EdTech Funding Under ESSA
March 2017

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 is the third report in the series of briefings produced jointly by the Technology for Education Consortium (TEC) and SRI International.

The previous EdTech Funding Under ESSA reports can be found here.

This memo provides an update on funding of educational technology under the ESSA from: (1) recent funding discussions; (2) recent discussions regarding the "15 percent" rule; and (3) the updated ESSA Revised State Template for the Consolidated State Plans.

The Student Support and Academic Enrichment (SSAE) program is the primary source for educational technology funding in ESSA. The SSAE program has three categories of allowable uses of funds: well-rounded educational opportunities, safe and healthy students, and *supporting the effective use of technology.* This grant is the primary source for educational technology funding in ESSA.

Key Points

- **Funding allocations for ESSA** for FY2017 should be clear on or before April 28, when the current continuing resolution (CR) runs out. At that time, a new CR or omnibus appropriations bill will need to have been passed. If there is a FY2017 appropriations bill, awards will be made to state education agencies (SEAs) by Sept 30, 2017. An initial budget blueprint for FY2018 from the Trump administration calls for a deep $9 billion (or 13%) cut in the education budget. Although the SSAE program (Title IVa) was not explicitly named for cuts, the budget blueprint includes the elimination or reduction of over 20 categorical education programs. SSAE may be included in that group. However, the FY2018 budget will need to be negotiated within Congress, and many Members have already indicated that they will fight against such budget cuts.

- The Department of Education has continued to state (in webinars as recent as early February) that **the 15 percent rule** means the lesser piece of the pie for educational technology funding in SSAE. In other words, the interpretation is that SSAE funding available for educational technology is 15% of what is left *after* using 20% for safe and healthy students and 20% for well-rounded educational opportunities.

- Education Secretary DeVos released a **revised ESSA State Plan Template** on March 13.[1] The purpose of this template is to help states design and submit their plans under ESSA. The main change from the Obama administration template is that it is about 12 pages shorter, mostly as a result of eliminating the accountability language that was voted down by the Senate on March 9. The new template also no longer requires details regarding states' stakeholder outreach plans. This revised template will not pose a challenge for states that had already completed or nearly completed their plans, as states are permitted to include accountability or stakeholder details that are now considered optional.

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[1] https://www2.ed.gov/policy/elsec/guid/secletter/170313.html

II.   Funding Allocations for ESSA

Funding levels for ESSA, including funding available for educational technology under the SSAE program (Title IVa), are unclear.

The federal government is still being funded by a continuing resolution (CR), passed in December 2016, that largely continues funding levels from FY2016. Subsequently, final FY17 budget allocations for ESSA have not been made. Prior to expiration of the CR on April 28, 2017, a new CR or an omnibus appropriations bill[2] will need to be passed to fund the government through the end of the FY2017 (which will be nearly halfway over by that point). Given the timeline, an omnibus appropriations bill would likely need pick up where congressional negotiations ended in fall 2016 to pass. As noted in an earlier memo, the Senate's FY2017 appropriations bill provided $300 million for the SSAE block grants, while the House's bill provided $1 billion.

Although SSAE is authorized at up to $1.65 billion, funding would likely be authorized at a lower amount. A CR would require adjustments to allocate funds for new programs authorized under ESSA, such as SSAE, because the FY2016 budget is based on the previous version of ESEA (NCLB). It is possible that such adjustments, known as anomalies, would not happen and some ESSA programs, such as SSAE, would not be funded until FY2018. A third potential option would be a combination of CR for some agencies and an appropriations bill for others. Given President Trump's budget priorities for defense spending, this could take the form of a defense appropriations bill and a CR for all other spending. According to the Department of Education, if there is a FY2017 appropriations bill, awards will be made to SEAs by Sept 30 2017.[3] Currently, the Trump administration is focused on the FY2018 budget, and has not indicated educational priorities for the FY2017 budget.

Looking forward to FY2018, major cuts to domestic spending, including education, are likely. The Trump administration recently released a budget blueprint for FY2018 that includes a $54 billion increase in defense spending, and significant cuts in education and other non-defense discretionary funding.[4] The budget blueprint decreases education spending by $9 billion (or about 13 percent), while also proposing $1.4 billion to support school choice through increases to charter schools funding, a new voucher program, and additional funding to Title I that would follow students to schools of their choice. Although SSAE was not specifically named in the budget, the budget calls for the elimination or reduction of 20 categorical education programs. SSAE may be one of these programs. While the President's budget indicates his funding priorities, actual cuts and appropriations amounts will be negotiated within Congress. Block grants, such as SSAE, which provide more flexibility to states in how funds should be used, tend to be more popular with Republicans, so the program may find support within the Republican-controlled Congress. **The Trump administration**

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[2] An omnibus appropriations bill packages many smaller regular appropriations bills into a large single bill that can be passed with only one vote in each house of Congress.

[3] U.S. Department of Education Office of Safe and Healthy Students. Jan 26 2017. *Roles, Responsibilities, and Administration of Student Support and Academic Enrichment (SSAE) Grants* [Video webinar]. Available at https://safesupportivelearning.ed.gov/events/webinar/essa-title-iv-part-role-state-educational-agencies-local-application-requirements-and

[4] U.S. Office of Management and Budget. "America First: A budget Blueprint to Make America Great Again." March 2017. https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018_blueprint.pdf

will release a detailed FY2018 budget in April or May 2017.

III.   The 15 Percent Rule

The SSAE program has three categories of allowable uses of funds: well-rounded educational opportunities, safe and healthy students, and *supporting the effective use of technology.* For local educational agencies (LEAs)[5] that receive $30,000 or more, at least 20% of SSAE funding is required to 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. Regardless of grant size, *there is no minimum percentage to be spent on educational technology.*

After spending 20% on well-rounded educational opportunities and 20% on safe and healthy student programs, LEAs can choose to spend the remaining up to 60% of funds on any of the three activities, including supporting the effective use of technology. However, only 15% of those remaining funds can be spent on technology infrastructure. LEAs or consortiums of LEAs may not spend more than 15 percent of funding in this content area on "devices, equipment, software, applications, platforms, digital instructional resources and/or other one-time IT purchases."[6]
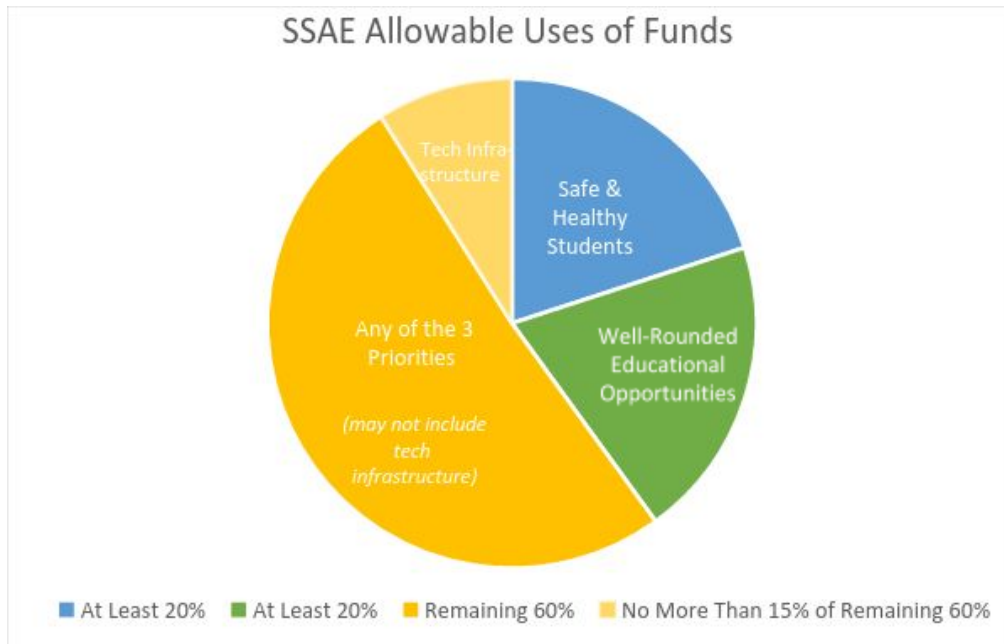
Note: For LEAs which receive $30,000 or more, 15% of the remaining up to 60% of funds could be spent on technology infrastructure.

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[5] Often used interchangeably with "district," an LEA is an administrative agency recognized by the state for the administrative control of public schools in a designated area.
[6] U.S. Department of Education, Office of Elementary and Secondary Education, *Non-Regulatory Guidance: Student Support and Academic Achievement Grants*, Washington, D.C., 2016.

Some industry advocates debated through 2016 about the interpretation of "the 15% rule,"[7] arguing that the 15% cap applied *only* to purchases intended to address "readiness shortfalls," which would have given an LEA the flexibility to use up to 60% of their allocation on a priority of their choosing. **However, the Department of Education has continued to reiterate, as recently as early February in public webinars, that the 15% cap (of funds remaining after the first two activities) applies to all educational technology infrastructure purchases.**[8]

But in some cases, this cap may not apply. For LEAs that receive less than $30,000 in SSAE funds, there is no requirement to use a percentage of the total funds for each of the three content areas. Such an LEA may choose to spend all of the SSAE funds on one content area, or spend funds in two or three content areas.

IV.   Revised ESSA State Plan Template

On March 9, 2017, the Senate voted 50-49 to repeal ESSA regulations designed to hold schools accountable that were issued by the Obama administration.[9] Some Republicans believed that these accountability regulations, issued by the Obama Department of Education, went beyond what was required of states and districts in the law. In part as a result of this repeal, Education Secretary Betsy DeVos released a revised state ESSA plan template on March 13,[10] which is about 12 pages shorter than the Obama administration version. This plan template is intended to help states design and submit their plans under ESSA. **While this does have implications for the ESSA implementation plans that states must submit, it does not have any impact on rules or funding for educational technology in ESSA.** As with the previous template, states must describe how they will use and monitor the Title IVa funds in the new template. States have two deadlines to submit their plans to the Education Department for review and approval: April 3 or Sept. 18.

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[7] Technology for Education Consortium, SRI Education. October 2016. "EdTech Funding Under ESSA." http://techedconsortium.org/wp-content/uploads/2016/09/EdTechFundingUnderESSAfromTECandSRI.pdf
[8] U.S. Department of Education Office of Safe and Healthy Students. Feb 9 2017. *Allowable Activities to Support Well-Rounded Educational Opportunities; Safe and Healthy Students; and the Effective Use of Technology* [Video webinar]. Available at https://safesupportivelearning.ed.gov/events/webinar/essa-title-iv-part-allowable-activities-support-well-rounded-educational
[9] Andrew Ujifusa. "*With White House Backing, Senate Overturns ESSA Accountability Rules*." March 9, 2017. *EdWeek*. http://blogs.edweek.org.sri.idm.oclc.org/edweek/campaign-k-12/2017/03/senate_overturns_essa_accountability_white_house.html
[10] U.S. Department of Education. "Revised State Template for the Consolidated State Plan." March 2017. https://www.reginfo.gov/public/do/PRAViewIC?ref_nbr=201703-1810-003&icID=225972