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MEMORANDUM

DATE: February 25, 2015

TO: TechMIS Subscribers

FROM: Charles Blaschke, Suzanne Thouvenelle, and Cheryl Sattler

SUBJ: Final SIG Guidance; FY 2016 Proposed Education Budget; Title I Conference Highlights; and Characteristics of Successful SIG Schools' Implementation

On February 12th, we sent TechMIS Special Report (with Appendix) on new OMB/USED guidance/requirements on "conflict of interest" and procurement methods/procedures, which districts are required to follow in purchasing products and services when using Federal formula funds. With our partner, Ethica, LLC, we have submitted comments and requests for clarification on issues addressed in our report. These issues will be updated in subsequent TechMIS reports prior to final USED guidance expected before the December effective date of implementation. TechMIS subscribers should contact us with questions or examples of practices about which they have concerns in order for us to discuss them with USED officials and other parties.

The first Special Report addresses changes in the Final SIG guidance/regulations. Some have direct implications for many TechMIS clients regarding the next round of new applications' funding/timing, allowable interventions, and selection/oversight of external partners.

The second Special Report highlights the President's proposed FY 2016 education budget which has a $2.7 billion increase (an almost a 12 percent increase for ESEA programs), which despite predictions of "dead on arrival" could result in increases in specific programs resulting from Congressional actions. It would overturn the planned "sequester" for next year which, however, is not directly stated in the President's proposed budget. Some "language" suggests the President's desire for new directions in certain programs, which should be taken into account by TechMIS subscribers.

Washington Update headlines include the following:

- **Page 1**
  The House Passes Committee Mark-Up of ESEA Reauthorization Proposal (HR 5), Which is Similar to the Student Success Act It Passed in 2013; the New Proposed Changes in Title I Formula and Related Funding Have Already Evoked a Critical Response from the White House

- **Page 3**
  New Council of Great City Schools Report Identifies Common Characteristics of Successful and Unsuccessful Implementation of School Improvement Grants in Big City Schools

- **Page 5**
  Highlights of Association of American Publishers Webinar: 2015 State and Federal Outlook

- **Page 7**
  Title I Conference Exhibit Area Had Good, High-Quality, Upbeat Traffic, Even Though Overall Attendance Was Lower Than Last Year

- **Page 9**
  Education Week's *Time and Learning* blog (January 29th) Reports on the Characteristics of Running High-Quality, Out-of-School Time Programs with Costs Ranging From an Average of $3,450 to $3,780 Per Pupil

Over the next several months, new developments are likely to occur more rapidly than in the past regarding budget, ESEA reauthorization, district purchasing, and other matters, which we will update to keep TechMIS subscribers fully apprised of opportunities as they emerge. If anyone has any questions, please contact Charles Blaschke directly at 703-362-4689.

TechMIS renewal agreements and invoices were sent early this week to subscribers. Please contact Cyndi Mercado (703-536-2310 x6) if you did not receive yours and please call Charles if you wish to discuss or have questions.

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Special Report:
New Final School Improvement Grant Guidance Regulations Include Some Significant Changes from September 8th Proposed SIG Regulations, Which Have Direct Implications for Some TechMIS Subscribers

A Technology Monitoring and Information Service (TechMIS)
Special Report

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February 25, 2015

The new SIG final regulatory guidance for funding School Improvement Grants were published on February 6th in the Federal Register taking into account: a) some comments made by education influencers on the draft September 8th regulations which were highlighted in our October 30, 2014 TechMIS Special Report; and b) certain Congressional language in the Consolidated Appropriations Act 2014 which were addressed in our December 19, 2014TechMIS Special Report on the FY 2015 budget. According to USED, the final regulations also revised current SIG requirements based on "lessons learned," including some of those identified in the recent Council of Great City Schools report on SIG school progress made in their member districts over the first three years (see related item). Among others, the revisions now address increased family and community input in selection of intervention models, increased LEA requirements to monitor and report intervention "implementations," and to "regularly review external providers' performance and hold external providers accountable." Important changes of interest to TechMIS subscribers are highlighted below.

The final regulations allow schools to receive SIG funding up to five years rather than the current three-year limitation. Hence, a SIG school may receive up to $10 million over five years; however, no renewals beyond that will be allowed.

Under the Congressionally-mandated allowance of a "state-determined school improvement intervention model, numerous groups argued for greater flexibility and allowing for more than one state-determined model to be used (covered in our October TechMIS Special Report). In response to congressional pressures SEAs will have greater flexibility in selecting the model, the final guidance states that a state-determined model "must meet the definition of a whole school reform model, and that includes at the SEA's discretion, any other element or strategy that an SEA determines will help improve student achievement." Also, it must be consistent with the Senate report 113-71 that "any approach taken with SIG funds will address schoolwide factors

including, for example, curriculum and instruction, social and emotional support services for students, and training and support for teachers and school leaders." If the state-determined model meets the evidence-based whole school reform model, the SEA "will not be required to make any additional demonstration for approval" by USED. However, citing Congressional language in the FY 2015 budget, USED stated that it is directed to authorize each state to implement only one state-determined model.

Regarding the Congressionally-mandated whole school reform strategies allowable intervention approach, USED clarified that the "strategy" now be referred to as whole school reform "model" and that strategy developers be referred to as "whole school reform model developers."

One significant change is that the evidence of effectiveness required for whole school reform models must now meet the definition of "moderate level of evidence," which was incorporated on March 1, 2012 into EDGAR and had previously been used under the i^3 program. As such, in footnote #1, the guidance states that based on this revision, "We are re-opening the submission and review process. Accordingly, we invite model developers and other entities to submit prospective models and research studies of the effectiveness of those models for review against the revised evidence requirements…" However, if a model developer has previously submitted a strategy based on the guidance in the September 8th draft regulations, "We will consider that strategy against the revised requirements. The previously submitted strategy should not be resubmitted." For those wishing to submit for the first time, new guidance would be provided by USED on his website: www.ed.gov/programs/sif/npr-wholeschlreform.html

The same footnote also identifies a major potential problem created by the changes regarding intervention models in the final regs: whether or not there will be enough time for USED to conduct an additional review of newly-submitted state applications and provide an "approved" list from those models submitted for review that meet the requirements "in advance of the competition for fiscal year 2014 SIG funds." In a discussion with one of the leading proponents of rigorous evidence-based requirements who argued initially that two rigorous studies instead of one should be required, felt that such a list might not be provided in time for SEAs to conduct competitions for the FY 2014 SIG funds. The final list will be available at the above website, according to USED (the February regulations are supposed to be effective by March 6th).

Another change under the whole school reform model intervention strategy is that the SEA, in determining whether a whole school reform model "developer" has a demonstrated record of success, only considers that the entity has a "record of success" in implementing any whole school reform model, not necessarily the chosen strategy.

Regarding the allowability of early learning model interventions, which was proposed by USED in the draft guidance and was not part of a Congressional mandate, USED identified a number of changes in the final regulations. One is that the model, as implemented, must meet the Title I regulations regarding key provisions such as supplement-not-supplant, not the requirements under the so-called "high-quality preschool" programs recommended earlier by USED.

The final regulations appear to strengthen the September 8th draft "encouragements" and requirements that the selection of the chosen intervention model take into consideration family and community input. It also appears to strengthen the requirement that LEAs continuously engage families and the community throughout implementation of SIG interventions.

The final regulations are also designed to strengthen and place a higher priority on district requirements to regularly review "external providers'" performance and hold "external providers" accountable. Relevant language strengthening this requirement includes, "Any external provider that will be used to implement the chosen SIG model must be in place on the first day of the first school year of full implementation." Also during pre-implementation or planning, LEAs must select external providers and develop performance metrics against which the external provider will be evaluated.

In addition to existing guidance on external providers at www2.ed.gov, USED intends to "issue additional guidance to assist SEAs and LEAs in carrying out the requirements pertaining to external providers."

In response to a number of comments requesting that "community school models" be allowed as one of several approved interventions, USED stated that the strengthening of family and community engagement during selection of intervention models and during implementation would meet the intent of those comments; however, "community school" model as an approach would not be sufficient to be allowed or to be made the "sole model eligible for new SIG funds."

The final regulations also include several changes to promote the use of "evidence-based strategies." For example, in determining which LEAs have the "strongest commitment" to effective use of SIG funds and their use of evidence-based strategies, several changes have been made:

- the SEA must evaluate the extent to which an LEA demonstrates it will implement one or more evidence-based strategies; and
- SEAs must use the new definition of evidence-based strategy which is at least a "moderate level of effectiveness" now in EDGAR.

In response to commenters' request for a wide range of approved allowable intervention strategies, the guidance states that most can be fit into the existing approved allowable intervention strategies; however, "we intend to issue guidance that will assist SEAs and LEAs in better understanding the broad spectrum of allowable activities and uses of SIG funds."

If anyone has questions or wants suggestions of how to proceed now, call Charles directly at 703-362-4689.

Special Report:
The President's Proposed FY 2016 Education Budget Increase of $2.7 Billion is an Almost 12 Percent Increase for ESEA Programs, Which Despite Predictions of "Dead on Arrival," Could Result in Specific Increases; and the Most Significant Impact – Overturning Planned FY 2016 Sequester Implications Is Not Directly Stated

A Technology Monitoring and Information Service (TechMIS)
Special Report

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February 25, 2015

Released earlier than in the past (February 2nd) the President's proposed FY 2016 education budget calls for a $2.7 billion increase, 12 percent in ESEA education program appropriations, including a $1 billion increase for Title I, and smaller increases in numerous old programs and new initiatives to rally support from specific advocacy groups. In spite of "dead on arrival" predictions from several GOP and other quarters, some increases may survive for a number of reasons:

- a fast-growing economy with predictions of further reductions to the national debt through 2017; and
- pressures upon the GOP not to say "no" to a large number of vested interest groups before the 2016 election.

The greatest general impact with implications for many TechMIS subscribers is not directly mentioned in the budget – namely, a "silent" proposal to end the across-the-board sequestration cuts, which are scheduled to become effective once again for both the military and domestic programs next year; even though proposed GOP opposition will grow, reelection pressures may override them.

In Exhibit A, we display the appropriations level for FY 2015 budget, which was passed in December, and proposed funding levels for FY 2016 in the President's budget. In our December 19th TechMIS Special Report, we highlighted the "language changes" in the FY 2015 budget, which had significant implications for many TechMIS subscribers even though the funding levels over the previous year were increased only slightly for large programs such as IDEA and Title I (e.g., $25 million each). Below we highlight the funding levels, some new language changes, and emphases in the FY 2016 budget for some of the same programs, along with

several new ones, which could have implications for TechMIS subscribers, assuming these survive the upcoming budget debate.

U.S. DEPARTMENT OF EDUCATION
FUNDS AVAILABLE TO
PURCHASE SUPPLEMENTAL/TECHNOLOGY
PRODUCTS AND SERVICES
(millions of dollars)

	FY 2014 Appropriations	FY 2015 Appropriations	FY 2016 Prop. Approp.
Title I (Total)	15,553	15,578	16,578
Total LEA Grants (Part A)	14,385	14,409	15,410
Basic	6,459	6,459	6,459
Concentration	1,362	1,362	1,362
Targeted Grants	3,282	3,294	3,794
Finance Incentive Grants	3,282	3,294	3,796
Striving Readers	158	160	160
School Improvement Grants	506	506	556
Race to the Top	250	250	0
Investing in Innovation (i^3) Fund	142	120	300
Improving Teacher Quality(Title II)	2,350	2,350	2,300
English Acquisition	723	737	773
State Assessments	378	378	403
Math Science Partnerships	150	152	202
Teacher Incentive Fund	289	230	350
Promise Neighborhoods	57	57	150
Special Education (EHA/IDEA) State Grants	11,000	11,497	11,672
Adult Education	578	582	589
Career/Technical	1,125	1,125	1,327
21st Century Community Learning Centers	1,149	1,151	1,151
Charter Schools	248	253	375
Safe & Drug Free	90	70	90
Statewide Assessments	N/A	378	378
College Mentoring (GEAR-UP)	302	301	301
HEA TRIO Program	838	839	860
Preschool Development		250	750
*New High School Design		100	125
*Leveraging What Works			100
*E2T2 (Technology)			200

* New for USED

Title I Grants to LEAs Part A

The proposed $1 billion increase to $15.4 billion in 2016 for Title I, would serve nearly 24 million students in 84 percent of LEAs with more than 40,000 schools designated as schoolwide programs, or about three-quarters of all Title I schools serving more than 90 percent of all participating students. While the proposed budget would strengthen flexibility for both "targeted" and "schoolwide" programs, it would also strengthen comparability provisions to ensure "supplemental Title I funds are added to an equitable base of state and local resources in

high-poverty schools that Title I serves." While groups such as the Center for American Progress (CAP) have proposed much more rigorous comparability requirements and enforcements, the budget proposes the "Equity and Outcomes Pilot" program for up to ten participating districts that would promote a more reasonable and sufficient use of funds. In return for ensuring more equitable distribution of state and local and Federal dollars (based on actual teachers' salaries expenditures similar to CAP's recommendations), these districts, which would be selected competitively could be allowed to use Federal funds more flexibly to support evidence-based plans to improve student performance. Also, they would report on student outcomes linked to expenditures "to ensure that investments served the lowest-achieving students effectively." In addition, the proposed budget would increase from one to three percent the state Title I set-aside for "administration" to allow states capacity building to support initiatives undertaken by districts in states with waiver flexibilities, in such areas as support for low-performing schools.

School Improvement Grants would receive a $50 million increase to $556 million with all of the increase targeted "to states that demonstrate a strong commitment to using SIG funds for evidence-based interventions with new funds being used only for subgrants to LEAs that propose to implement proven interventions, or school closures." Even though the new funds would have to use the four evidence-based interventions and the three new congressionally-mandated interventions – whole school reform, state-determined homegrown, and early learning approaches -- as an improvement strategy in elementary grades, the budget language states that USED "would give priority to SEAs that commit to serving high schools with persistently low graduation rates." It also states that USED would be allowed to continue using up to five percent of funds for capacity building, national activities including "rapid cycle evaluation of the effectiveness of promising interventions," which is likely the evaluation process of whole school reform models and approaches included in the draft September 8th SIG guidance. Congressional language in the FY 2015 budget was highly critical of USED's draft SIG guidance (see December 19, 2014 TechMIS report).

IDEA Special Education

The state grants program under IDEA would receive an increase of $175 million up to $11.7 billion, which would increase the mandated Federal share to 16 percent of the national average per-pupil expenditure, providing an estimated $1,768 per pupil for about 6.6 million children ages 3-21. The "mandated" full funding level (40%) which has been supported by House Education and Workforce Committee Chairman John Kline for the last several years will likely be a bargaining chip between the House and the Senate in that Chairman Alexander, a long-time supporter of increased Title I formula funding, could arrive at a higher compromise level for IDEA funding with Chairman Kline. Part C, Early Intervening Services, would receive a slight increase from $439 million to $504 million. The proposal requests additional flexibility to allow districts to provide Coordinated Early Intervening Services now allowed under Part B, in which a district can reserve up to 15 percent of the IDEA funds they received to provide Response-To-Intervention (RTI) or Coordinated Early Intervening Services (CEIS) in districts which have been identified as having "significant disproportionality." Most critically, a waiver is requested to reduce some of the CEIS reporting requirements which can be a significant burden on districts

who use CEIS for children ages three through five under Part C.

Other USED Grant Programs

Beyond the large formula grant programs, the proposed budget calls for increases in several previously-funded or new programs which have a likely chance of receiving new or increased appropriation funding; or in other cases the proposed budget and language reflects the Obama/Duncan priorities, which have not been funded out of the proposed authorized program, but could be funded out of other grants, which have some discretion to include Obama/Duncan priorities. The Administration has used this "authority" considerably over the last three years, known as "robbing Peter to pay Paul." These include:

A $120 million increase to $375 million for the Charter School Program, which can be used to replicate successful models or to support turnkeying charter school promising practices into public schools, which collaborate with the successful charter school operator. Such "turnkey" operations are currently underway in Texas and Florida (e.g., Florida districts will receive up to $10 million over time in state funds for such efforts). Budget language states that USED would "prioritize support for the expansion of effective options for students attending high schools with persistently low graduation rates."

The Teacher Incentive Fund would receive an increase of $120 million to $350 million, which would provide incentives for districts to implement innovative approaches for professional development, career advancement, and pay based on multiple measures to encourage such development of "human capital systems." For a number of years the Teacher Incentive Fund has been a priority of Senate HELP Committee Chairman Lamar Alexander.

The High School Redesign Initiative requested two years ago by the Administration (but turned down by Congress in the Education Budget) was funded at $100 million through a Department of Labor program budget item.

Its replacement, the "new" Next Generation High School would receive a proposed $125 million. The Next Generation High School Initiative would focus on personalized learning opportunities in academic and wraparound support services, effective application of technology, extended learning time, and competency-based measures and implementation of evidence-based professional development. Some observers have referred to the New Generation High School Initiative as a replacement of Race to the Top, which was omitted from the proposed FY 2016 budget.

This effort would also focus on STEM as part of an estimated $3 billion for STEM education across numerous agencies over ten years. One priority is to expand opportunities for under-represented groups in STEM areas. The Administration has also proposed more than $50 million increase to $202 million for the Math/Science Partnership Program. States could make grants to districts to develop evidence-based practices, and provide disadvantaged students STEM experiences in formal and informal settings.

For the first time in several years, the Administration has proposed $200 million for the Enhancing Education Through Technology (E2T2) state grants program with a major priority placed upon professional development. It is also proposing funds for its ConnectED initiative, which would be tied into an ARPA type initiative operated by USED. Since the FCC has increased funding under the E-Rate Modernization program for this year and next year from $2.4 to $3.9 billion, which will fund digital devices and related products for the first time, it is not clear whether USED will strongly "fight for" increased funding for both the E2T2 new state funding and the proposed funding to implement ConnectED/ARPA in light of the December 11th FCC decision to increase E-Rate funding cap and allow E-Rate funds to be used to purchase digital products and related services. As the budget states under E2T2, subgrants could be made to high-need districts that have "basic technology infrastructure to support exemplary models for use in technology." As some observers have noted, this conflicts somewhat with the other USED priority of providing "equitable distribution of resources" to among other things, reduce the gap referred to as the "digital divide." Evidently, the Administration intends E2T2 to become a model demonstration and dissemination program for districts' use of effective new "models."

State assessments would receive a $25 million increase to $403 million with $25 million set aside to help states address pressing needs identified for developing and implementing their online assessments, "which could include providing high-quality professional development for teachers using assessment data to improve instruction and meet student needs…"

Striving Readers would receive only a slight increase to $160 million; however, all funds would be used for new awards under a "refocused program of competitive grants to districts that would support evidence-based literacy programs and interventions in high-needs schools. It is important to note that the "moderate level of effectiveness" standards now incorporated in the EDGAR in March, 2012 would be the standard for determining eligibility of an approach for new grants.

The 21st Century Community Learning Centers grants would continue with a slight increase allowing such funds to be used by districts for extended learning time programs in addition to before and after-school and summer enrichment programs. In discussing funding for STEM-related activities, the budget document notes that such STEM programs can be funded under 21st CCLC program.

Under the Safe and Drug-Free Schools and Communities National Activities, the $20 million increase to $290 million would support new LEA school climate transformation awards to help schools train teachers and other school staff to implement evidence-based behavioral intervention strategies to improve school climate.

Head Start/Early Education Programs in DHHS Budget

The Administration has made it clear that early childhood education is a top priority. The GOP-controlled Congress is unlikely to support the proposed spending increases and tax hikes needed to fund all proposals. However, this budget request does lay out the President's agenda,

Head Start

The President has requested $10.1 billion in funding for the Head Start and Early Head Start program, which provide comprehensive services to low-income pregnant women and children from birth to age five. This marks a $1.5 billion increase in funding from last year's appropriation.

"Approximately $1.1 billion of the request would be used to lengthen the Head Start day and year to ensure that children receive adequate instructional time. Currently, Head Start centers for three- and four-year-olds have discretion when determining program dosage–as long as the program meets the minimum standards. According to the Administration of Children and Families, "Children in Head Start programs that operate under our current minimums of 3.5 hours a day and 128 days a year receive less than half the program hours provided by the high quality prekindergarten programs that have demonstrated stronger impacts." Research indicates that length of the school day and school year are two of the strongest factors impacting child outcomes in Head Start. Full-day programs offer more time for high-quality interactions between adults and children, increasing children's opportunity to learn. Under this budget request, all Head Start programs would offer full-day and full-year services, which the Department defines as at least six hours per day for at least 170 days per year. With this proposal, the Administration is looking at the evidence to determine how to best improve the quality of Head Start." (See New America, Ed Central, February 9, 2015)

Obama also proposed a $150 million funding increase for Early Head Start, specifically for the Early Head Start-Child Care (EHS-CC) Partnerships. EHS-CC Partnerships would receive $650 million to expand access to high-quality childcare for children from birth to age three. Only four percent of eligible families receive EHS services, and this program aims to increase participation in EHS and improve the quality of child care overall. EHS-CC is a relatively new program and HHS announced the first round of EHS-CC awards back in December.

Overall, the President's budget priorities for children, birth-to-age 4, and their families are backed by evidence and could help to improve early childhood outcomes by providing much-needed services to lower-income families.

Child Care and Development Fund

Additionally, the President proposed increasing mandatory funding by $8.2 billion over ten years for the newly reauthorized Child Care and Development Block Grant (CCDBG). These funds would substantially expand child care access for low- and moderate-income families with children under age four. The CCDBG law can more effectively regulate program quality, and thus better ensure that vulnerable children are placed in high-quality environments where they can reap the full benefits of early education programs. In the same vein, the Administration called for an additional $266 million in discretionary funding to help states implement the new CCDBG law.

If anyone has questions about the proposed budget for FY 2016, go to ed.gov or call Charles directly at 703-362-4689.

Washington Update

Vol. 20, No. 2, February 25, 2015

The House Passes Committee Mark-Up of ESEA Reauthorization Proposal (HR 5), Which is Similar to the Student Success Act It Passed in 2013; the New Proposed Changes in Title I Formula and Related Funding Have Already Evoked a Critical Response from the White House

The Committee marked-up version, which passed on February 11th, will go to a House floor vote at the end of the month; it includes a major Title I formula change, which has already evoked a significant attack from the Obama/Duncan Administration. The Council of Great City Schools opposes the change as it continues a close relationship with former Chicago Superintendent Arne Duncan, now Secretary of Education. The change relates to the so-called "targeted" and "incentive" components and would provide funding based on the percentage of Title I eligible students in the district rather than the number of such eligible students in the district, over the last decade two of the four formula components were designed to provide relatively more Title I funding to large urban districts which have the largest number not percentage of eligible students; the other two components – "basic" and "concentration" – provide funding to all districts in a more equitable manner based on percentages. The American Association of School Administrators (AASA), along with groups such as the Rural Community Trust Fund have been advocates of having Title I funds allocated to districts based on the percentage of Title I-eligible students enrolled in the districts, based on poverty counts derived from Census Bureau surveys. Indeed, over the last decade, virtually all of the increased appropriations for Title I by Congress have been in the "targeted" and "incentive" components, which provided relatively more Title I funding going to mostly large, urban districts at the expense of small and rural districts. This has been increasingly criticized by groups such as AASA, an organization that is very close to House Education and Workforce Committee Chairman John Kline (R-MN).

Under the GOP-controlled committee headed by Chairman John Kline, Congressman Glenn Thompson (R-PA) proposed the change; Thompson has been AASA's advocate in Congress since 2011 to make such changes. According to Education Week's *Politics K-12* blog (February 12th), the Congressman thanked Chairman John Kline for addressing the issue, noting that "more is still needed to be done…Thompson will keep pushing to include additional language in the NCLB rewrite that mirrors all his 'All Children Are Equal' Act (ACE), which would further alter the formula."

Aside from the proposed change in the Title I formula and funding, the House version is generally similar to the proposal submitted by HELP committee Chairman Alexander, with some exceptions. One major exception is that the House version would maintain most of the requirements of NCLB for annual state assessments in grades 3 through 8 and once at the high school level. As a

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result of recent hearings and pressures, it seems that Chairman Alexander appears to be gravitating toward some form of annual state testing requirements similar to the House version. Otherwise, the House version is similar with respect to:

- Curtailing the Secretary of Education's discretionary authority significantly, which Secretary Duncan has used over 1,000 times during the last five years in terms of state flexibility and other individual state and district waivers; and
- Portability of Title I funds to follow the child to public schools or charter schools and allowing transferability of funds among programs by districts and elimination of a large number of small programs.

By far the most controversial change, which is not supported by AASA, is portability, which virtually all education groups feel would open the door to private school vouchers which is likely to be a "bone of contention" during the House debate.

Within hours of the mark-up passage by the Committee on February 13th, the White House unleashed an attack on the proposed formula and other changes, which was expected. Using FY 2014 data, it argued, "The 100 school districts that faced the most significant cuts would lose over 15 percent of their current Title I funding, totaling nearly $570 million and more than 100 school districts would see a Title I cut in access of 50 percent. Districts with a concentration of poverty above 25 percent could lose $70 million in funding, with districts with low concentration of poverty gaining $470 million." For example, LAUSD would suffer a 24 percent cut, losing more than $80 million under the proposed HR-5, with others receiving major cuts: Chicago ($64 million), Detroit ($50 million), Philadelphia ($45 million), among others.

Another change which the White House opposed was limiting Title I funding to a level which would be $800 million lower than in FY 2012, thereby preventing any funding increases through FY 2021. Basically, this would stick to the "sequester levels" in the Budget Control Act of 2011. Another funding-related change, drawing opposition from the White House, was the proposed elimination of Maintenance of Effort which, according to the White House, would "allow state and local governments to advocate their responsibility to maintain school funding from year-to-year." Ironically, the White House report argues that the change would "let states cut their own education budgets and effectively redirect Federal education funds to unrelated projects like prisons or sports stadiums." One of the priorities in USED's 15 high priorities for 2015 (see July, 2010 TechMIS report), is providing more assistance to districts and correctional institutions to streamline and provide more funding to fix the link returning students placed in juvenile and correctional facilities back to school.

The White House opposes the proposed ESEA change in the House version to increase portability, whereby Title I funds would follow the child to other public schools or charter schools -- a proposal also included in the Senate ESEA reauthorization version. The White House report argued that the House version would allow Title I funds to be spread thinly across wealthiest districts while sending less funding to high-poverty districts; in addition, the "so-called portability proposal would undermine

districts' ability to allocate funds as they see fit and undermine the half-century mission of Title I to provide critical support to schools and districts with high concentrations of poverty."

New Council of Great City Schools Report Identifies Common Characteristics of Successful and Unsuccessful Implementation of School Improvement Grants in Big City Schools

The Council of Great City Schools (CGCS) has identified common characteristics found in the implementation of successful versus unsuccessful SIG schools (approximately 70% successful versus 30% unsuccessful) in implementing interventions. Significant differences in test scores were noted in both math and reading grades 3through 8: "Gaps in the percentage of students scoring at or above proficient on state assessments between SIG award schools in the two comparison groups (SIG eligible schools that did not receive grants and non-SIG eligible schools) appear to have narrowed steadily over the first two years of the grants and then leveled off in the third year. Moreover, the percentages of students in the lowest proficiency levels on state assessments in SIG award schools were reduced." There were no significant differences between the use of "transformation" versus "turnaround" models.

Perhaps more important than the impact on student performance, which is very similar to the preliminary USED report's findings (i.e., in about two-thirds of the SIG schools student performance was increased) were the findings related to the "lessons learned" in terms of common characteristics of more successful schools. As the report states, "The updated SIG program [beginning in 2009-10] and the significant funding behind it provided an important opportunity for districts to redesign their support structures for struggling schools; recruit effective teachers and principals; change the climate and expectation for students in these buildings, and engage parents and the community. Moreover, funds were used to foster partnerships with external organizations to support schools…and enhance teacher capacity to analyze data and improve practice fund." Secretary Duncan immediately picked up on the findings from the CGCS report in justifying the Administration's recent proposal to not only continue, but expand, funding in the proposed FY 2016 budget for School Improvement Grants while the GOP ESEA reauthorization proposals would basically dismantle and defund the SIG program.

The CGCS research team interviewed districts and both successful and unsuccessful SIG schools, collecting other data in reports, and/or state or district websites. The implementation practices/characteristics associated with successful SIG schools ranged from the types of flexibility and decision-making authority given to principals to internal district-school delineation of responsibilities and capacity-building support. Those variables having characteristics which have the greatest implication for most TechMIS subscribers are highlighted below.

Two important characteristics differentiating successful versus unsuccessful SIG schools included: "Interventions that were both focused on <u>instructional</u> improvements and provided schools with high-quality

instructional programming and materials; and the coordination of instructional interventions and strategies that complimented each other." Some of the specific methods and practices identified in successful schools included:

- "Interviews also reveal that increased instructional time, often in the form of an extended school day, was a key use of SIG funds."
- "SIG funds were also used to target struggling students in turnaround schools."
- "Schools used a variety of Response-to-Intervention systems' pull-out approaches or push-in models for students needing dedicated instructional or behavioral support."
- "In addition, schools used SIG funds to purchase new materials, technology, and instructional programs for low-performing students."
- "All of the districts interviewed by the research team provided embedded professional development once school was in session, with required training such as off-campus retreats to work on specific problem areas, twice-weekly meetings, more collaborative planning, and Friday professional development sessions."

Related to instructional practices, the report found another characteristic was "professional development that built staff instructional capacity." Other instructional practices that were observed in successful SIG schools here included:

- Teacher "buy-in" and ownership in turnaround practices, which included a variety of things ranging from a "sense of commitment" at the district level to providing "performance-based stipends with SIG funds."
- "SIG schools also worked to make sure that professional development was appropriate for the specific needs of their students…schools also targeted professional development on specific academic weaknesses or subjects of concern."
- "Most districts examined by the research team ensured that teachers in SIG schools were provided professional development on data analysis, interpretation, and use."
- "This extensive use of performance data represented a major shift for some teachers and administrators in some SIG schools. This was the first time that teachers and administrators learned to interpret data on student performance and keep track of student achievement results, use the results to inform instruction and stay accountable for results which was perhaps one of the major factors associated with successful SIG schools."
- "SIG schools also helped create and preserve a culture of high expectations in key schools focusing on improving achievement. In most cases, academic coaches funded by SIG were in classrooms, working with teachers to improve instructional strategies and provide continual feedback to help teachers improve."

After one listened to reactions of Great City School superintendents during Secretary Duncan's first major speech on School Improvement Grants before CGCS March 2010 Annual Legislative Conference, one

finding which was not surprising was the critical nature of district-level support and capacity-building at the district level to provide support enabling individual schools to successfully turn around. Even though only in a limited number of cases (e.g., district-wide early warning systems) did the initial SIG guidance allow SIG funding to be used at the district level, in their February 2010 preliminary survey of SIG school implementation, CGCS found its districts used SIG funds for district-level capacity-building. The latest February, 2015 SIG guidance allows more SIG funds to be used at district levels and require that individual districts be held accountable for the results achieved in their SIG-funded schools.

If the SIG program continues to be funded in FY 2016 and/or is incorporated into the reauthorization of ESEA, it is very likely in many of the above "practices" identified as implementation characteristics of successful SIG schools by the Council of Great City Schools will be incorporated one way or the other into its continuation or will be reflected in the law or regulations.

Highlights of Association of American Publishers Webinar: 2015 State and Federal Outlook

Jay Diskey, Executive Director Pre-K-12 Learning Group of AAP, conducted the webinar session with Julie Copty on February 6th. Diskey began the webinar by stating that although fiscal conditions seem to be improving, the Common Core is losing ground and there remain concerns about student data privacy and the President's preliminary proposed legislation. Further, pre-K efforts and ESEA reauthorization seem to be gaining momentum.

Diskey shared highlights of upcoming state legislative sessions funding activity, with particular emphases on funds proposed for schools. Current and accurate listings of state legislative session dates are available on state websites and at NASBO, NCSL, etc. websites, as the session dates are often subject to change. Enacted 2015 fiscal budgets show 39 states increased funding for K-12 education for a net increase of $11.1 billion going to elementary and secondary education; fiscal 2015 marks the fifth consecutive annual increase in general fund spending and revenues.

Several state legislative actions were mentioned with respect to recommended funding for education and schools this year:

- California -- has considerable funding with an additional $5billion in K-12 allocations
- Colorado -- budget increases by 8.1% ($480 million) in K-12 funding
- Florida -- increased its budget to $19.75 billion in total funding for K-12 public schools, which is the highest funding level in state history, including a 4.3% or $9.6 million increase to the instructional materials fund and a $40 million increase to $80 million in new "tech allotment"
- Texas - $1 billion for instructional materials
- Georgia -- 6.9% increase in the K-12 budget
- Utah -- proposed $5 million for more digital infrastructure, hardware and software
- South Carolina – 6.1% increase in K-12 budget, including 34% increase for instructional materials

Diskey noted there appears to be some momentum on ESEA with five areas of primary interest to the pre-K-12 member companies:

- reauthorization of the ESEA, including the issue of testing;
- student privacy;
- education sciences/Institute of Education Sciences (IES) reauthorization, which is likely to pass;
- pre-K initiatives; and
- budget and the planned sequestration of 2016.

Although the re-authorization of ESEA has been stalled for quite some time, there appears to be movement -- new efforts in the House and Senate focus on eliminating much testing and other previous requirements, including using scores for teacher evaluation and accountability. In particular, the Senate version spearheaded by HELP Committee Chairman Senator Alexander focuses on eliminating testing in favor of permitting states to decide to continue their current programs, adopt portfolios as evidence of student progress (which would align with the Center for American Progress' recommendations), or use grade span assessments to alleviate the amount of time involved in testing and eliminate the high stakes nature of the results.

In summary ESEA Reauthorization themes include:

- modify the annual testing provisions;
- flexibility, ease up on sanctions; and
- no Federal involvement on investments in Common Core or "college and career ready standards."

The House announced HR 5 has retained annual tests and is congruent with the Obama administration's effort to move ESEA reauthorization forward quickly; however, HR 5 is directly in conflict with the Alexander Senate version on this particular issue. HR 5 is on the fast track for consideration with bill reconciliation and mark-up expected by the end of February. Student privacy is another "hot" area with Obama requesting new legislation and two members of Congress have drafted legislation congruent with the SIIA position and "Pledge." The FTC issued guidance about COPPA, stating that it doesn't apply to nonprofit consortia which may be in response to some parents who have cited COPPA in seeking to opt out their children from online CCSS exams developed by PARCC and SBAC. Pre-K initiatives focus on providing resources for kids through new partnerships with states that primarily address 4-year-olds; Providing Resources Early for Kids Act or PRE-K Act, to be introduced by Senator Mazie Hirono (D-HI), is likely to replace the Harkin/Miller Early for KIDS since both Harkin and Miller are now retired.

The Obama budget released earlier this week includes the following:

- $1 billion increase to the current appropriation of $14 billion for Title I funding.
- $750 million for preschool development grants, up from $500 million in 2015.
- No mention of Race to the Top in the White House budget fact sheet this year: Last year, Obama pitched $300 million for a Race to the Top "equity" competition.

- It's also unclear if the Administration will continue seeking funding for ConnectED after the FCC approved a historic $1.5 billion boost for the E-Rate program in December, 2014.

A final question to Jay Diskey from a webinar participant was: what is the probability that the ESEA reauthorization will include requirements for testing? Before the House bill was publicized, and congruent with Alexander's version, Diskey would have thought that the Federal testing requirements would be eliminated, and states would address this as they so decided; however, with the House version of ESEA, it is clear this is not the case, and House Speaker Boehner is a fan of testing, so this apparently muddies the waters around this issue of testing requirements and what reauthorization of ESEA will eventually include.

The copyrighted PowerPoint slides, which include detailed information on current/proposed laws/legislation on specific state instructional materials and digital learning legislation/current laws are available to members of the pre-K-12 Learning Group. Contact Julie Copty, Director of Research & Policy at AAP: jcopty@publishers.org

Title I Conference Exhibit Area Had Good, High-Quality, Upbeat Traffic, Even Though Overall Attendance Was Lower Than Last Year

According to most TechMIS clients and other vendors the February 5-8 Annual National Title I Conference in Salt Lake City, had "higher-quality" attendees, including more district Title I coordinators, principals, and appropriate district officials than did last year's conference in San Diego. Influencers and decision makers were "upbeat," and "had budgets which they were planning to spend," and "were looking for new, upgraded instructional products and services, many of which were technology-based for use this summer and next school year." Highlights of discussions with exhibitors and attendees are noted below.

High interest "areas" among attendees, particularly Title I decision makers and influencers appeared to be:

- exhibitors' instructional products and services, particularly those which could be used to personalize instruction such as Response to Intervention (RTI) approaches;
- specific types of interventions and targeted staff development, which could help SIG schools; and
- products and services, which could be used in after-school programs and in a limited number of cases, summer school programs; interest in products for use in extended learning time (ELT) district initiatives was relatively low.

In discussions with district officials about ESEA reauthorization, the most interesting positive change was the proposal by Senator Chairman Lamar Alexander to loosen supplement-not-supplant (SNS) requirements allowing products purchased with Title I funds for Title I schools to be purchased by districts for use in non-Title I schools without fears of violating SNS provisions. Most exhibitors also felt this change could increase their sales in a specific district significantly, if it is included

in the final ESEA reauthorization. The most negative proposed change was Title I "portability" in which dollars "follow the child."

And even though the Obama Administration has placed a very high priority on preschool education being funded with Title I funds, along with a limited amount of new Federal funds (Preschool Development Grants $250 million), interest in this area among Title I directors appeared to be relatively low; currently only two and three percent of district Title I funds are spent in this area.

While there were a relatively large number of exhibitors with parent engagement and directly-related parent involvement products/services, as well as general professional development products/services, interest in these areas appeared to be less than in the previous year. One possible reason why Title I directors were more interested in upgrading "core Title I activities" or purchasing new core products is the current or perceived availability of new Title I funding. Many district administrators have decided to spend previously carried over Title I funds as the planned Budget Control Act sequester they feel will not happen.

Even though exhibitors were very or moderately-pleased with quality of exhibit area attendees, some complained about the "layout" of the exhibit area. For example, several exhibitors were placed in remote corners or "blind spots" and sought to move to better exhibit areas which had "no shows." However, others commented on the "good quality" of food in the exhibit area "food courts" and more than adequate seating arrangements to have in-depth discussions during "slow traffic time," with either district officials or other exhibitors representing potential partners, which were considered plusses.

One area in which there was a growing interest, but only a limited number of exhibitors had related products and services focused in this area, was the anticipated challenges created by the Office of Management and Budget Uniform Grant Code (see last TechMIS report on possible impact in areas of "conflict of interest" and "procurement" upon LEAs). Few of the speakers addressed in detail topics relating to the Title I administrative changes required under the OMB Uniform Code. Most small or medium-size districts felt that they would be impacted in at least two or three areas and will need to make significant changes in documentation, oversight, and related areas which they felt auditors would be addressing in the future. Several officials said they would be awaiting future USED guidance which was mentioned in several sessions -- guidance, webinars, technical assistance and training. However, there were fewer than five exhibitors, which had products and services which focused on these areas, such as grants management, conversion of paper to online documentation and other directly-related areas.

It would appear that districts in certain states such as New York are already "following" the OMB's Uniform Code mandates. Several vendors indicated that their sales staff covering New York City and other districts had already been impacted by new procedures established by districts in the areas of minimizing conflict of interest and providing more justifications relating to purchases of their products and services. During an in-depth discussion an SEA Federal Programs Director, indicated that

she and most all other states would not have the capacity to handle many of the OMB monitoring and oversight responsibilities, which have been delegated to them. She also indicated that efforts had yet to be undertaken by SEAs to improve their auditing capabilities to enforce oversight at the district level.

In our discussions with eight to ten exhibitors, some of which are current TechMIS subscribers, most generally agreed that they perceived there would be some problems associated with new procurement methods, thresholds, and profit negotiation provisions (see last TechMIS Special Report). Further, most agreed that performance-based contracts could be a preferred method to ensure that profit levels are maintained or even increased during negotiations as long as appropriate performance measures were not only agreed upon by the vendor and the purchasing district, but also would be allowable under the OMB Uniform Code. Several agreed to send specific examples which could be used in subsequent communications between TURNKEY and our partner in this endeavor, Dr. Cheryl Sattler, President of Ethica, LLC , who prepared the appendix in our February 12th TechMIS Special Report.

Education Week's *Time and Learning* blog (January 29th) Reports on the Characteristics of Running High-Quality, Out-of-School Time Programs with Costs Ranging From an Average of $3,450 to $3,780 Per Pupil

However, as the blog notes, costs vary considerably depending upon who operates the program (the school or external provider), the length, the number of days students attend, and other factors. Another study, conducted about five years ago, found that funding comes from a variety of sources including foundations, Federal, state, and local grants, and families, where parents pay "the lion's share of after-school cost…even among programs serving high-poverty students," according to the Harvard School of Public Health and Afterschool Alliance study entitled "After School for All." The Afterschool Alliance more recently reports that parents spend an average of $113.50 per week on after-school programs and 60 percent of parents said because of cost they could not enroll their child in an after-school program. While the 21st Century Community Learning Centers Initiative, funded at approximately $1.15 billion, is the largest program dedicated to after-school funding, when all Federal grants or portions thereof are added together, only about "11 percent of the funding for after-school programs comes from Federal grants." The ESEA reauthorization bill would consolidate the 21st CCLC funding stream into two block grants, some of which could be used by districts to fund after-school and extended learning time programs. Even though the combined authorized amount for the two block grants in Chairman Alexander's proposed are over $3 billion, it is not clear how much of that would be used by districts specifically for after-school programs or other 21st CCLC authorized activities. However, with the other provisions in the proposed bill supporting parent choice and the high unmet enrollment demand on the part of 60 percent of parents if their costs were reduced or subsidized, one can expect that amount to be significant; or, at the least, SEAs and LEAs will be under great pressure from parents and after-

school advocacy groups to use such block grant funds for after-school program and related activities.

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