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MEMORANDUM

DATE: November 12, 2010
TO: TechMIS Subscribers
FROM: Charles Blaschke and Blair Curry
SUBJ: New SIG Guidance

Attached is our initial analysis of the November 1st School Improvement Grant Guidance following earlier publication of final SIG regulations in the Federal Register on October 28th. The revised guidance includes a new section on allowable uses of SIG funds during the Pre-Implementation Phase between now and September 2011 which is the full-implementation date for Tier I and Tier II schools. Areas of new priorities/emphasis, which should increase the demand for directly-related products and services, include: student “wraparound” support services and community/parent engagement; remediation and enrichment prior to full-implementation such as remedial tutoring; formative assessment components built into local data systems; embedded professional development; instructional programs which are research-based and aligned to one of the four intervention components; and SEA/LEA guidance on selecting external providers. SEAs and LEAs are also encouraged to request waivers to provide greater flexibility and extend the funds obligation date of SIG funds to September 2014.

For the next few weeks, we anticipate additional funding alerts as developments occur with respect to the FY 2011 budget or Continuing Resolution, key changes in Congressional leadership positions and related activities. Please call me or Blair if you have any questions.

Special Report:
New USED School Improvement Grant Part G Guidance Addresses Allowable Uses of 2009 Carryover and 2010 SIG Funds for Pre-Implementation Phase (Now Through Summer 2011) and the Use of a “Rigorous Review Process” for Selecting External Providers

A Technology Monitoring and Information Service (TechMIS)
SPECIAL REPORT

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Based on publication of final SIG regulations in the Federal Register on October 28th, USED released on November 1st an updated Non-Regulatory Guidance (NRG) which includes an entirely new section on allowable activities and use of funds for the “Pre-Implementation” phase. As promised in an August 18th letter from Secretary Duncan to chief state school officers, the NRG includes new guidance to SEAs and LEAs on implementing a “rigorous review process” for selecting high-quality external partners to ensure a high-quality implementation. Based on our initial review and analysis of NRG, we have highlighted changes and increased emphases in activities and allowable uses of funds which should be of great interest to firms wishing to participate in district-level SIG initiatives. Our analyses in other areas of the 82-page guidance, as well as “add-ons” promised by USED, will be covered in subsequent TechMIS SIG guidance updates.

Under the new “Pre-Implementation” phase guidance, only after an LEA is awarded an SIG grant for its schools based on having a “fully approvable application, consistent with SIG final requirements,” can SIG funds be spent. Similar to our estimates that between \$800 and \$850 million of FY 2009 SIG funds would be carried over to this year, according to Education Daily (November 5th), USED reported that approximately \$825 million has indeed been carried over which, when added to about \$550 million of regular FY 2010 SIG funds, would result in slightly less than \$1.4 billion being available this year for Pre-Implementation activities and Full Implementation in Tier I and Tier II schools beginning in September 2011.

A new section of the NRG includes examples of several groups of activities which are allowed depending on the needs of the SIG schools. One such area, which over the last year has increasingly been emphasized, is Family and Community Engagement. On several occasions, Secretary Duncan has called for doubling of parent involvement funding and related activities at the district level under the Title I program. Similar to the required and permissible activities

under the Promise Neighborhood program, the new SIG guidance in this area would allow such funds to be used to conduct surveys to gauge the needs of families, students, and communities and to identify community resources which could be used to provide support activities to Tier I and Tier II schools. Telecommunications and survey tools to facilitate “family and community engagement” should be in high demand during this phase. In a related area, districts are required to conduct a “rigorous review” of external providers, which also require community and parent participation in the process.

The new guidance addresses SEA and, perhaps more critically, LEA selection of external providers in several sections. It appears that the selection of a CMO or EMO to implement the restart model would require a more rigorous process than selecting an external support provider for certain specific Pre-Implementation or even Full-Implementation activities for support activities. In a district’s application for SIG funds, “An LEA must describe, among other things, the actions it has taken, or will take, to recruit, screen, and select external providers to ensure their quality.” The LEA must focus on the provider’s reform plans and strategies: “In screening a potential external provider, an LEA might, for example, require the provider to demonstrate that its strategies are research-based and that it has the capacity to implement the strategies it is proposing.” A new section of the guidance also addresses how an SEA can provide technical assistance to its LEAs regarding their processes for recruiting, screening, and selecting external providers to ensure their quality. Several examples of such assistance I include:

- “Develop and discuss with LEAs sample rubrics to assess external providers;
- Distribute samples of high-quality RFPs, MOUs, or contracts with external providers;
- Provide LEAs with links to high-quality resources and tools to assess external providers;
- Provide guidance on how to assess the organizational and financial capacity of external providers; or
- Provide examples of how external providers are being used to successfully support reform efforts throughout the State.”

Such SEA technical assistance should be provided based on the SEA’s experience with LEAs and any relevant circumstances in the state. In our June, July, and September TechMIS reports, we highlighted some procedures and criteria recommended in guides on selecting external partners, prepared by Learning Point Associates, Mass Insight, and others, which some states are likely to rely upon.

Also included in the new NRG are clarifications of allowable activities and use of SIG funds regarding the use of external providers: “The LEA might also use external providers to provide technical expertise in implementing a variety of components of the school intervention models, such as helping a school evaluate its data and determine what changes are needed based on those data; providing job-embedded professional development; designing an equitable teacher and principal evaluation system that relies on student achievement; and creating safe school environments that meet students’ social, emotional, and health needs.”

Another set of allowable activities relate to the Instructional Program as a component of the transformation or other intervention models that have been selected for a particular school. The new NRG will allow funds to be used to “identify and purchase instructional materials that are research-based, aligned with State academic standards, and have data-based evidence of raising

student achievement; or compensate staff for instructional planning, such as examining student data, developing a curriculum that is aligned to State standards, and aligned vertically from one grade level to another, collaborating within and across disciplines, and devising student assessments.” The new NRG also emphasizes that instructional programs should provide “remediation and enrichment to students in schools that will implement an intervention model...” The guidance also clarifies that, prior to Full-Implementation “...an LEA may use SIG funds to provide supplemental remediation or enrichment services to students enrolled in a school that will begin full implementation of a SIG model at the beginning of the 2011-2012 school year.” The use of funds for supplemental remediation or enrichment services during the Pre-Implementation phase is allowed in such areas as “summer school for rising ninth-graders [achievement], designed to prepare low-achieving students to participate successfully in advanced coursework, such as AP or IB courses, early-college high schools, or dual enrollment in postsecondary credit-bearing courses; or to provide after-school tutoring for low-achieving students.” Such use of SIG funds cannot violate local supplement-not-supplant provisions, however.

During Pre-Implementation, LEAs can use SIG funds for a number of activities including training staff on “the implementation of new or revised instructional programs and policies that are aligned with the school’s comprehensive instructional plan and the school’s intervention model.” Other activities include instructional support for classroom coaching and mentoring, consultation with outside experts, observations of classroom practice, training staff on new evaluation systems and locally-adopted competencies.

The last set of examples of allowable activities relate to Preparation for Accountability Measures, which include the development and pilot testing of a data system to be used to analyze data on leading baseline indicators as well as the development and the adoption of interim assessments for use in SIG-funded schools. The guidance, however, stipulates that SIG funds can be used to pilot test the data/evaluation system only in Tier I or Tier II schools, not for district-wide implementation. In addition to reminding districts that SIG funds cannot be used to violate “supplement-not-supplant” provisions, the guidance points out that SIG funds cannot be used to conduct a needs assessment to determine which of the four intervention models (including the transformation model) should be selected and proposed in an LEA’s application to the SEA. SIG ARRA funds can only be spent after the district’s application is approved and the money is allocated to the district by the SEA. In a discussion with Rich Long, Executive Director of National Title I Association, I asked whether or not School Improvement Grant funds, when actually allocated to districts, could be used to replenish other funding sources such as School Improvement Grants, Part a (e.g., the 4% SEA set-aside), Title I ARRA, or regular funds that were used as “stop-gap measures” to fund schools approved two or three years ago under School Improvement Grants. His understanding was that the recently awarded SIG (Part g) funds could not be used to replenish those sources. The net effect is that in some states, such as Tennessee, the total amount of funding going to schools funded under School Improvement Grants will total more than the actual SIG funding which is now being awarded to districts.

Also addressed in the NRG is whether or not SIG funds can be used to pay for the cost of “minor remodeling” necessary to support technology that will be used as part of the implementation of

the selected school intervention model. The answer is “yes” if the cost of remodeling is “necessary” to support technology and if the costs are directly attributable to the implementation of a school intervention model and are reasonable. An example of such an allowable use of SIG funds would be to pay for minor remodeling to facilitate a web-based interim assessment and aligned online instructional programs by providing wireless connectivity in a classroom. The proposed remodeling activities must be approved by the SEA. Over the last three decades, a “rule of thumb” for regular Title I programs has been that such cabling or other connectivity costs associated with computer use must not exceed ten percent of the total cost of the computer-based instructional and assessment activities tied to delivering Title I services in a Title I school.

Under a new section entitled “Waiver to Extend the Period of Availability of SIG Funds,” because SIG implementation is almost one and half years late, if an SEA requests a waiver, and full implementation in districts does not begin until September 2011, the SIG funds do not have to be obligated until September 30, 2014 – a one year extension. In a related question addressed in previous SIG interim guidance (see June 2010 TechMIS), the new NRG makes it clear that an SEA can renew an LEA’s grant with respect to a school that exits from “improvement” during the period of availability of SIG funds or after the initial award of SIG grants to implement a school intervention model. Moreover, if SIG funds are available, the SEA may approve a districts’ request to allow a school exiting from “improvement” to continue receiving such funds beyond 2014 to reduce the probability that the school would regress from its increased performance status, thus extending funding streams for firms partnering with the school which exited “improvement.”

A district can also request a waiver of the requirement for replacing principals, especially if such replacements are not available; this addresses a major concern in many rural districts with Tier I or Tier II schools.

As a result of the increased emphases or priorities and some changes in the NRG, there appear to be a number of implications for firms with products which are likely to be in higher demand.

The higher priority placed on parent and community engagement and safer schools suggest increased opportunities for products and services which can be used to provide “wrap-around support services” for students -- a major component of Promise Neighborhood model approaches -- and mechanisms and tools to communicate with parents and community groups, along with communications and other systems to facilitate better coordination between community agencies and Tier I and Tier II schools.

The inclusion of “remediation” and “enrichment” components of the Instructional Program used to implement an intervention model (such as the transformation model), along with a clarification that such programs could actually be implemented prior to full implementation, suggests a higher demand for remedial and enrichment programs and earlier use during the Pre-Implementation phase.

It also appears that a higher priority has been placed on formative assessment as part of data systems during the Pre-Implementation phase. Firms with such tools and applications should

attempt to partner with districts early during the Pre-Implementation phase.

The NRG's priority on SEAs ensuring the selection process of external providers goes through a "rigorous review process" at the district level suggests that approaches which are research based and strategies which have a track record of success must be convincing, not only to district and school decision-makers, but also to community and parent participants in the selection process. Providers' financial and other capacity to deliver is also very important.

The extensive discussion of allowable uses of SIG funds to pay for minor remodeling related to the implementation of technology suggests that USED expects states and districts to encourage the use of online formative assessments and online instruction, perhaps including professional development in Tier I and Tier II schools.

For a copy of the Guidance, go to: <http://www2.ed.gov/programs/sif/sigguidance11012010.pdf>