



**Technology for
Education Consortium**

SRI Education™
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EdTech Funding Under ESSA October 2016



On December 10, 2015, President Obama signed the Every Student Succeeds Act (ESSA), replacing No Child Left Behind (NCLB). NCLB had been in effect since 2001. ESSA is intended to significantly change education policy and is one of the few federal legislative actions with significant bipartisan support.

TEC's **EdTech Funding Under ESSA** is a periodic report tracking ESSA developments and the potential impact on education technology spending and policy. This report is produced jointly by the Technology for Education Consortium (TEC) and SRI International.

SRI International has reviewed the 1,061-page long ESSA legislation and is actively following U.S. Department of Education and Congressional communication as components of the new law are clarified and funded. TEC will publish these ESSA reports periodically as the new law transitions into effect during the 2016-17 school year. This report provides background information, followed by the full report.

I. Background

ESSA will be phased in during the 2016-17 school year and be fully in effect in 2017-18.

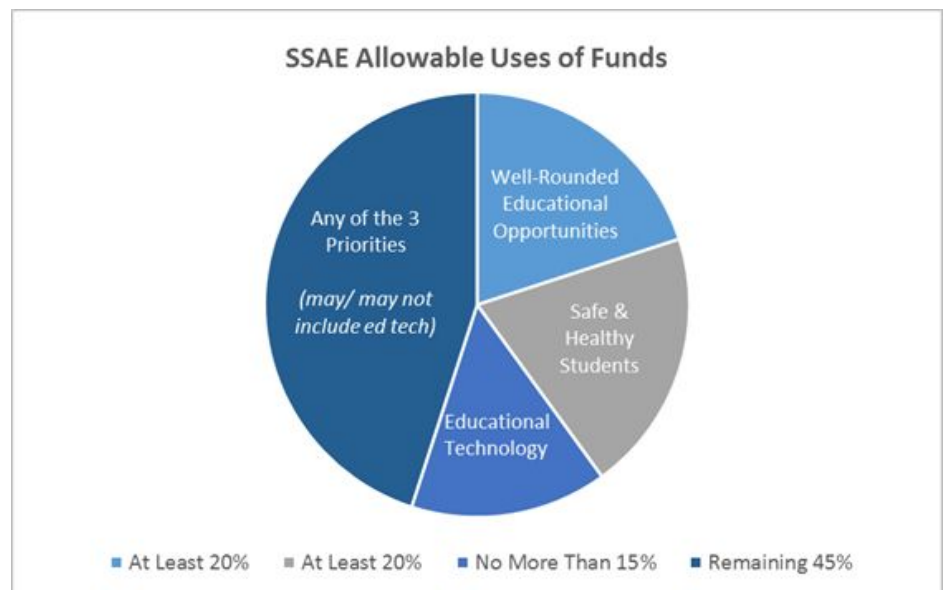
The Department of Education’s Office of Educational Technology anticipates providing additional guidance on educational technology in ESSA by fall of this year. However, their guidance would not be binding.

The purpose of this **non-binding** guidance is to provide clarification, suggestions, and examples of best practices for districts implementing ESSA. The Department hopes to issue guidance on Title IVa by the start of the 2016-2017 school year.¹ To date, the FAQs (<http://www2.ed.gov/policy/elsec/leg/essa/faq/essa-faqs.pdf>) issued to help states and districts in the transition from NCLB to ESSA do not include any information on Title IVa. Educational technology was not a focus of the recent ESSA negotiated rule-making process in spring 2016.

The Student Support and Academic Enrichment (SSAE) Grant is the primary source for educational technology funding in ESSA. SSAE is authorized at \$1.65 billion under Title IVa of ESSA but will likely get funded at a much lower amount.² Many No Child Left Behind (NCLB) programs were cut, eliminated or consolidated in order to create the single SSAE/Title IVa block grant.

The purpose of SSAE is to-

- (1) provide all students with access to a well-rounded education;
- (2) improve school conditions for student learning; and
- (3) improve the use of technology in order to improve the academic achievement and digital literacy of all students.”



¹ On May 6, 2016, the Department’s Office of Educational Technology hosted a listening session with stakeholders to seek comment on areas where light guidance would be helpful in implementation of Title IVa block grants.

² ESEA is broken into several sections, or titles. For instance, Title I provides additional funding to schools serving low-income students.

Districts receiving \$30,000 or more of SSAE/Title IVa funds are required to conduct a needs assessment to consider how best to allocate funds across the three SSAE priority areas. At least 20% must be spent on well-rounded educational opportunities and 20% on safe and healthy student programs. For district that receive less than \$30,000 there are no similar requirements or funding restrictions.

The needs assessment must be conducted every three years. Funding will not be distributed prior to the first needs assessment, expected to be conducted in school year 2016-17. The needs assessment application should include a description of any partnerships with other entities; a plan for how funds will be used; and objectives, intended outcomes, and how the district will evaluate the effectiveness of the activities.

While only personalized learning and professional development are directly referenced with regards to technology, it should be noted that the categories for spending Title IVa funds are much broader (see below) and include uses of educational technology beyond what most consider “personalized learning.”

Only 15% of funds can be spent on “*purchasing devices, equipment, and software applications in order to address readiness shortfalls.*” The exact interpretation of the cap has been debated by stakeholders.

LEAs are limited to spending no more than 15% on infrastructure/software within Title IVa grants. Currently, some stakeholders disagree as to whether the 15% cap applies only to purchases intended to address “readiness shortfalls.” Some industry advocates have said that if a district is not addressing a readiness shortfall with the expenditure, then the district should not be subject to the 15% cap. In that case, the district may have flexibility to use up to 60% of their allocation on a priority of their choosing. Without additional guidance from the U.S. Department of Education, LEAs may have flexibility to get around the 15% cap if a district determines that a technology purchase does not support “readiness shortfalls.”

II. Full Report

The House appropriations bill proposed funding ESSA's Title IVa, the Student Support and Enrichment Grants (SSAE), at \$1 billion, which is significantly higher than the Senate or President's proposed budgets for SSAE.

As of early July 2016, the House and Senate Appropriations Committees each had passed Labor, Health and Human Services, Education, and Related Agencies (LHHS-ED) Appropriations bills. The House bill proposes funding SSAE at \$1 billion. That amount is significantly closer to the \$1.65 billion authorization amount than the amounts proposed to fund SSAE by the Senate Appropriations Committee in June (\$300 million) and by President's budget in February (\$500 million).

Passage of the LHHS-ED bill before the end of the federal fiscal year (September 30) is unlikely. The Congressional appropriations process involves several steps that have not yet occurred. The full House and Senate will each need to debate, potentially amend, and pass their respective appropriations bills before a bicameral conference committee can be created to resolve funding differences between the two bills. A vote will then ensue on final passage of the conference bill, in both the House and Senate, before the bill can be signed by the President. Congress was on recess during August and no appropriations bills have yet been sent to the President. Instead, Congress will likely pass a short-term continuing resolution (CR) to maintain current funding, as has happened in 11 of 15 years since 2001.³

Passage of an omnibus appropriations bill that would include LHHS-ED funding could follow before the end of the year, and is likely to be influenced by the November election. At this time, it still remains to be seen whether the SSAE funding will be closer to the Senate's proposed \$300 million or the House's proposed \$1 billion.

SSAE funding will go out to LEAs⁴ by formula. If funding levels for SSAE remain close to the levels proposed by the Senate, districts may not reach the \$30,000 threshold at which the 15% cap on educational technology would apply.

Neither of the appropriations bills propose to change SSAE to a competitive grant program, as President Obama had suggested in his budget, indicating that the program will be distributed to LEAs by formula. For LEAs that receive \$30,000 or more, at least 20% of SSAE funding must be spent on well-rounded educational opportunities and at least 20% on safe and healthy student programs. However, if a district receives less than \$30,000, it is not subject to those restrictions and may choose to spend a greater proportion of funds on educational technology. Regardless of grant size, *there is no minimum percentage to be spent on educational technology.*

If funding for SSAE ends up closer to the Senate's lower proposed levels, most districts would not receive enough funding for the 20% spending restrictions to apply. If districts receive less than

³ Seung Min Kim and Ben Weyl, "Congress already bickering over bill to avoid shutdown this fall," *Politico*, July 14, 2016, <http://www.politico.com/story/2016/07/congress-shutdown-bill-225564>.

⁴ Often used interchangeably with "district," an LEA is defined in ESEA as an administrative agency recognized by the state for the administrative control of public schools in a designated area.

\$30,000, then consortia may become a powerful tool for districts to pool limited funds for educational technology purchases. Per Title IVa, LEAs in a state may form a consortium with surrounding LEAs and combine funds from each LEA to jointly carry out the activities of the SSAE program: **supporting well-rounded educational opportunities, safe and healthy students, and the effective use of technology.**⁵

a. Anticipated Guidance on Educational Technology in ESSA

The Department of Education’s Office of Educational Technology still anticipates providing additional guidance on ESSA in September.

One aspect of ESSA that many stakeholders are watching is how “the 15% rule” will be interpreted. LEAs are limited to spending no more than 15% on infrastructure / software within Title IVa grants. Some stakeholders disagree as to whether the 15% cap applies *only* to purchases intended to address “readiness shortfalls.” Some industry advocates have said that if a district is not addressing a readiness shortfall with the expenditure, then the district should not be subject to the 15% cap. In that case, the district may have flexibility to use up to 60% of its allocation on a priority of its choosing. Without additional guidance from the U.S. Department of Education, LEAs may have flexibility to get around the 15% cap if a district determines that a technology purchase does not support “readiness shortfalls.”

b. Other Sources of Educational Technology Funding in ESSA

While Title IV is the primary (and newest) source of funding for educational technology, districts may be able to leverage funding from other Titles within ESSA to support educational technology.

A November 2014 Dear Colleague Letter issued by the Department of Education’s Office of Educational Technology provides recommendations regarding other titles (specifically Titles I, II, and III, as well as the Individuals with Disabilities Education Act [IDEA]) that addressed funding needs like professional learning, digital content, educator collaboration, and devices for students under NCLB.⁶ The November 2014 letter reads, “[f]or example, a school incorporating digital learning in a Title I school-wide program might use Title I funds to purchase devices and digital learning resources, Title II funds to help teachers improve their teaching through effective blended-learning practices, and Title III funds to provide access to technology specifically for English Learners.” Note that in the Title I example, funds can be used to purchase devices only if the program is school-wide. Schools can only implement Title I-funded school-wide programs to serve all children in the school if children from low-income families make up at least 40 percent of enrollment.⁷ In addition, education Secretary John

⁵ Every Student Succeeds Act of 2015, Pub. L. No. 114-95, 129 Stat. 1802 § (2015). See Title II, Section 4.

⁶ U.S. Department of Education Office of Educational Technology, “Dear Colleague Letter: Federal Funding for Technology,” by Richard Culatta, November 19, 2014, <http://tech.ed.gov/federal-funding-dear-colleague-letter/>.

⁷ U.S. Department of Education, “Improving Basic Programs Operated by Local Educational Agencies (Title I, Part A),” last modified October 5, 2015, www2.ed.gov/programs/titleiparta/index.html.

King provided guidance to LEAs regarding STEM and humanities education in ESSA in two separate Dear Colleague Letters (April 2016 and July 2016) that is consistent with the November 2014 guidance.⁸ For districts making large-scale transitions to educational technology, professional development to support teacher use can be helpful. Under Title II in ESSA, states and districts can use the funds for "supporting and developing efforts to train teachers on the appropriate use of student data to ensure that individual student privacy is protected."⁹

c. Planning Guidance and Resources

While waiting for Title IVa funding news and federal guidance, districts may want to explore other resources available to assist in educational technology planning.

States are responsible for reviewing and approving LEA applications for SSAE funds and disbursing such funds, and for supporting LEAs in providing programs and activities that offer well-rounded educational opportunities, foster safe and healthy students, and support the effective use of technology. States may choose to encourage LEAs to focus on a particular curricular area in their SSAE applications. For example, Virginia is likely to focus on computer science as part of well-rounded educational opportunities.¹⁰ Districts may want to contact their State Education Agencies (SEAs) to learn of any state-wide areas of focus.

Finally, the FCC Lifeline Program for Low-Income Consumers was changed in March 2016 to provide access to broadband Internet, in addition to landline phone service, to low-income Americans.¹¹ For districts that aim to provide home access to low-income students as part of an educational technology expansion, the FCC Lifeline program may provide a vital source of funding to bridge the digital gap.

⁸ U.S. Department of Education, "Key Policy Letters Signed by the Education Secretary or Deputy Secretary," last modified July 13, 2016, www2.ed.gov/policy/elsec/guid/secletter/160713.html.

⁹ Every Student Succeeds Act of 2015, Pub. L. No. 114-95, 129 Stat. 1802 § (2015). See Title II, Section 4.

¹⁰ "States Aim to Meet ESSA's 'Well-Rounded Education' Criteria through Computer Science Standards," National Association of State Boards of Education, June 22, 2016, www.nasbe.org/press-releases/states-aim-to-meet-essas-well-rounded-education-criteria-through-computer-science-standards/.

¹¹ U.S. Federal Communications Commission, "Lifeline Program for Low-Income Consumers," <https://www.fcc.gov/general/lifeline-program-low-income-consumers>.

The Technology for Education Consortium (TEC) is a non-profit organization whose mission is to bring transparency, efficiency, and collaboration to K-12 schools engaged in evaluating and purchasing edtech products and services. We believe that greater transparency and better information will allow school districts to improve results, reduce costs and support new product development.

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We hope this report has been helpful. If you have any questions or would like additional information please contact Hal Friedlander at hfriedlander@techedconsortium.org. TEC offers information services at no cost to leaders of public school districts and public charter organizations.