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Welcome to Volume Five of EdTec Connect!

In the spirit of the holiday season, we've developed a gift for you: the **Common Core Preparedness Checklist**, to help you navigate implementation of the new standards, and information on how they will impact your school's budget.

You'll also find some good news on how the new LCFF will affect your bottom line.

Keep reading for this valuable information and more!



50,000

The number of
students currently on
waitlists for charters
in California

(more than the total
number of students enrolled
in charters in 30 states)

8

...of counties
in California
that have
charter
schools –
that's

8

%

51 of 58
counties

Los Angeles:

the region that had
the largest charter
school growth in
2013-14, with
45 newly-opened
charters

Common Core State Standards: Preparedness Checklist

By Tracey Katz, Senior Program Manager, Assessment Systems, EdTec Inc.

Schools have a lot to think about when it comes to preparing for Common Core implementation: computers, bandwidth, testing, curriculum changes, and more. With so many factors to take into consideration when determining a course of action, it can be easy to skip pivotal steps along the way without realizing it. That's why EdTec has compiled a **Common Core Preparedness Checklist** to help guide charter schools through Common Core implementation and rollout.

The EdTec Common Core Preparedness Checklist covers five areas that are vital for successful Common Core planning:

1. [Technology](#)
2. [Curriculum](#)
3. [Professional Development](#)
4. [Data & Assessment](#)
5. [Finance](#)

Each section of the Checklist is designed as a series of questions for schools to answer with the goal of making sure schools have all the basics of Common Core covered in their implementation and rollout plans. By answering each question, schools will receive advice and points to consider in each area to help them navigate the intricacies of Common Core.

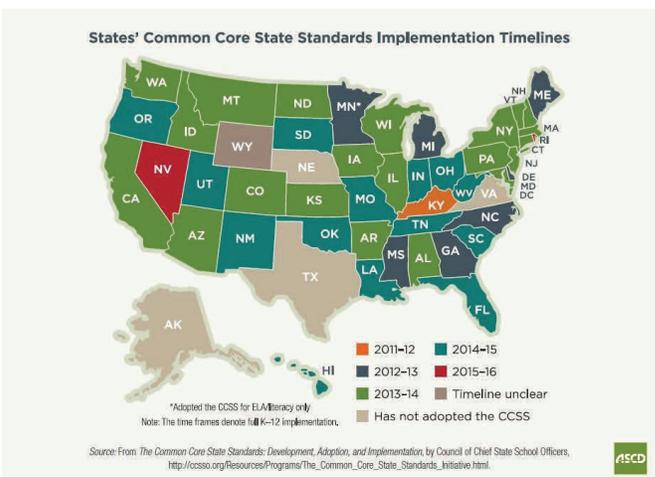
To download the full Checklist, please click [here](#).

Implementing Common Core: How Will it Affect Your Bottom Line?

By John Westerlund, Business Manager, EdTec Inc.

Little has stirred such *nationwide* debate on education like the Common Core State Standards, the first-ever attempt to set nationwide standards for K-12 education. As American students have fallen behind their international counterparts, as

achievement gaps have grown domestically, and as employers and colleges have increasingly cited a lack of preparedness from graduates, the product of this decades-long debate became the Common Core State Standards. These standards were created and are championed by teachers, researchers, leaders in higher education, business leaders, and politicians. The collaborative effort means the standards were created by the states and for the states, and, as such, have been adopted by forty-five states, the District of Columbia, and four territories. The hope is that these standards will be more robust than the state standards they replace because they focus on analysis, understanding, concepts, and skills more than specific content.



However, with these ambitious academic standards has come much disagreement about the standards themselves: how to implement

them, how to assess them, and how to develop the tools that teachers need to teach them. Often lost in the debate is a fundamental question to most schools: How much will this all cost? The last thing school leaders want to do when funds are tight is overhaul curricula.

Common Core Costs: Initial Investments May Lead to Long-term Savings

As with any new venture, there are some folks saying that it is cost neutral, while others see it as a new, poorly funded government mandate. Those arriving at cost neutrality cite that since schools already receive funding for instructional materials, technology, and professional development, any new Common Core related expenditures will just replace costs that already exist in school budgets. While there is certainly truth to the idea that some new expenses will replace old ones, others see the current funding as unable to support the cost of the new materials and the intense immediate investment required to bring teachers and classroom technology up to speed. The truth, as is usually the case with debates like these, likely lies somewhere in the middle.

At the core of the financial debate are two types of costs: implementation and operating. *Implementation* costs include purchasing all new instructional materials aligned to Common Core standards, professional development for teachers to help teach these standards, and the technology needed to teach and test them. *Operating* costs will include those curricula-related expenses that schools already see each year, such as updating instructional materials, ongoing professional development, and replacing obsolete technology. Because these operating costs are ones that schools would incur regardless of new standards, we don't foresee a net increase in these costs. Essentially all of a school's prior spending on instructional materials, professional development, and technology will now be spent toward Common Core. Cost *savings* may even be possible, as opportunities for economies of scale develop between states from the "commonness" of Common Core and as the potential for efficiencies develops from increased technology usage, such as open source materials and the ability to inexpensively update electronic textbooks.

Naturally, there are outliers in the way schools and districts are choosing to implement, like the much-publicized \$1 billion iPad initiative made by Los Angeles Unified School District (LAUSD). While that initial dollar amount elicits a certain amount of sticker shock, considering the fact that LAUSD is the largest school district in the state and the second largest in the country, their *implementation* costs will be high. However; considering the finite lifespan of something like an iPad, costs related to the updating and/or replacing of technology are categorized as *operating*. That said, cost savings can still be realized in areas like curriculum updates. Updating an electronic textbook will likely be more cost effective than updating its hardbound equivalent. Unfortunately, the *implementation* costs do not have the same potential for net savings as the operating costs. Schools, however, do have the ability to tailor their implementation plan and costs to their needs and budget. These costs will include initial or one-time expenses that are required to make the shift to the new standards. Some may extend past Year One, but are still one-time in nature and solely for the transition to the new standards. For example, implementation costs include the purchase of new math textbooks and instructional materials that are required to align curriculum with Common Core, but

purchases of materials in subsequent years to keep texts up-to-date are operating costs. Effective implementation will depend on each individual school's current situation and how quickly it wants to implement the full intention of the standards. The main implementation costs can be broken down into three key categories:

- Instructional Materials
- Technology
- Professional Development

The true cost of implementing Common Core will come down to how quickly a school embraces the shift to Common Core and its ancillary supports. On one end of the spectrum, a school could fulfill the letter of the law but not the intent of the new standards by keeping primarily hard-copy textbooks, once-per-year paper testing, and not engaging in meaningful professional development on the new standards. A full embrace of the new standards means revitalizing classroom instruction in a meaningful and enduring way with greater integrated technology for curriculum, testing (including interim tests), and professional development.



Instructional Materials

We have heard more than one school director quip that those who stand to benefit the most from new standards are textbook companies. If schools have not been slowly phasing in materials aligned with Common Core, those companies do indeed stand to gain. However, the market for instructional materials is constantly changing, and this move to Common Core may actually be the impetus to capitalize on those changes. Some of the change is technological, as electronic devices replace traditional paper textbooks. Some of the change is simply the expansion of the marketplace for content providers, as they will no longer focus disproportionately on a few large states. With greater competition among large providers, and the potential for niche providers to reach new markets and reach economies of scale, schools stand to potentially gain pricing power. Common standards also mean greater potential for open-sourced instructional materials, which are minimal in cost and can be quickly and easily updated when needed. Organizations like OER Commons are providing Open Education Resources (OER), teaching and learning materials freely available for all to use. These include full courses, modules, syllabi, lectures, homework assignments, quizzes, lab activities, pedagogical materials, games, simulations, and many more resources contained in digital media collections from around the world. OERs may also engage teachers more fully in curricula, allowing them to more easily adapt and differentiate instructional materials for their students. Depending on the extent to which schools incorporate Open Education Resources, the Fordham Institute estimated that the instructional materials element of implementation could cost schools as low as \$20 per student to as high as \$135 per student.

Technology

The biggest change for most schools will be the transition to a greater reliance on technology. Depending on a school's current technology infrastructure, this change also comes with the largest price tag. Computer Adaptive Testing is facing stiff opposition in many states, but California has affirmed its intent to roll out computerized testing in the 2014-15 school year, with field testing scheduled for spring of this school year. However, with the option to administer tests with paper and pencil for the first three years for those schools lacking computers or internet capacity, a school is not pressed to invest in technology immediately. In deciding how to allocate available funds, investing in technology may be a larger up-front hit, but it also has the potential to create cost savings going forward. Investing in technology infrastructure provides advantages beyond those associated with Common Core transition and implementation. In the end, while a school may use Common Core as the impetus to incur these new costs, the benefits of upgrading technology capacity extend far beyond those associated with transitioning to Common Core. Cost effective options exist in programs tailored for schools, like Google's "Chromebooks for Education" and Apple's "Apple in Education." Additionally, EdTec is working to bring low cost hardware solutions to its partner schools.

Because each school's needs are unique, expenses for hardware can range from as little as \$200 per device to as much as \$2,000. To help navigate the requirements of technology needed for Common Core testing, resources, like those listed below, are available to calculate a school's needs, both quantitatively and qualitatively.

Smarter Balanced Assessment Technology Requirements

<http://www.smarterbalanced.org/smarter-balanced-assessments/technology/>

Professional Development

Perhaps the most important piece to all of these new standards is for teachers to know how to best teach them. As they are asked to adjust their lesson plans and instructional methods, quality Professional Development (PD) will be essential. Full in-person trainings can cost from \$4,000 to \$10,000. However, the launch of the Common Core standards is creating a national



PD marketplace that was previously fragmented by local standards. There is now an increased potential for **online** professional development and webinars. Online instruction can be an effective tool for providing customized professional development for individual educators. Tailored approaches can greatly improve the efficiency and relevance of professional development options by filling particular gaps in knowledge, and can also save costs and headaches associated with in-person, onsite delivery (including the expense of paying for substitutes, missed instructional time, etc.).

The larger marketplace may eventually drive down the costs of Professional Development training as education companies now invest in large scale PD delivery through technology platforms or online trainings. One of many examples is Insight Education's [myCore](#), which is a platform to allow teachers to develop Common Core aligned lesson plans. Also, non-profits are beginning to see an opportunity to assist a large number of students through Common Core-focused technology investments. Organizations like Achieve the Core and ASCD are already providing free online content designed to help educators. A school could also blend the two mediums and allow internal professional development workshops from select teachers who have attended/completed online Common Core professional development or those teachers who are performing at high levels in implementing the new standards. This would allow schools to further extend the reach of their most qualified teachers.

Assessments

The subject of assessments could be included in the technology category, but it has caused enough worry among school leaders that it is broken out here. There are two challenges here for charter schools. The first is that the Smarter Balanced Assessment Consortium (SBAC), which is tasked with creating assessments aligned to the Common Core State Standards, is developing computer adaptive tests (CATs) for the summative assessment. The key word in that title is "computer", which means the charter school will need to make the hardware investment mentioned earlier.

The second challenge is how to prepare students to take a CAT and to assess their progress before the interim assessment. The Common Core will have new types of questions, delivered in a different method. This means that a school's current interim assessments will be out-of-date and investment will be needed to bring its assessments up to speed. For example, SBAC's plan is to have thousands of test items and tasks in an online "bank" from which teachers can draw in order to custom-design interim tests on specific standards. Also available will be a bank of "formative" tools and strategies to help them judge and monitor students' learning as they go along. The full suite of summative, interim, and formative assessments is estimated to cost \$27.30 per student.

There are other options to invest in new questions with current student assessment systems. For example, EdTec's ZOOM! Data Source program provides assessment support for over 175 charter schools using DataDirector. DataDirector has already put the Common Core Standards into their system, which can be linked to questions in any assessments created. DataDirector has also created fixed forms that are pre-aligned benchmarks that use the Common Core Standards and are available for purchase. Another source of Common Core aligned items is Northwest Evaluation Association's MAP assessments on which CCSA has secured a volume discount.

In Conclusion, This is Just the Beginning

As with everything relating to Common Core, there is a lot of uncertainty around the financial impact of the transition. We predict schools will incur one-time implementation costs over the next 6-18 months as technology investments need to be made to allow for online testing, professional development needs to occur to assist teachers with the transition, and new assessments must be created. The actual costs will be unique to the school and will depend on the way in which the standards

are implemented in the near and long term. The decision by charter school leaders to either quickly shift to a new way of doing things or to only fix what is absolutely necessary for Common Core alignment will be greatly affected by the timing and the amount of expense. Schools should look at their current budget and plan accordingly.

While schools will likely incur expenses in implementing Common Core, in the long run, the shift to Common Core may bring down some operating expenses as the larger marketplace brings in more players and the investment in technology by schools allows for less expensive upgrading and information exchange. Finding innovative ways to tackle implementation and deliver instruction, as we have discussed in this article, should enable schools to reduce the overall impact to their bottom line. 🌱

Additional Information from the CDE:

To help offset transition costs, the CDE announced Common Core State Standards Implementation Funds in the amount of \$200 per prior year enrollment using CALPADS fall enrollment data as of October 2012 and certified on or before May 24, 2013.

These funds can be expended for any of the following purposes:

Professional development for teachers, administrators, and paraprofessional educators or other classified employees involved in the direct instruction of pupils that is aligned to the academic content standards adopted pursuant to California *Education Code*(EC) sections 60605.8, 60605.11, 60605.85, and 60811.3.

Instructional materials aligned to the academic content standards adopted pursuant to EC sections 60605.8, 60605.85, 60605.11, and 60811.3 including, but not limited to, supplemental instructional materials as provided in sections 60605.86, 60605.87, and 60605.88.

Integration of these academic content standards through technology-based instruction for purposes of improving the academic performance of pupils, including, but not necessarily limited to, expenditures necessary to support the administration of computer-based assessments and provide high-speed, high-bandwidth Internet connectivity for the purpose of administration of computer-based assessments.

<http://www.cde.ca.gov/fg/aa/ca/commoncorefaq.asp>

Are there conditions placed on local educational agencies (LEAs) seeking the CCSS implementation funds?

As a condition of receiving CCSS implementation funds, a school district, county office of education, charter school, or state special school is required to:

Develop and adopt a plan delineating how the CCSS implementation funds will be spent. The plan must be explained in a public meeting of the governing board of the school district or county board of education, or governing body of the charter school, before its adoption in a subsequent public meeting.

On or before July 1, 2015, report detailed information to the California Department of Education (CDE), including, but not limited to, specific purchases made and the number of teachers, administrators, or paraprofessional educators that received professional development.

<http://www.cde.ca.gov/fg/aa/ca/commoncorefaq.asp>

Local Control Funding Formula: What You Need to Know

By Bryce Fleming, Director of Client Management and School Finance, EdTec Inc.

Below you'll find a detailed update on the latest funding rates, cash flow schedule, Local Control Funding Formula (LCFF) and the Education Protection Account (EPA).

Local Control Funding Formula and Funding Rates

The 2013-14 California State Budget created the Local Control Funding Formula, an overhaul of the existing funding formula that will make the funding schools receive more equitable and direct additional funds to schools serving high need populations. As many charters were previously locked out of some funding streams available to districts, the charter community stands to benefit greatly from the new system. The intent to implement LCFF still remains in place with the Advance Apportionment, but the CDE has stated that the specific calculations won't be made until the 2013-14 P2 certification next July, meaning schools will not receive LCFF specific funds until after the end of the 2013-14 school year.

The good news is that the CDE has recognized the budget's intent to distribute an additional \$2.1 billion under the LCFF by increasing the total funding in the Advance Apportionment by \$1.5 billion. These funds are being distributed on an equal basis to all schools, which amounts to a 4.62% increase in general purpose funding. That 4.62% equates to an increase in general purpose funding rates of \$236-\$286, depending on grade span, from 2012-13, as shown in the table below.

Funding Rates	K-3	4-6	7-8	9-12
2012-13 P2 Certified	\$ 5,109	\$ 5,187	\$ 5,346	\$ 6,188
2013-14 Advance Apportionment Certified	\$ 5,345	\$ 5,427	\$ 5,593	\$ 6,474
Difference	\$ 236	\$ 240	\$ 247	\$ 286

Note that these rates will change when the CDE makes the LCFF calculations and implements the school-specific LCFF amounts at P2. However, these calculations for the Advance Apportionment will drive the monthly payments that charters receive until LCFF is calculated and implemented. Additionally, the CDE could make changes when P1 is certified.

Categorical Payments

Also included in the Advance Apportionment are all of the categorical programs that will be consolidated into LCFF. These funding amounts are based on 2012-13 and are added to the state aid funding to make up the Advance Apportionment amount. This includes all categorical payments such as old flexed programs like Class Size Reduction, Supplemental Hourly Instruction, and Arts and Music Grant, in addition to newer programs like the New Charter School Supplemental Categorical Grant. The win here for charters is that programs with historically unfavorable funding schedules such as Class Size Reduction are now consolidated into the more favorable 5-5-9 schedule. For a full list of all 56 categorical programs that the state is consolidating into the Advance Apportionment with the school-specific amounts, click here: [2012-13 Adjusted Local Control Funding Formula Categorical State Aid](#).

Cash Flow

Perhaps the best news for fall funding was that there were no deferrals planned during the Advance Apportionment period. The CDE will be following the 5-5-9 schedule through January with no funds scheduled to be deferred. This is a welcome change after several years of fall funding deferrals. To see your school's apportionment schedule through January, use the following link to the CDE's schedule: [Payment Schedule Summary - LEA detail](#). Additionally, the CDE is currently projecting no deferrals in February or March. The exact amount and timing of state funding for the spring will be available when the CDE certifies the first principal apportionment in mid-February.

Education Protection Account (EPA)

The Education Protection Account, which was created as a result of Proposition 30 last November, continues to provide funding to charter schools. This year's projection from the state is that 17.92% of General Purpose funding will come from the EPA, with those amounts currently based off the P2 certified General Purpose funding totals from 2012-13. This is a slight decrease from

the 2012-13 percentage of 21.4%. The huge improvement in EPA funding this year is that apportionments will be paid in equal quarterly installments, unlike last year when schools waited until the end of the year to receive any funding. The state released the first quarterly payment on September 24 and the second payment is scheduled for December 23.

Accounting

With the simplified funding formula also comes simplified accounting:

“The CDE is currently working to determine the appropriate SACS coding for the LCFF. In the meantime, pending accounting guidance from the CDE, for SACS coding purposes the funds received in Line A-15 should be recorded to Charter Schools General Purpose Entitlement-State Aid (Resource 0000, Object 8015). Note that some reclassification entries may be necessary once CDE completes its research and issues accounting guidance.”

Line A-15 from the [Advance Apportionment Summary](#) refers to the total of the LCFF categorical programs. These funds, arriving with state aid payments, will not need to be separated for accounting purposes. The entirety of a school's monthly payment can be coded to 8015. There is no longer a need to separate out funds that are attributed to the Categorical Block, Economic Impact Aid, Class Size Reduction or any other programs that had separate codes under the old funding system. As the CDE notes above, additional direction will be coming in the future about potential SACS coding changes under the LCFF.

Stay Tuned For More Timely Analyses from EdTec

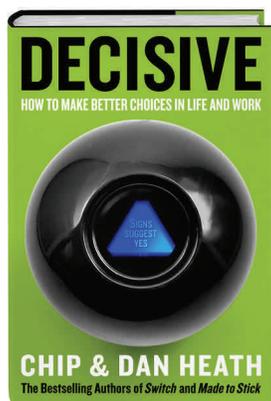
As always, charter school funding amounts and timing have the potential to change quickly. We are pleased to see additional funding through the Advance Apportionment and the most favorable cash flow schedule in several years. A downside of being at the forefront of charter school financial management has meant that EdTec is often the bearer of bad news for the charter school community. We're excited that this report offers some positive financial news and we hope it is the beginning of a new trend. 🌱

Read the Book!

Decisive: How to Make Better Choices in Life and Work, by Chip and Dan Heath

By Kelly Theofanis, Director of Client Management, EdTec Inc.

While attending the [Education Pioneers](#) 10 Year Celebration this past fall, EdTec Client Manager Kelly Theofanis listened to a speech by Chip Heath, co-author of the New York Times bestseller, ***Decisive: How to Make Better Choices in Life and Work***, and was impressed enough with the initial talk to pick up the book. Chip Heath is a professor at Stanford Graduate School of Business and his co-author, Dan Heath, is a senior fellow at Duke University's CASE Center, supporting social entrepreneurs. They are the co-authors of *Switch* and *Made to Stick*, both of which spent months on the *New York Times* and *Business Week* bestseller lists. We think ***Decisive*** provides some excellent take-aways for charter leaders and their organizations as a whole. Read on for Kelly's introduction.



Chip and Dan Heath weigh our innate aptitude for developing opinions and decision making processes against the results of our judgments in their most recent book, ***Decisive: How to Make Better Choices in Life and Work***. At the onset, the authors note, “If you study the kinds of decisions people make and the outcomes of those decisions, you’ll find that humanity does not have a particularly impressive track record.” From corporate mergers and acquisitions to interpersonal relationships, our decision making approach appears flawed at all levels! In

charter schools, the impact of a bad decision (or a good one) is heightened because the stakes are so high for the students and families we serve. No do-overs.

Although it is usually impossible to reverse a bad decision, it can be prevented. The Heath brothers outline four “villains” of decision making that lead us to regrettable results and prescribe processes to mitigate the influence of these traps. The four villains to watch out for are: narrow framing, confirmation bias, short-term emotion, and overconfidence.

- **Narrow Framing** sets the stage for failure when decision makers define choices too narrowly. This happens with the go or no-go types of options; the simple yes or no eliminates the opportunity for creative solutions and exploring third, fourth, or fifth options, especially when this crossroads is reached too early.
- **Confirmation Bias** gets us when we're not even aware it's getting us. Confirmation bias is our natural tendency to seek out information that confirms what we already know or want to believe. Think that pros and cons list is really impartial? It isn't. Our data gathering tends to test ideas in a one-sided way and leaves out contradictory arguments, especially when we know the boss's opinion in advance.
- **Short-Term Emotion** makes it hard to take the long view. We agonize over the immediate impact of decisions, and it's hard not to when the situation is contentious. Excellent and complete data may be available, but being personally conflicted about the results can drag us toward not making the best choice.
- **Overconfidence** is that little voice, or maybe that really loud voice, that makes us think we know more than we do about what's going to happen. Sometimes we just don't feel uncertain, and that self-assurance will take the lead in predicting outcomes based on only the most readily available information.

Knowing these common pitfalls is the first step; the second step is addressing them with a strategy to counter their effects. The Heath brothers have laid out tactics to overcome these villains in what they call the WRAP process. This methodology is aimed at counteracting the typical biases and process errors in decision making and is summarized below with some common charter-specific examples.

Decision Making Villain	Counter Strategy
Narrow Framing <i>Should we buy iPads for all of our students?</i>	Widen Your Options <i>What is the best way to improve academic outcomes for our students? What technology will best support our learners?</i>
Confirmation Bias <i>I've used that curriculum before, and it is the best option for EL students.</i>	Reality Test Your Assumptions <i>What are the opposing arguments? Can we pilot the curriculum with our students before fully committing?</i>
Short-term Emotion <i>Should we add new grade levels to our charter?</i>	Attain Distance Before Deciding <i>Consider how you will feel 10 minutes after the decision, 10 months after the decision, and then 10 years after the decision.</i>
Overconfidence <i>It's impossible our charter will not be renewed.</i>	Prepare to Be Wrong

We face multiple decision points every day, most of which won't have a major impact on the rest of our lives; but, when facing important choices in life or work, this framework focuses on the processes that will help drive us toward the best outcomes. While the results of bad decision-making can be disastrous, the outlook should be positive: with the discipline to commit to a deliberate decision making process, we're all capable of yielding great results. In education, decisions large and small can have lasting influence on our communities, so it's especially important to pay close attention to our own biases and thinking processes to build a consensus based on best practices. ***Decisive: How to Make Better Choices in Life and Work*** provides some powerful tools to help us do so. 🌱

EdTec Inc.		www.edtec.com askus@edtec.com
Northern California 1410 62 nd Street Suite A Emeryville, CA 94608 (510) 663-3500 tel	Southern California 700 S. Flower Street Suite 3212 Los Angeles, CA 90017 (213) 622-2680 tel	