, in several instances over the last decade, USED at the last moment decided not to allow districts to carry over more than the 15 percent carryover funds of Title I funds from one year to the next, and therefore created extensive end-of-year spending on products from firms which could respond to RFPs, etc., promptly before the June 30th deadline.

A couple of examples of opportunities created by regulatory change, timing, and/or removal of uncertainty are likely to exist now and will influence purchasing cycles. One is most of the $500+ million of School Improvement Grants funding for FY 2014 which must be allocated or encumbered shortly, will not go to new eligible SIG schools (in new competitions) to implement the existing four intervention models, plus the three new ones mandated by Congress; rather such new 2014 funds will be allocated primarily to existing SIG Priority Schools in their second or third year of SIG funding. New regulations came out too late for states to implement the new state allocation for new district competitions with awards being made before the end of the fiscal year; and new eligible schools will be difficult to identify because the lack of available test scores from new assessments within by June. Here, major opportunities exist for firms with

specific interventions or professional development which can be implemented during the fourth and fifth year of SIG funding for certain Priority schools, which new amendments now allow.

Another opportunity could be created by the removal of the FY 2016 reoccurrence of "sequester cuts" which occurred two years ago. The President has proposed to "override" the current planned sequester cuts while Congress is debating alternative arrangements to selected sequester cuts. If district perceptions are that the sequester will not occur in 2016, districts which would have carried over up to 15 percent of Title I funds which are unspent this year to next year will likely obligate such funds by June 30th or September 30th, which is happening with some Title I districts now.

## Assure Products and Service Increase Clients/Buyers "Comfort Level"

Most of the niche market decision-makers and/or influencers are district coordinators for Title I or special education, other Federally-funded niche programs, and other administrators who wish to minimize unintended disruption and administrative headaches. While the instructional products and services should be positioned as proven evidence-based solutions which can increase student performance and/or otherwise are cost effective from an administrative perspective, products and services should be positioned to increase the comfort level of these administrators. For example, pricing options should accommodate niche funding and budgeting processes and reduce the probability of cost overruns. Administrators also need to be assured of continuity of firm's support if, not key individuals, providing such support beyond initial setup and sales training. If market conditions and/or acquisitions, etc. could occur with the vendor, administrators need assurances that contingency plans are not only taken into account, but will be followed. If products are purchased on a pilot test or trial basis, then administrators need assurances that commitment and capacity exists within the vendor to make adequate expansions when pilot tests results are available. Inherent uncertainties which necessarily accompany technology-related products and services should be acknowledged by both parties with agreed upon accommodations if they occur.

Although many district Federal programs are operated separately from district regular operations, these program administrators often want to be assured that the instructional configuration "fits within the district's overall curriculum and meets district/state standards."

# Special Report:
# E-Rate Update: New SIIA Guide Reaffirms Rationale for Targeting Selected Districts Receiving "E-Rate Refunds" for Purchases of Instructional Software and Professional Development

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Since 1999, we have been involved in the creation, monitoring, and reporting on the opportunities for firms with ineligible E-Rate products to participate through the so-called BEAR process for districts which pay the full price for eligible products and then request an E-Rate discount refund which can be used to pay for non-eligible products such as instructional software and professional development. Districts offering best prospects have been identified in our TechMIS reports (see attached list).

During the recent April SIIA-sponsored Webinar on member's opportunities to participate in the E-Rate program, John Harrington, President of Funds for Learning, reaffirmed the nature of such opportunities by stating that his group recommends eligible districts actually pay the full price for eligible products and then request, through the BEAR process the E-Rate discount refund or "savings" which can be used for such ineligible products. The "Guide to E-Rate 2.0" published by the Education Technology Industry Network of SIIA (April 15th), argues that the "savings" can be used for non-eligible technology-related products and services, which became the intent of the E-Rate program: "In some instances, technology directors have worked out arrangements whereby they direct the BEAR (discount reimbursement) payments to special accounts for technology purchases, but that is by no means guaranteed. In other cases where the technology directors expect to make future purchases from a vendor, they may ask that BEAR payments be credited to the district's account in part to keep the "savings" out of the hands of school budget officers." To further reaffirm what we have noted in previous TechMIS reports, the Guide states, "Beginning in funding year 2016, applicants which use the BEAR method will be directly reimbursed for E-Rate discounts by USAC. This creates an anticipation of a faster reimbursement for applicants which could in turn allow schools and libraries to deploy projects and use new software quicker than what has previously been the case -- an advantage for companies with non-eligible products and services that schools may pay for using their E-Rate reimbursements."

In addition to districts which pay the "full price" on eligible E-Rate products in order to receive BEAR refunds or "savings," some districts receive "refunds" as a result of some appeals that were filed by districts when they were notified that certain requests in their applications were denied. In many cases, these districts went ahead and purchased the product in question, paying the whole pre-discount price. Because the Schools and Libraries Division (SLD) eventually found many of these appeals to be meritorious, these districts can request a check for the refund through the so-called BEAR process.

In the above cases, districts can use the discount refund to purchase non-eligible E-Rate products and services such as instructional software and professional development.

The FCC announced in mid-May that it will be able to honor nearly $2.3 million in eligible E-Rate requests for telecommunications services, Internet access, and about $1.6 billion for internal connections and wifi services for 2015, according to Education Week's *Marketplace K-12* blog (May 13th). Under the new Modernization Initiative, the so-called Priority 2 category products and services, which in the last three years has not received any funding, will receive priority funding under the $3.9 billion available for funding this year, which is an increase over the 18-year-old $2.4 billion cap. In a rather surprising announcement, the FCC also announced that it would not have to increase rate players' fees under the Universal Service Program, as the FCC was able to "spend down" its reserve of approximately $1.6 billion in unspent funds that had been "freed up" to meet the increased demand for 2015, as reported by *Marketplace K-12*. However, increased fees on telecommunications providers could be expected next year. According to the article, Jon Wilkins, FCC's managing director of E-Rate programs, also attributed the increase in available funding to a speedier approval process of applications, noting that "committing funds moved much more quickly than it had before. This year, we will try to do a little bit better." Hence, Wilkins' statement is in concert with the prediction noted above which means the list of districts in subsequent TURNKEY E-Rate updates will be larger.

If a district staff person is interested in purchasing a non-E-Rate eligible product or service, then he or she should contact the district E-Rate office to determine whether a check was requested for the refund amount through the BEAR process and, if so, whether some of that money can be used to purchase the desired product or service.

The accompanying chart shows funding commitments to districts/schools/libraries greater than $50,000 for the last two quarters (October-December 2014 and January-March 2015).

In our February 20, 2014 TechMIS Special E-Rate Report on the new Modernization Initiative, we reported that the SLD will likely speed up the appeals review process and that beginning in 2016, the BEAR process is likely to become more timely as districts can receive refunds directly rather than going through a service provider. Under the first year or so of the new Modernization Initiative, the number of appeals is likely to increase, all of which points to increased opportunities for firms to approach districts receiving "refunds" through the BEAR process which can be used to purchase their ineligible E-Rate products, including instructional software and professional development/related services.

## E-Rate
## FundingYear 2014,Quarter 4(Oct-Dec) Commitments
**($50,000 or more)**

| Applicant | City | State | Amount Committed |
|---|---|---|---|
| **2011 Commitments** | | | |
| ALLIANCE FOR COLLEGE-READY PUBLIC SCHOOLS | LOS ANGELES | CA | $1,397,740 |
| THREE RIVERS SCHOOL DISTRICT | GRANTS PASS | OR | $660,713 |
| **2012 Commitments** | | | |
| SAN JOAQUIN CO OFFICE OF EDUC | STOCKTON | CA | $760,243 |
| TEMPE SCHOOL DISTRICT 3 | TEMPE | AZ | $635,959 |
| CASA BLANCA DAY SCHOOL | BAPCHULE | AZ | $513,420 |
| PINNACLE PREPARATORY | DALLAS | TX | $490,042 |
| WINGATE ELEMENTARY SCHOOL | FORT WINGATE | NM | $461,920 |
| LAS VEGAS WEST SCHOOL DISTRICT | LAS VEGAS | NM | $400,540 |
| MARIANO LAKE COMMUNITY SCHOOL | CROWNPOINT | NM | $281,527 |
| CRYSTAL BOARDING SCHOOL | NAVAJO | NM | $208,491 |
| SUSIE B WEST PRIMARY SCHOOL | NATCHEZ | MS | $137,961 |
| NATCHEZ CAREER & TECH CENTER | NATCHEZ | MS | $95,646 |
| OJO ENCINO DAY SCHOOL | CUBA | NM | $87,045 |
| **2013 Commitments** | | | |
| HUNTSVILLE CITY SCHOOL DIST | HUNTSVILLE | AL | $2,919,296 |
| NEWARK SCHOOL DISTRICT | NEWARK | NJ | $1,935,061 |
| TRENTON CITY SCHOOL DISTRICT | TRENTON | NJ | $1,083,979 |
| ESSEX COUNTY VOCATIONAL SCHOOLS | NEWARK | NJ | $763,428 |
| SAN JOAQUIN CO OFFICE OF EDUC | STOCKTON | CA | $713,636 |
| VISTA UNIFIED SCHOOL DISTRICT | VISTA | CA | $707,696 |
| SAN DIEGO CO OFFICE OF EDUC | SAN DIEGO | CA | $685,176 |
| THE CHARTER SCHOOL OF SAN DIEGO | SAN DIEGO | CA | $639,162 |
| LINDEN SCHOOL DISTRICT | LINDEN | NJ | $493,862 |
| FRESNO UNIFIED SCHOOL DISTRICT | FRESNO | CA | $492,979 |
| MILLVILLE PUBLIC SCHOOLS | MILLVILLE | NJ | $492,208 |
| WASH-WARRN-HAMLTON-ESSX-BOCES | SARATOGA SPRINGS | NY | $490,323 |
| OCEANSIDE CITY UNIF SCH DIST | OCEANSIDE | CA | $481,662 |
| CALUMET SCHOOL DISTRICT 132 | CALUMET PARK | IL | $463,995 |
| PRAIRIE-HILLS SCHOOL DIST 144 | MARKHAM | IL | $459,614 |
| TOMS RIVER REG SCHOOL DISTRICT | TOMS RIVER | NJ | $439,657 |
| WEST CONTRA COSTA UN SCH DIST | RICHMOND | CA | $415,336 |
| CONTRA COSTA COUNTY COMMUNITY SVCS DEPT | MARTINEZ | CA | $398,755 |
| PASADENA UNIFIED SCHOOL DISTRICT | PASADENA | CA | $367,198 |
| O C PUBLIC LIBRARIES | SANTA ANA | CA | $365,715 |
| GATEWAY CHARTER ACADEMY | DALLAS | TX | $352,350 |
| PENNSAUKEN TWP SCHOOL DISTRICT | PENNSAUKEN | NJ | $339,708 |
| PEMBERTON TWP SCHOOL DISTRICT | PEMBERTON | NJ | $322,974 |
| SAN DIEGO CITY UNIF SCH DIST | SAN DIEGO | CA | $301,028 |
| ARKANSAS CITY UNIFIED S D 470 | ARKANSAS CITY | KS | $297,543 |
| ETIWANDA ELEMENTARY SCH DIST | ETIWANDA | CA | $286,312 |
| HAYWARD UNIFIED SCHOOL DISTRICT | HAYWARD | CA | $276,010 |
| LA MESA-SPRING VALLEY SCH DIST | LA MESA | CA | $266,015 |

| | | | |
|---|---|---|---|
| ZUNI PUBLIC SCHOOL DISTRICT | ZUNI | NM | $253,151 |
| MODESTO CITY SCHOOL DISTRICT | MODESTO | CA | $236,699 |
| PALMDALE SCHOOL DISTRICT | PALMDALE | CA | $227,432 |
| SAN DIEGUITO UN HIGH SCH DIST | ENCINITAS | CA | $226,988 |
| LOS ANGELES PUBLIC LIBRARY SYSTEM | LOS ANGELES | CA | $226,037 |
| BAKER COUNTY SCHOOL DISTRICT | NEWTON | GA | $221,712 |
| COLTON JOINT UNIF SCH DISTRICT | COLTON | CA | $217,116 |
| FIREBAUGH-LAS DELTAS UNIF S D | FIREBAUGH | CA | $213,745 |
| ALHAMBRA UNIFIED SCHOOL DISTRICT | ALHAMBRA | CA | $209,996 |
| BEAUMONT UNIFIED SCHOOL DIST | BEAUMONT | CA | $207,787 |
| SAN JOSE PUBLIC LIBRARY | SAN JOSE | CA | $206,909 |
| CAJON VALLEY UNION SCHOOL DISTRICT | EL CAJON | CA | $200,593 |
| INGLEWOOD UNIF SCHOOL DISTRICT | INGLEWOOD | CA | $193,154 |
| ALVORD UNIFIED SCHOOL DISTRICT | RIVERSIDE | CA | $185,039 |
| UNIVERSITY OF CHICAGO CHARTER SCHOOLS CORP | CHICAGO | IL | $184,003 |
| VISALIA UNIFIED SCHOOL DISTRICT | VISALIA | CA | $178,261 |
| SILO PUBLIC SCHOOLS | DURANT | OK | $169,589 |
| ANTIOCH UNIFIED SCHOOL DIST. | ANTIOCH | CA | $166,963 |
| PITTSBURG UNIFIED SCHOOL DISTRICT | PITTSBURG | CA | $166,207 |
| VALLEY CENTER-PAUMA UNIFIED SCHOOL DISTRICT | VALLEY CENTER | CA | $163,861 |
| RICHGROVE ELEM SCHOOL DISTRICT | RICHGROVE | CA | $156,156 |
| SALINAS UNION HIGH SCHOOL DIST | SALINAS | CA | $155,038 |
| BUTTE CO OFFICE OF EDUCATION | OROVILLE | CA | $153,339 |
| EGG HARBOR TWP SCHOOL DISTRICT | EGG HARBOR TWP | NJ | $147,278 |
| CALERA INDEP SCHOOL DIST 48 | CALERA | OK | $143,767 |
| AMADOR COUNTY UNIF SCHOOL DIST | JACKSON | CA | $141,204 |
| BENNINGTON INDEP SCH DIST I-40 | BENNINGTON | OK | $139,497 |
| VAN BUREN I S D | LAWRENCE | MI | $137,342 |
| MORENO VALLEY UNIF SCHOOL DIST | MORENO VALLEY | CA | $133,585 |
| LOS ALTOS ELEM SCHOOL DIST | LOS ALTOS | CA | $130,615 |
| YALE PUBLIC SCHOOLS | YALE | OK | $127,749 |
| HUGHSON UNIFIED SCHOOL DISTRICT | HUGHSON | CA | $123,124 |
| BERKELEY UNIFIED SCHOOL DIST | BERKELEY | CA | $121,704 |
| LUTHER BURBANK ELEM SCH DIST | SAN JOSE | CA | $121,240 |
| ALEX PUBLIC SCHOOL DIST I-56 | ALEX | OK | $118,276 |
| YOUTH BUILD PHILADELPHIA CHARTER SCHOOL | PHILADELPHIA | PA | $116,647 |
| HARTFORD PUBLIC SCHOOL DIST | HARTFORD | MI | $113,273 |
| TURLOCK UNIFIED SCHOOL DISTRICT | TURLOCK | CA | $109,863 |
| ANTELOPE ELEM SCHOOL DISTRICT | RED BLUFF | CA | $107,975 |
| FOLSOM CORDOVA UNIF SCH DIST | RANCHO CORDOVA | CA | $105,966 |
| BRENTWOOD UNION ELEM SCH DIST | BRENTWOOD | CA | $105,568 |
| SHASTA UNION HIGH SCH DIST | REDDING | CA | $105,408 |
| LAKE ELSINORE UNIF SCHOOL DIST | LAKE ELSINORE | CA | $105,127 |
| CONTRA COSTA COUNTY OFFICE OF EDUCATION | PLEASANT HILL | CA | $104,262 |
| SAN GABRIEL UNIF SCHOOL DIST | SAN GABRIEL | CA | $98,963 |
| VENTURA UNIF SCHOOL DISTRICT | VENTURA | CA | $98,023 |
| STANISLAUS CO OFFICE OF EDUC | MODESTO | CA | $98,005 |
| JEFF DAVIS CO SCHOOL DISTRICT | HAZLEHURST | GA | $96,960 |
| JURUPA UNIFIED SCHOOL DISTRICT | JURUPA VALLEY | CA | $95,998 |

| | | | |
|---|---|---|---|
| NEW HAVEN UNIF SCHOOL DISTRICT | UNION CITY | CA | $93,126 |
| WOODLAND JOINT UNIF SCH DIST | WOODLAND | CA | $92,670 |
| EMERY UNIFIED SCHOOL DISTRICT | EMERYVILLE | CA | $91,827 |
| HAILEYVILLE INDEP SCH DIST 11 | HAILEYVILLE | OK | $90,263 |
| LUCIA MAR UNIF SCHOOL DISTRICT | ARROYO GRANDE | CA | $89,302 |
| PLEASANT GROVE SCHOOL DIST 29 | SHAWNEE | OK | $86,765 |
| ALBANY UNIFIED SCH DIST | ALBANY | CA | $85,997 |
| SAN RAMON VALLEY UNIF SCH DIST | DANVILLE | CA | $83,760 |
| TALMUD TORAH TIFERES BUNIM | BROOKLYN | NY | $81,558 |
| TRAVIS UNIF SCHOOL DISTRICT | FAIRFIELD | CA | $81,513 |
| PASCO SCHOOL DISTRICT 1 | PASCO | WA | $78,584 |
| LAKEWOOD CHEDER SCHOOL | LAKEWOOD | NJ | $78,020 |
| CHULA VISTA ELEM SCHOOL DIST | CHULA VISTA | CA | $75,832 |
| UNIVERSITY YES ACADEMY | DETROIT | MI | $72,276 |
| CUTLER-OROSI UNIF SCH DISTRICT | OROSI | CA | $71,954 |
| NATIONAL ELEMENTARY SCH DIST | NATIONAL CITY | CA | $70,925 |
| HANFORD ELEM SCHOOL DISTRICT | HANFORD | CA | $66,854 |
| COAST UNIFIED SCHOOL DISTRICT | CAMBRIA | CA | $66,807 |
| LIVERMORE VLY JT UNIF SCH DIST | LIVERMORE | CA | $65,540 |
| GREEN COUNTRY VOC-TECH | OKMULGEE | OK | $64,578 |
| LIBERTY UNION HIGH SCHOOL DIST | BRENTWOOD | CA | $64,062 |
| HERITAGE EDUCATION PROGRAM | BUFFALO | NY | $60,523 |
| LOS GATOS UNION ELEM SCH DIST | LOS GATOS | CA | $60,237 |
| BLOOMINGDALE SCHOOL DISTRICT | BLOOMINGDALE | MI | $60,233 |
| TUSHKA INDEP SCHOOL DIST I 19 | ATOKA | OK | $57,216 |
| SUTTER COUNTY LIBRARY | YUBA CITY | CA | $56,286 |
| DECATUR PUBLIC SCHOOL DISTRICT | DECATUR | MI | $52,919 |
| NATIONAL UNIVERSITY ACADEMY | VISTA | CA | $52,279 |

## E-Rate
## FundingYear 2015,Quarter 1(Jan-Mar) Commitments
**($50,000 or more)**

| Applicant | City | State | Amount Committed |
|---|---|---|---|
| **2011 Commitments** | | | |
| LAREDO INDEP SCHOOL DISTRICT | LAREDO | TX | $4,072,712 |
| SAN BERNARDINO CITY UNIF S D | SAN BERNARDINO | CA | $788,483 |
| **2012 Commitments** | | | |
| ZUNI PUBLIC SCHOOL DISTRICT | ZUNI | NM | $646,207 |
| ATSA BIYAAZH COMMUNITY SCHOOL | SHIPROCK | NM | $297,528 |
| LINDEN SEVENTH-DAY ADVENTIST SCHOOL | LARURELTON | NY | $206,066 |
| WOODVILLE ELEMENTARY SCHOOL | PORTERVILLE | CA | $202,077 |
| **2013 Commitments** | | | |
| MISSOURI RESEARCH AND EDUCATION NETWORK | COLUMBIA | MO | $12,270,157 |
| PUERTO RICO DEPARTMENT OF EDUCATION | SAN JUAN | PR | $7,898,617 |
| GREAT CIRCLE | ST. JAMES | MO | $558,291 |
| EDUCATIONAL SERVICE CENTER OF CUYAHOGA CTY | INDEPENDENCE | OH | $447,966 |
| MARICOPA CO REGIONAL SCH DIST | PHOENIX | AZ | $424,940 |
| HILLSIDE CHILDREN'S CENTER SCHOOL | ROCHESTER | NY | $417,043 |
| WHEELING SCHOOL DISTRICT 21 | WHEELING | IL | $204,748 |
| MOSES LAKE SCHOOL DISTRICT 161 | MOSES LAKE | WA | $157,193 |
| STEPHENS COUNTY SCHOOL DIST | TOCCOA | GA | $140,940 |
| CONGREGATION OHR MENACHEM | BROOKLYN | NY | $139,439 |
| DOOLY COUNTY SCHOOL SYSTEM | VIENNA | GA | $120,638 |
| NORTH FRANKLIN DIST J51-162 | CONNELL | WA | $94,415 |
| SEDRO-WOOLLEY SCHOOL DIST 101 | SEDRO WOOLLEY | WA | $92,320 |
| BREWSTER SCHOOL DISTRICT 111 | BREWSTER | WA | $91,866 |
| SHORELINE UNIFIED SCHOOL DIST | TOMALES | CA | $80,528 |
| MABTON SCHOOL DISTRICT 120 | MABTON | WA | $80,100 |
| BRIDGEPORT SCHOOL DISTRICT 75 | BRIDGEPORT | WA | $78,280 |
| MAXWELL UNIF SCHOOL DISTRICT | MAXWELL | CA | $68,700 |
| MEDICAL LAKE SCHOOL DIST 326 | MEDICAL LAKE | WA | $60,616 |
| Catholic Charities Balt Villa Maria Schools | TIMONIUM | MD | $51,395 |

**2014 Commitments**

| | | | |
|---|---|---|---|
| LOWER KUSKOKWIM SCHOOL DIST | BETHEL | AK | $22,048,717 |
| PUERTO RICO DEPARTMENT OF EDUCATION | SAN JUAN | PR | $9,587,424 |
| WASHINGTON OFM K20 | OLYMPIA | WA | $5,272,801 |
| CLEVELAND CITY SCHOOL DISTRICT | CLEVELAND | OH | $5,014,478 |
| OAKLAND UNIFIED SCHOOL DIST | OAKLAND | CA | $4,908,876 |
| MILWAUKEE PUBLIC SCHOOLS | MILWAUKEE | WI | $4,323,919 |
| SAN BERNARDINO CITY UNIF S D | SAN BERNARDINO | CA | $3,742,940 |
| KENTUCKY STATE DEPT OF EDUC | FRANKFORT | KY | $1,712,702 |
| GREEN DOT PUBLIC SCHOOLS | LOS ANGELES | CA | $1,629,420 |
| GREAT CIRCLE | ST. JAMES | MO | $495,333 |
| DELANO JT UNION HIGH SCH DIST | DELANO | CA | $492,621 |
| RACINE UNIFIED SCHOOL DISTRICT | RACINE | WI | $466,816 |
| SAN RAMON VALLEY UNIF SCH DIST | DANVILLE | CA | $435,279 |
| MOSES LAKE SCHOOL DISTRICT 161 | MOSES LAKE | WA | $333,452 |
| WASCO UNION ELEM SCHOOL DIST | WASCO | CA | $301,074 |
| COALINGA-HURON JT UN SCH DIST | COALINGA | CA | $221,198 |
| STEPHENS COUNTY SCHOOL DIST | TOCCOA | GA | $217,476 |
| ST. ANTHONY SCHOOL OF MILWAUKEE | MILWAUKEE | WI | $185,589 |
| HUTTO INDEP SCHOOL DISTRICT | HUTTO | TX | $184,091 |
| LAKE COUNTY OFFICE OF ED/SP ED | LAKEPORT | CA | $180,505 |
| RIM OF THE WORLD UNIF SCH DIST | BLUE JAY | CA | $177,811 |
| CARSON CITY SCHOOL DISTRICT | CARSON CITY | NV | $171,616 |
| BROOKLYN COMMUNITY SERVICES | BROOKLYN | NY | $117,266 |
| CHOWCHILLA UNION HIGH SCH DIST | CHOWCHILLA | CA | $98,847 |
| DOOLY COUNTY SCHOOL SYSTEM | VIENNA | GA | $95,142 |
| CHILDRENS HOME OF WYOMING CONFERENCE | BINGHAMTON | NY | $91,639 |
| CRESCENT VIEW WEST CHARTER | FRESNO | CA | $84,296 |
| RURAL UTAH CHILD DEV HEAD START SCHL DIST OFC | WELLINGTON | UT | $72,615 |
| BANCROFT | CHERRY HILL | NJ | $67,547 |
| LIFE SKILLS (HAMILTON CO.) | CINCINNATI | OH | $66,469 |
| LIFE SKILLS CENTER SUMMIT COUNTY | AKRON | OH | $63,208 |
| LIFE SKILLS CENTER OF COLUMBUS SOUTHEAST | COLUMBUS | OH | $62,832 |
| THE LIFE SKILL CENTER OF CANTON | CANTON | OH | $62,384 |
| CHEDER CHABAD OF MONSEY BOYS | SPRING VALLEY | NY | $57,936 |
| KELTON INDEP SCHOOL DISTRICT | WHEELER | TX | $56,647 |
| CENTRAL HIGH PUB SCH DIST 34 | MARLOW | OK | $54,159 |
| CHATTANOOGA-HAMILTON CO LIB | CHATTANOOGA | TN | $53,400 |
| LIFE SKILLS CENTER OF CINCINNATI | CINCINNATI | OH | $52,426 |
| IGEN OF BROWARD | MARGATE | FL | $51,658 |
| SAUSALITO MARIN CITY SCHOOL DISTRICT | SAUSALITO | CA | $51,294 |

# Washington Update

*Vol. 20, No. 5, May 27, 2015*

## The "Innovative Technology Expands Children's Horizons" (I-TECH) Amendment to the Senate HELP Committee Passed ESEA Reauthorization Goes Beyond Its Predecessor, The Enhancing Education Through Technology Act (E2T2), in Several Areas, Which Have Direct Implications for Some TechMIS Subscribers

The I-TECH amendment, sponsored by Senator Orrin Hatch (R-UT) and Senator Tammy Baldwin (D-WI), which was supported by a relatively large number of education groups, passed the HELP committee, with a bipartisan voice vote which could be indicative of future support on the Senate floor and later. Unlike the predecessor E2T2 initiative funded during the last decade through 2010, the G Section.5701 (I-TECH) "Purposes" emphasizes generally-accepted bipartisan priorities for personalized instruction supported through technology, use of technology to inform instruction and support teacher collaboration, targeting low-performing schools, and professional development. On the other hand, I-TECH includes several provisions which could spell trouble for many TechMIS subscribers, particularly small providers of instructional software and professional development and evaluation tools, and related products and services. Pros and cons are discussed in more detail below.

On the positive side, it mandates that 50 percent of the proposed $300 million (in the President's 2016 proposed budget) be allocated for professional development in the general area of digital learning for teachers, principals, and other school staff. Not less than 25 percent of I-TECH funds must support activities for the acquisition of eligible technology, including devices, equipment, software applications, especially to address areas identified in a needs assessment (referred to a "readiness assessment") conducted by districts to justify receiving state funds. The allowable types of professional development in digital learning are not specified, which would indicate that regulations may have to rely on General Provisions (see April TechMIS Special Report) which not only identify overall allowable uses of funds for "general professional development;" however, they also include or specify restrictions, such as not allowing one-day or short-term workshops or conferences to be so funded. We raised the question with individuals responsible for drafting parts of the Senate version whether the General Provisions would allow online or blended professional development which initially may be conducted in a one-day workshop, but followed up by online professional development support on-demand, for a year or so. Staffers indicated that such considerations will be taken into account. To take advantage of the new amendment, if it holds together and becomes law, some TechMIS subscribers might have to make adjustments in some of their pricing arrangements, such as packaging professional development with product sales or other arrangements. Inclusion of specific


**256 North Washington Street, Falls Church, VA 22046**
**703/536-2310, fax 703/536-3225, cblaschke@edturnkey.com**

allowable types of professional development in the I-TECH amendment itself would be much preferred.

Another question which we raised was whether professional development, especially that provided by outside groups, has to meet the standards also in the General Provisions related to being "evidence-based" as determined by experimental or quasi-experimental studies.

Also, as the May 5th Education Week article "Open Education Resources Promoted in the U.S. Senate's ESEA Draft" notes, the I-TECH amendment "includes language encouraging the use of the free modifiable, openly-licensed resources." As the Education Week article quotes Senator Hatch, the amendment is meant to encourage schools "to use and share open education resources to disseminate best practices and provide an alternative to costly textbooks…It also allows teachers to share content with one another and adapt the content to reflect their own unique classroom needs. We should all support customized shared content making its way to teachers in their classrooms." Regarding the development and promotion of OER, TJ Bliss of the Hewlett Foundation said, "It signals that OER is a non-partisan issue. People are starting to pay attention to OER because it can solve problems that people care about." As Doug Levin, now a consultant and previous Executive Director of SETDA also reaffirmed, "OER was not included in NCLB over 15 years ago, and was only addressed in several areas in guidance for the implementation of ARRA stimulus bill as an allowable use of the major funding increase in the area of information technology."

Further, the article states, "Applications for grants to states must, among other provisions, provide 'an assurance' that [they] will consider making content widely available through open education resources when making purchasing decisions with firms." Another section encourages state grant applicants to "provide tools and processes to support the creation, modification, and distribution of open education resources."

While one can question the Education Week interpretation of the actual language, the Congressional intent is clear and has been confirmed by knowledgeable staff members involved in drafting the legislation that I-TECH encourages districts to use OER rather than commercial software and related products, especially in light of the remaining amount of funds (approximately 25%) after the 50 percent set-aside for professional development and 25 percent for infrastructure "technology" is taken into account.

Several provisions encourage the use of SEA consortia for either multi-state purchases or district consortia purchases similar to the increased priority placed upon consortia purchases supported by the FCC under the new E-Rate Modernization Initiative (see TechMIS February 20, 2014). Districts which apply to the state for I-TECH grants will have to conduct a "technology readiness survey" and develop a plan which indicates steps to address the "readiness" gaps. As noted in a related Washington Update, it is not clear whether the technology readiness survey would include student-owned digital devices (i.e. BYOD) or just those purchased and issued by the district. Staffers indicated this issue would also be addressed in the future. As


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we noted in our earlier report on the FCC E-Rate proposed Modernization Initiative, the use of LEA consortia may be useful in reducing per-district cost of products, but at the same time could preclude opportunities for small firms which do not have the capacity to produce and provide all of the product units for which the consortia is requesting a bid.

The above provisions and "encouragements" in the amendment appears to have bipartisan support as key observers have argued that even though it was passed by a voice vote, 90 percent of the Committee members would have very likely supported the bill if there were a "head count" vote. And, even though some private industry groups such as AAP have argued that the interest in OER peaked last year at the state level, interest in OER might once again begin to rise. If any of the above or other provisions which could be added to I-TECH through the reauthorization process, some TechMIS subscribers may have to change their way of doing business, proposed pricing arrangements, and so forth. As the Education Week article states, whether OEM survives the "push and pull of Congressional ESEA negotiations in the months ahead remains to be seen."

## The Johns Hopkins School of Education Expands its Reviews and Evaluations of Education Products

Johns Hopkins University is expanding the review and evaluation services for technology firms offered by its College of Education. This expansion of review and evaluation services is targeted to tech firms that wish to have JHU determine the effectiveness of their products and services. As reported in Education Week's *Marketplace K-12* blog, the offer from Johns Hopkins Center for Research and Reform in Education, which has published the Best Evidence Encyclopedia and posts the Evidence-Based Evaluation blog, recently worked out an agreement with the Education Industry Association (EIA) in which the association is encouraging its members to contract with the Center to evaluate EIA members' products.

The Center offers a range of services, depending upon the complexity, the study design, and the review and evaluation effort. The least costly of five options is an instructional design review costing $3,500 to $5,000, which consists of an assessment of the products' alignment with instructional design standards and best practices which include the models' logic and its theoretical framework, the use of evidence-based strategies, customer analysis, instructional objectives, pedagogy, and delivery/user support. In the Education Week blog, according to Dr. Steven Ross, the Evaluation Director and one of the most sought-after evaluators of SES providers during the last decade, five to seven studies have been conducted for EIA members over the last several years. The most costly service is effectiveness studies where products are tested in rigorous, non-randomized experimental studies or randomized control studies which costs about $38,000 or more.

As Education Week notes, over the last few years a number of other universities have been providing evaluation and other services to education publishers and software vendors, including the University of Virginia, with the launch of the Jefferson Educator Accelerator, and the University of Pennsylvania, among others.

## New USED 2012-13 Survey Found Most States Placed a High Priority on Turning Around Low-Performing Schools But Many Had Inadequate Expertise and Therefore Used External Groups to Fill Gaps, at Least Initially

The Institute of Education Sciences (IES) survey conducted in 2012 and 2013 found most states involved with School Improvement Grants or Race to the Top implementation placed a high priority (80%) on turning around lowest-performing schools and those states with inadequate (50%) expertise and capacity used intermediaries, including external groups/firms initially, but reduced their reliance on external expertise over time.

The states that reported "prioritizing" turnarounds but had significant gaps in expertise to support turnarounds relied mostly on Federally-supported Centers or Labs (19 states in 2012), institutions of higher education (18 states in 2012), distinguished educators (14 states in 2012), regional county offices (10 states in 2012), followed by "other external organizations" (10 states in 2012). In general, the use of intermediaries decreased slightly between 2012 and 2013 across all states; however, reliance on "other external organizations" and regional and county offices among states which placed a high priority on turnarounds and had the greatest capacity gaps remained at ten states over the two-year period. It should be noted that USED, particularly Secretary Duncan, encouraged states and districts with School Improvement Grants and those receiving Race to the Top funding, to take advantage of the expertise of external groups; of these external groups, virtually all were non-profit entities. One example is Massachusetts Insight, which Secretary Duncan said on numerous occasions had "written the bible" on turning around low-performing schools.

Even though the survey found that reliance on most intermediaries decreased over the two-year time period, the report found "most states reported having organizational and administrative structures to improve capacity to support turnaround in 2012-13, and the number of states having such structures increased between 2007-08 and 2012-13." Forty-six states reported having at least one organizational or administrative structure in 2012-13, which was an increase of 21 states compared to 2007-08. The increase occurred in 2011-12 (when Race to the Top and SIG/ARRA were implemented). It is interesting to note that the "contract with external consultants" in those states having "structures" to improve their turnaround capacity in 2012-13 increased from 18 states in 2007-08 to 31 states in 2011-12 to 34 states in 2012-13.

While the survey report did not address what type of "structures" the external consultants provided in 2012 and 2013, discussions with a number of TechMIS subscribers indicate the areas in which such "external consultants" provided an organizational "component" rather than having the state develop internally its own capacity in that area, included:

- Initial planning, implementation, and follow-up support for one of the four prescribed interventions, especially for SIG schools and/or Priority schools.
- Initial and periodic professional development and upgrading support for teaching staff and new hires in areas such as analyzing student


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achievement data and to inform instruction.

- Preparing and analyzing survey data of stakeholders, parents, community representatives, among others as required under School Improvement Grants;
- Conducting periodic evaluations to determine turnaround success in selected schools in cases where independent, objective data were required or otherwise considered to be politically desirable.

While many of the above "structural or organizational" components operated by "external consultants" were most prevalent at the district/school level, at the state level virtually all states created new offices or "renamed" state personnel and/or existing offices into a "dedicated" office to turn around low-performing schools.

Several lessons can be learned from the use of external groups and firms by states and districts when new Federal programs are created. One is that when states and/or districts are required to establish organizational structures/offices and a "new" capacity in order to receive Federal funds and implement program initiatives, most states will follow Federal "guidance" and "encouragements" (e.g., create a dedicated office and/or use recommended entities such as non-profits to overcome inadequate capacity) to get the funding. Second, if the state/district supports the Federal policy and implements initiatives as intended over time, the bureaucracy will grow, especially if Federal funding and/or state funding is expected to continue beyond the life of the projects; if not, the use of external consultants and/or entities will be phased out over time.

Even though it may be more cost effective in the short run (or even long run) for a district and/or state to "contract out," if the services directly impact the education of students (as opposed to transportation, food services, and the likes), continued use of an external service provider is more dependent on political, governance, and related factors than the actual performance of the external group, especially when that group is a for-profit organization. The situation becomes even more tenuous when the amount or intensity of the service brings into question whether the district is delegating its governance responsibility to the external provider.

## Recent Trends Suggest Dual Enrollment Is Becoming a Growing Niche Market

A number of recent trends suggest that "dual enrollment" (high schoolers taking courses at colleges) or "concurrent enrollment" (courses provided by district high schools) is a new emerging niche market. The National Alliance of Concurrent Enrollment Partnerships, which accredits dual enrollment programs, estimates that 10% of students in high schools took college courses representing a seven percent annual growth between 2003 and 2011. The National Center for Education Statistics estimates that about 80 percent of public high schools reported some students were enrolled in dual credit courses in 2011; about 1.4 million students are taking two million courses which compares to only 800,000 students enrolled in such programs in 2002-03. Education Week's *College Bound* blog (May 14th) cites knowledgeable officials such as Adam Lowe, Executive Director

National Alliance of Concurrent Enrollment Partnerships, who argues most of the increasing action has been at the state level, but is now percolating up to the Federal level. The article cites a new Education Commission of the States report which explains why dual enrollment state funding matters. Some of the benefits for participants in dual enrollment compared with their peers with similar high school academic performance and demographics include:

- "more likely to meet college-readiness benchmarks;
- more likely to enter college and enter shortly after high school graduation;
- less likely to place into remedial English or math;
- higher first year GPA;
- higher second year retention rates;
- higher four and six-year college completion rates;
- shorter average time to bachelors degree completion for those completing in six years or less."

As we have reported over the last five years, state legislatures have increasingly been concerned about the amount of state funds spent on entering college freshmen who do not complete their first year, and/or two- and four-year college graduation requirements, arguing such tuition and other costs are "wasteful." A number of states have now enacted laws and/or policies which tie state funding to college "performance benchmarks," such as the number of enrolling freshmen which actually complete college on time. Dual enrollment appears to be one acceptable performance-based criterion as a "money saving approach" for the state. Moreover, dual enrollment also is a money saver for many individual students, who may shorten their matriculation time and reduce yearly college tuition costs at a college or university.

While the amount of funding available for dual enrollment or concurrent enrollment is not available, *College Bound* cites the ECS report that the number of states requiring parents paying for the cost of dual enrollment is down from 22 states in 2008 to nine states in 2014. More than ten states now mandate courses be made available to students at no cost. Thirty-seven states have requirements increasing the quality of instruction of dual enrollment which is up from 29 states in 2008-09, and participating high school teachers' requirements have become more rigorous. The most current ECS report found 11 states share the funding, depending upon the courses a student enrolls in, and in nine of the states, the parent/student is responsible for some or all tuition costs under at least one dual enrollment program. And, in 14 states and the District of Columbia, determination of who is responsible for paying for tuition is made locally either by the high school, district, or participating post secondary institution.

The ECS report also found that in those states where either the district/high school or other funding sources basically cover the costs so that student/parent families do not have to pay for tuition or other costs, the percentage of minority, low-income students participating in dual enrollment courses increases. In recognition of the impact of financial barriers on this population as reported by *College Bound* on April 28th, a group of non-profit and business leaders have committed to provide $100 million to identify and enroll 100,000 low-income students of color in Advanced Placement or

International Baccalaureate courses over the next three years. The participating groups are spearheaded by Equal Opportunity Schools, a Seattle-based non-profit, and includes other participants such as the College Board, the International Baccalaureate Organization, the Jack Kent Cook Foundation, Google, and Tableau Software Incorporated. Members of the Administration's My Blood Brothers Keeper Task Force are also participating.

## Miscellaneous (a)

A new Education Commission of the States (ECS) report finds that states are placing a higher priority on computer science and coding skills, which can be used for math, science, and foreign language credits. The report identifies states that allow or require computer science coursework toward meeting high school graduation requirements, and also highlights several states that require computer science courses for a specialized diploma or endorsement to a high school diploma. The 14 states which require students to be allowed to receive math, science, or foreign language credit for graduation if they complete a computer science or related course are: Florida, Georgia, Idaho, Illinois, Maryland, Michigan, Ohio, Oklahoma, South Carolina, Texas, Utah, Virginia, Washington, and Wisconsin. In two states -- Arizona and California -- the authority to do so resides with the district's school board. Four states -- Louisiana, Massachusetts, Texas, and Virginia -- allow computer science credits to be used to meet requirements for a specialized diploma or endorsement to the standard diploma. The report and database are available at: www.ECS.org

As a sidebar, during the 2014 National Title I Conference in San Diego, we reported that the product in highest demand at that time according to many Title I directors was programs which teach keyboarding skills. While most Title I directors were not directly involved in the implementation of Common Core state assessments in 2015, they indicated that their Title I students would not be able to "take," much less pass, the new computer-based tests used in the Common Core state assessments, and would do poorly not because of the difficulty of new test items, but because of a lack of keyboarding skills. According to Education Week's *Curriculum Matters* blog (May 13, 2015), its survey found that teachers felt students were indeed "stumbling" over an unexpected weakness of not having the necessary keyboarding skills. And while some teachers felt that teaching keyboarding skills was "another form of 'test prep' that siphons away precious classroom time…far more view it [keyboarding] as a crucial set of skills that does double duty. It helps students show their knowledge on computer-based assessments, and ensures they can be functional, tech-savvy adults." The article notes that a debate now is whether such skills should be taught in laboratories or should be blended seamlessly into instruction.

## Miscellaneous (b)

According to Education Week's *Inside School Research* blog (April 27th), the Coalition for Evidence-Based Policy is being folded into the Arnold Foundation which has been a prime funder. At the end of April, the new "Evidence-Based Innovation Division" of Arnold will continue to support low-cost, randomized

controlled trials with new grants to be announced in June. According to John Baron, Founder of the Coalition who will become Vice President for Policy at the Arnold Foundation, "The new division of the Arnold Foundation will launch a separate program to support strong impact evaluations to find what works to improve people's lives."

Ever since the introduction of "scientifically-based research" into No Child Left Behind more than a decade ago, the need for objective "rigorous" studies to determine the effectiveness of firms' products and services sold to education has increased. Since then, the amount of "rigor" in terms of evaluation designs has changed to "research-based" to "evidence-based," which is addressed in the Senate ESEA reauthorization version (see April TechMIS report). In fact, a strict interpretation of the new definition "evidence-based" would appear to be not only "rigorous" for competitive grants, but also for formula programs such as Title I, which require experimental, randomized control or quasi-experimental study designs. Indeed, the Coalition has submitted some policy recommendation, one of which was incorporated into the Senate ESEA new authorization version by Senator Mike Bennet (D-CO) (see April TechMIS Special Report).

Based on the article in the Education Week blog and press release, it is not clear whether the new division under the Arnold Foundation will expand its influential policy role and/or will expand its "quick and dirty" evaluation approaches to larger and long-term evaluations. Nor is it clear that increased opportunities might become available for firms working with product users to compile information which can be evaluated by the new division to determine effectiveness.

## Miscellaneous (c)

California will be applying for a waiver which could free up $400 million to allow its districts to provide their own tutoring services in after-school or summer programs under the so-called 20% set-aside for supplemental educational services (SES) and "choice" requirement under NCLB. Since California is one of eight states which has not received education flexibility under NCLB, according to Education Week's *Politics K-12* blog, about $400 million in Title I funds are set aside for non-public schools' entities, such as private tutors, SES firms, community-based organizations, among others approved by the state to provide tutoring and directly-related services.

According to *EdSource*, the waiver requested by the State Board on May 7th would be for four years starting this Fall. Board President Mike Kirst remarked, "The use of private providers is not necessarily the best way to provide supplemental services (tutoring)…After-school and summer programs would be better aligned and I believe districts would be more effective with flexibility in raising student achievement." Under the "narrowly tailored waiver," virtually all schools in the state receiving Title I would notify parents not meeting AYP. Districts could continue to contract with tutors they deemed effective, as well as opting for the choices included in the waiver, according to *EdSource*.

The situation in California is similar to one

confronting then Superintendent of Chicago Public Schools Arnie Duncan almost ten years ago when he requested a waiver to allow the school district to provide tutoring using the 20% set-aside, largely because districts could provide the service for less than half the cost charged by private tutors, which is similar to the California situation. In a private conversation with Secretary Duncan shortly after his appointment, I asked why he did not sue USED rather than just requesting a waiver because I argued the law was flexible enough to allow districts to operate their own tutoring programs. In any event, shortly after he was appointed Secretary of Education, he did allow waivers for districts to operate their own SES programs. Hence, it is very likely that California will be able to get the waiver, which should provide opportunities for firms to partner with school districts to provide necessary products, professional development, and support services to them to operate their own SES tutoring programs.

## Miscellaneous (d)

The most recent Speak Up Survey reports that 58 percent of high school students said they rely on their own digital devices more than relying on technology issued by their districts, which might have been purchased as part of one-to-one computer initiatives or other large-scale purchases. According to the survey conducted by Project Tomorrow, 32 percent said they used school laptops, while 16 percent used school-issued Chromebooks, and 14 percent said they used school tablets, according to Education Week's *Digital Education* blog (May 1st). In grades 6-8, only 23 percent reported using their own device versus heavier use of school purchased laptops (34%), tablets (21%), or Chromebooks (21%). About 25 percent of middle and high school students reported working in blended learning environments, and more than 60 percent of principals felt major benefits of online learning were to keep students engaged and the ability of online learning to provide academic remediation options, according to Education Week. In high school, the most widely offered online courses are in English/language arts (54%), social studies-history (54%), math (50%), and science (49%). Over 60 percent of respondents reported using Chromebooks, tablets, and laptops for taking online tests, creating presentations, and using Internet-based services. About 40 percent reported using their devices for online "textbooks."

The surveys were conducted in October-December last year among more than 400,000 students, parents, teachers, librarians, and district and school administrators, among others.

## Miscellaneous (e)

According to the annual State of Preschool Yearbook produced by the National Institute for Early Education Research (NIEER), over the past year bipartisan state funding for preschool has increased slightly, along with a similar increase in quality standards among states. Total state funding for pre-K increased about one percent or $116 million after adjusting for inflation with average per-child increases of $61 to $4,125. However, per-child expenditures is still lower than the $4,615 per-child in 2008. In 2013-14, about 1.3 million preschoolers were served (mostly age four), with enrollments of three- and four-year-olds leveling off beginning in the 2010-11 school

year. As the *EdCentral* blog (May 12th) notes, however, enrollments and other data were not collected from state programs that began in the middle of 2013-14, which happened in Mississippi, Hawaii, Indiana, and Montana. Currently only six states -- Idaho, New Hampshire, North Dakota, South Dakota, Utah, and Wyoming -- do not offer pre-K programs.

The report highlights the urgent need to increase access to quality pre-K at a faster rate, emphasizing, "At the 2013-14 growth rate it would take 75 years for states to reach 50 percent enrollment at age four and 150 years to reach 70 percent enrollment." And, for three-year-olds, no state comes close to Washington, DC, which serves more than 65 percent of this age group. Vermont, the next ranking state, only serves 25% of three-year-olds.

The banner year for per child expenditures in pre-K was more than 12 years ago at $5129 and for the 2014 year the average is $1000 less at $4125. Per child spending has not kept pace with inflation and is losing ground in fact.

The Yearbook also reports that seven states met more of the ten quality standard benchmarks, which include having "comprehensive early learning standards" and "having teachers with specialized training," among others. For example, of the 53 state-funded pre-K initiatives, 46 had staff/child ratios of 1:10 or better; 43 had at least 15 hours per year of teacher in-service. The report notes that 17 states met all but two of the quality standards.

See *EdCentral* blog at: http://www.edcentral.org/2014-preschoolyearbook/

## Miscellaneous (f)

On May 5th, Congress passed a budget resolution, which establishes funding limits included for the FY 2016 budget following 2013's "sequester," which unless the appropriation committees break the sequester constraints, would fund education at existing levels for FY 2016 and make further cuts in later years. Key Republicans and Democrats called for appropriators to break the sequester limits, including Senator John McCain (R-AZ) who stated, "And, while sequestration may be current law, we in Congress have the ability to make new laws that can end the debilitating effects of sequestration -- and I believe we must." And, as quoted in The Hill newspaper (May 5th), Senator Charles Schumer (D-NJ) said, "We know there's only one bit of good news. Our colleagues, when they're forced to actually put real numbers to the budget numbers in the appropriations process, won't be able to do it. They won't dare do it." President Obama's 2016 proposed budget would break the sequester lock and, after the passage of the May budget resolution, the President said that it would take spending "back to its lowest level since the year 2000 -- since 15 years ago -- despite a larger population and more kids to educate….We can't do that to our kids, and I'm not going to sign it," as reported in the Huffington Post in March.

Education Week's *Politics K-12* blog (May 7th) stated, "According to the Committee for Education Funding, if the discretionary cuts are applied equally to all agencies, the U.S. Department of Education would be cut by about $3.5 billion in fiscal 2017, and Head Start…would be cut by $421 million."

Once again, there is likely to be a showdown

in the Fall unless the 12 appropriations committees, including education, are able to come up with individual appropriations levels. The threat of a government shutdown or a series of Continuing Resolutions through the remainder of the year exists. If Congress follows the advice of Senator McCain and Senator Schumer and breaks the sequester lock, resulting in individual education appropriations bills, and sequester anxieties are otherwise reduced, districts will be spending Title I unspent funds in the next few months rather than "carrying over" such funds to soften the "sequester blow" for 2016. On the other hand, if sequester concerns increase, then spending of such funds will not occur in June or before September 30th.

## Miscellaneous (g)

During the SIIA Industry Summit in May, Education Week's *Marketplace K-12* blog provided highlights of a session in which SIIA members and districts officials discussed some problems and issues in conducting pilot tests of technology products and services before large-scale purchase decisions. As reported by blogger Michelle Molnar, one of the roundtable discussants told district representatives "that many companies feel frustrated after they conduct a pilot that produced positive results by several metrics only to lose the district as a client during the procurement process or when district leadership or direction changes."

In a follow-up discussion with Molnar, we asked whether or not any SIIA member or staff person or even district official raised the question as to whether or not this problem could become even more difficult if the OMB requirements placed upon districts which use Federal funds to purchase products go into effect in December. As we mentioned in our February TechMIS report, the OMB requirements no longer would allow "a brand name" to be a justification for sole-source purchasing. Moreover, the firm which provides a product for free or at low cost to a district for field testing is prohibited from being involved in the subsequent RFP or other competitive bid process in order to be eligible for the large purchase of the pilot tested product. These new requirements could make it even more difficult and risky for firms to partner with districts in pilot tests prior to determining whether or not large-scale purchases of the products will be made.

As we noted in our February TechMIS report, Cheryl Sattler (Ethica, LLC) and we submitted a set of comments to USED along with requests for clarification on this and other questions which could affect many TechMIS subscribers. And at the last moment, SIIA also submitted comments raising specific questions related to pilot testing. Subsequently, SIIA offered to set up a meeting involving SIIA stakeholders and USED officials to discuss the issues, but was turned down by USED. In the meantime, we have not received any response to the Ethica, LLC letter. However, Cheryl Sattler told me that there appears to be a significant delay in USED responses, as she only recently received comments from an unrelated request she made December 5th. If and when developments occur, we will share updates with TechMIS subscribers and will continue to seek clarification through other available avenues.