

PERSONALIZED LEARNING POLICY PLAY #1: CREATE AN INNOVATION FUND TO SUPPORT THE DEVELOPMENT, ITERATION, AND IMPLEMENTATION OF NEW MODELS

CONTEXT

Scaling up access to personalized learning will require strategies to address both the demand for and supply of effective models. Schools and districts need to want to implement personalized learning models, but they also need models that ensure there is no gap between supply and demand.

Public education is an inherently conservative enterprise: many school and district leaders perceive making significant changes to be much riskier than maintaining the status quo—even when the status quo does not effectively serve students. So students' schools and classrooms are similar to those that their parents and grandparents attended. Overcoming this dynamic often requires policy changes that create incentives for school or district leaders to undertake large-scale changes designed to improve student achievement—particularly changes related to personalized learning. Even if education leaders are excited about the potential of personalized learning, they may be reluctant to pursue these strategies if they believe that teachers will resist changes to their roles, that parents will be skeptical of new approaches, or that existing district systems (for example, textbook adoption cycles) won't readily fit with new models.

In addition, the financial resources required for the initial design or implementation of personalized learning models may pose a barrier for some schools and districts. Establishing personalized learning models requires investment in technology infrastructure, software, and licensing fees. Schools will also need to provide professional development to teachers so that they can effectively incorporate online content and data into their instruction. Depending on a school's needs, other start-up costs may include redesigning physical spaces and improving wireless connectivity. If these initial costs are prohibitive, schools that have the demand for personalized learning models will still be unable to put their ideas into practice.

Increased demand will also require a greater supply of personalized learning models. Currently, schools or districts that want to implement personalized learning have access to only a handful of fully developed, replicable models with some track record of effective implementation. But these models are not sufficient to meet the full range of school and district needs, and would not be able to meet a significantly increased demand for personalized learning. Policymakers will need to consider how to increase the supply of a wide variety of personalized learning models.

PLAY IN ACTION

State policymakers can support both the supply of and demand for personalized learning by designating funds that support the development, testing, and implementation of innovative models. These funds can increase demand for personalized learning by creating an incentive for schools and districts to undertake innovative approaches, and by helping to cover start-up or transition costs that might otherwise act as a barrier to implementing new models. By funding a relatively small number of pioneering schools and districts, states can also foster the development of personalized learning “proof points,” which can spur increased demand among other schools and districts in the state. At the same time, innovation funds—by enabling districts or external partners to develop new approaches to personalized learning—will also build the supply of effective personalized learning models to meet growing demand.

Ohio’s \$250 million Straight A Fund, which the governor created as part of the state budget in 2013, is a potential model of a state innovation fund. Schools, districts, educational service centers, and institutions of higher learning may apply for one-time grants through a competitive process. Seed money in Ohio has spurred local innovation and increased adoption of personalized learning models. The Ohio Appalachian Collaborative Personalized Learning Network, a consortium of 27 rural schools, received a Straight A Fund grant in 2013 to create a dual-enrollment blended learning system with local colleges. Twenty-three other grantees from 2013 will use the funding for a variety of other initiatives, including providing educators with professional development on blended learning and developing “flipped” classroom models.

IMPLEMENTATION CONSIDERATIONS

To maximize the impact of innovation funding, states must carefully consider key design questions related to application process, eligibility, amount of funding, and grantee performance.

Innovation funds should be allocated through a competitive, rather than formulaic, process. A competitive process is crucial to ensure that funds go only to entities or grantees that are truly committed to innovation. This would require policymakers to develop a thoughtful plan for awarding competitive grants based on certain criteria. Specific grant criteria will vary in response to a state’s needs and context, but should include school

and district capacity, commitment, and the track record of any proposed providers. In Ohio, an independent committee reviews and scores all Straight A Fund applications on fiscal sustainability and programmatic aspects before making recommendations to the governing board, which reviews the scoring analysis before making final recommendations to the controlling board.

State policymakers may wish to limit funding eligibility to schools and districts, an approach that is politically appealing because it ensures that funding will serve students directly and avoids the political opposition that may accompany grants awarded to nonpublic entities. However, limiting funding eligibility to schools and districts would exclude other organizations—such as colleges and nonprofits—that have the resources and skills to develop effective personalized learning models in partnership with districts. State innovation funds should allow districts and charter schools to apply for grants, but states should also consider allowing a range of other entities—including regional consortia, colleges, and nonprofits—to apply for grants in partnership with districts or schools. This broad eligibility approach would recognize the role of a wide range of stakeholders in personalized learning, and replicate the approach taken by the federal Investing in Innovation (i3) grant program and Ohio’s Straight A Fund.

In addition to defining grantee eligibility, states must clearly define the types of activities that are eligible to receive grant

funding. In the absence of clear criteria focused on innovation and personalization, districts or schools may choose to use funds for marginal or cosmetic changes that do not significantly improve student learning. The criteria should not focus exclusively on technology, but should prioritize efforts that combine increased use of technology with changes to human capital, use of time, and/or other policies to increase personalized instruction and improve results for students.

Policymakers must also determine the size of the grants that applicants will receive. Funding levels need to be high enough to create a real incentive for districts and schools to innovate. However, funds should be used primarily for transitional and start-up costs; long-term operating costs must be covered out of the school’s or district’s existing budget, to ensure sustainability. In Ohio, the maximum Straight A grant amount is \$1 million for individual applicants and \$15 million for consortia.

Another potential strategy is for states to establish match requirements when distributing innovation funds. States could stipulate that grantees match state funding at a certain level—similar to how states must secure a 15 percent match to receive federal i3 funding. However, the specific match requirement will ultimately depend on state policymakers’ goals, grantees’ financial capacity, and the needs of local schools and districts. States may even want to consider a sliding-scale match to target high-poverty communities. An innovation fund with a match requirement would promote the

idea of a shared partnership between the grantee and the state, while still providing a financial incentive to the grantee. Other match requirements could involve philanthropic organizations or private corporations, similar to the strategy undertaken by Florida’s School District Education Foundation Matching Grant Program. Through this program, local education foundations—which are each aligned with a local school district—apply for a competitive grant from the Florida Department of Education to fund an initiative in an eligible programmatic area.¹ Before applying for a grant, each local education foundation must raise an equal amount of private sector funding from businesses, individuals, civic organizations, and/or foundations.

Lastly, a state innovation fund program should require grantees to commit to clear performance metrics related to both student learning outcomes and execution of proposed activities. Data on grantee performance should be reported in a transparent manner and used to inform future state policies related to personalized learning.

LEGISLATION

Ohio, H.B. 59 (established Straight A Fund program)

Ohio, Sub H.B. 342 (amendments to Straight A Fund program)

¹ The six eligible programmatic areas are: literacy, graduation rates, career and technical education, support for low-performing students, STEM education, and teaching quality.

RESEARCH AND RESOURCES

Information about the federal **Investing in Innovation (i3) program** can be found at: <http://www2.ed.gov/programs/innovation/index.html>

An **Ohio** Legislative Service Commission **analysis of H.B. 59** can be found at: <http://www.lsc.state.oh.us/analyses130/h0059-i-130.pdf>

View a list of **Ohio’s Straight A Fund grantees** in fiscal year 2014 at: <http://education.ohio.gov/getattachment/Topics/Straight-A-Fund/First-Round-FY14-Grant-Material/Straight-A-GrantFinalists.pdf.aspx>

Read about **changes to the Straight A Fund** program in fiscal year 2015 at: <http://education.ohio.gov/Topics/Straight-A-Fund/Straight-A-Fund-News/Legislative-Update-FY15>

View the **federal i3 program FAQs** to learn more about the match requirement: <http://www2.ed.gov/programs/innovation/faq.html>

The **Florida** legislature adopted the **School District Education Foundation Matching Grant Program** in 2000. Learn more about the program at: <http://www.cfef.net/p/13/match-opportunity>

A **New Jersey** senator introduced a bill in 2013 that would give \$5 million to the state Department of Education to establish an **Innovation Fund**, a competitive grant program for schools developing innovative models. Due to opposition from stakeholders who believed the funding should be used elsewhere, the **bill did not pass**. View the proposed bill at: http://www.njleg.state.nj.us/2012/Bills/S3500/3031_11.PDF