AT&T Aspire Invests for Gaming and Learning Portal

AT&T Aspire, a philanthropic initiative from telecommunications giant AT&T that has invested more than $100 million in education and community initiatives since 2008, is stepping up its commitment to the classroom with plans for an online learning portal and educational gaming initiatives.

“We are investing an additional $250 million in Aspire, planned over the next five years,” Beth Shiroshi, AT&T associate vice president of citizenship and sustainability, told EER. “Going forward, we will employ a new socially innovative approach—one that goes beyond traditional philanthropy and uses more of our AT&T assets.”

AT&T will look to drive innovation by investing locally, specifically through a local impact RFP program;

Schoology Raises Capital and School Count

Schoology (New York), which provides an enterprise level learning management system and configurable social network designed to help teachers and students create, share, and manage academic material, is growing its features, financing and user base.

“There are a million different tools that teachers are using,” said CEO Jeremy Friedman. “We bring everything into one unified platform.”

Teachers freely accessing the Schoology platform for virtual and blended learning and communication become the building blocks that encourage school districts to purchase Schoology in an enterprise model, Friedman told EER.

Summer Learning Loss

28% of parents are concerned, and 49% of parents are very concerned, about their children losing academic skills over the summer.

Academic studies have found that students lose on average two months of learning over summer break.

Research indicates the greatest competency loss comes in math and spelling.

Source: Online survey of 270 parents by WyzAnt, an online marketplace for tutors
recordings, offer a range of applications for reading achievement and can help increase technology literacy.

“We wanted to reach the largest number of students possible,” Sallee said. Laptops would have impacted one-third as many students, because of the cost differential, Sallee said.

Creighton acquired 80 apps in the first two years of the program, most of them for free from iTunes. “We started with the free version of the K-12 Timed Reading app, but liked it so much we bought the paid version,” Sallee said, referring to the offering from online education provider K-12 Inc. (Herndon, Va.).

Helping students become responsible for their own learning is one of Creighton’s technology goals, so the district created rubrics for students to evaluate their own frequency and documents for students to use as reading guides.

Creighton provided a week-long training for teachers when the project started, that instructed them on incorporating project-based learning as well as how to use the devices. The training included helping the teachers set up and synch the iPods and continued through the year with lesson planning and co-teaching.

“We see a lot of school districts buying this type of equipment and just handing it to their staff—saying have a good time with it, figure out something neat to do with it,” Creighton technology professional development trainer Robyn Griffith told EER. “There’s no training, and it’s clear the administration doesn’t have a good plan for what they expect—everyone is getting iPods so they want them, too.”

Griffith said the implementation of any type of technology does not work unless a district has solid, well-planned professional development that is ongoing to back it up.

Support for Technology

The Creighton Elementary school district has 10 schools with 7,440 PreK-8 students in inner-city Phoenix. Although the district is 94% free and reduced lunch, it has a tradition of providing capital funding for technology that enables schools to keep implementing new technology even as funding like EETT dries up.

In the 2011-2012 school year, Creighton purchased two iPad carts to pilot online testing on the iPad. The pilot was deemed successful and the iPads, shared across a grade level, also were used for projects and skills practice.
In 2012-2013, Creighton will pilot a new project that uses iPads to implement a flipped classroom model. A one-month test in one classroom at the end of the just completed school year saw an increase in attendance, motivation and engagement. Next year, nine classrooms will do flipped one-to-one with teachers from various grade levels applying to participate in the program.

Distributing iPads with instructional videos loaded on them allows Creighton, where most students do not go home to an Internet-connected computer, to pilot flipped classrooms.

Also in 2012-2013, Creighton principals will select 24 classrooms to pilot a teacher-focused media kit. Participating classes will receive an iPad, an Apple TV and a television or LCD projector—a set-up that costs about half as much as installing an interactive whiteboard. An Apple TV is a digital media receiver that connects the content from the iPad to the display device.

Griffith said the goal is to free teachers from being anchored to a computer or interactive whiteboard to allow them to interact near students. In some classrooms, the media kit will be the only technology, but it also will be tried in a couple of one-to-one classrooms to see the impact of different types of implementations.

Creighton teachers have responded to the opportunity to pilot technology with a great deal of interest, according to Griffith. “Many of our teachers are young,” she said. “They have grown up with this type of equipment and are completely confident with using it.”

Creighton’s Technology Changes Impact Curriculum Choices
As the Creighton school district incorporates new technology in its classrooms, it is rethinking how it acquires and uses curriculum content.

“We’ve been able to co-mingle some resources, but we are at the crux of a change with using digital textbooks on the horizon,” Creighton technology professional development trainer Robyn Griffith told EER.

Creighton schools use a Houghton Mifflin Harcourt program for primary grades language arts. The program comes with audio recordings of books on CDs that the teachers have loaded onto iPods. Middle school ELA and math curriculum now is being accessed online.

“The digital versions have been there for awhile, it has been a question of having the tools to access them,” Creighton education technology coach Suzanne Sallee told EER.

Last year, Creighton teachers began creating supplemental books based on district curriculum standards for the iPods.

“Apple’s iBooks Author gives the ability to create a whole textbook with videos, interactive multimedia and links to other websites,” Sallee said. It is not only cost, but also the ability to update in real time that makes these new possibilities so appealing, she said.

“I think the combination of the current state of the economy and schools being handed tools that give them the ability to create their own content means the tipping point is here,” Griffith said. Schools will be unwilling to spend on textbooks if they have staff that can create their own materials, she added.

“If I’m in a big-city school district, I have the highly skilled staff and IT resources and I’m going to start doing that,” Griffith said.

“The money is just not there in education anymore,” she continued. “If you are cutting everything else that is good to be able to afford your content curriculum, it will be tempting for a school district to go down the other avenue and create it for free.”

Cambium Learning Group Outlook Negative, According to S&P
Cambium Learning Group’s (Dallas) corporate credit rating, which was lowered in April from B to B- after Cambium’s weaker than anticipated fourth-quarter operating performance, was reaffirmed by the Standard & Poor’s Rating Service in June, but the S&P changed its outlook on the company from stable to negative.

The negative outlook reflects considerable uncertainty about whether Cambium can stabilize its operating performance, according to S&P. The outlook change follows a weak first-quarter operating performance and rising debt leverage. Cambium had a first-quarter EBITDA loss of $7.3 million, versus positive EBITDA of $2.7 million in first quarter 2011.

S&P expressed concern that strained government budgets will continue to negatively impact Cambium’s profitability and debt leverage and noted the end of federal education stimulus funding is another concern.
S&P also revised its recovery rating on the company’s senior secured notes from 4 (30%-50% recovery expectation) to 5 (10% to 30% recovery) and lowered Cambium’s issue-level rating from B- to CCC+.

“The revision of the recovery rating reflects our expectation of a steeper deterioration in operating performance in a hypothetical default scenario as a result of Cambium’s difficulties in competing with larger, better capitalized companies with more significant digital learning capabilities,” the S&P update stated.

In May, Cambium received board of directors’ approval for a stock repurchase program that will enable the company to purchase up to $5 million of its shares of common stock over a one-year period.

As of April 30, Cambium had almost 49.6 million shares of common stock outstanding. The stock opened 2012 with a price-per-share of $3.10, but closed at $1.19 on June 15.

AT&T, cont’d. from p. 1

by connecting people, specifically through employees and customers; and by connecting with partners to seek exponential change.

A key partnership was forged this year with GameDesk (Los Angeles), a research and game-development nonprofit that grew out of an initiative at the University of Southern California. The partnership will look to reach students in new ways by embedding academic content and assessment into interactive digital games and simulations.

“By using the tools that are second nature to kids today, educators are able to convey difficult concepts and prepare students for success, including those most at risk of dropping out,” Shiroshi said.

AT&T will invest $3.8 million to help GameDesk expand its reach to educators, students and parents nationwide through a learning laboratory and an online portal.

“GameDesk’s living learning laboratory will be a model for what the future of learning can be,” Shiroshi said. It will include a classroom of the future where students, teachers and developers will work on digital tools and technologies, evaluating them on ease of use and alignment with academic standards.

The online portal will provide access to a large library of digital learning content and support for teaching.

“With AT&T’s support, GameDesk plans to make both the content it creates and the content it curates available to parents, students and teachers nationwide through free access to the online portal,” Shiroshi said.

Plan is to launch the Los Angeles area learning lab and the online portal in 2013.

Initiatives in Education

The AT&T $100 million investment in education since 2008 has funded initiatives that include:

- $500,000 to the Data Quality Campaign, the collaborative effort to increase availability and use of high-quality education data to improve student achievement;
- $2 million to Communities in Schools, an initiative to increase the number of school-based site coordinators who help at-risk students get the resources they need;
- $1 million to the Be Ready with Boys & Girls Clubs of America program, which identifies vulnerable high school students and facilitates their graduation through mentorship.

AT&T Aspire also has supported over 100 drop-out prevention summits in partnership with America’s Promise Alliance to bring stakeholders together to discuss the drop-out crisis and ways to address it.

Shiroshi said AT&T sees the drop-out problem as a waste of human potential and a real issue for AT&T and other companies that need to hire skilled workers.

“Our goal is to continue driving innovation in education and to work with organizations that utilize innovative tools and resources to see that every American student walks across a graduation stage,” Shiroshi said.
Capstone Digital Expands myOn Publisher Partnerships

Capstone Digital (Minneapolis) in June added a dozen additional publishers, including Youth Communications, Teacher Created Materials and Rourke Publishing, to its myOn reader platform.

“Bringing these publishers on board adds depth and breadth to the digital library, while expanding the reach of myOn reader to students of all ages,” said Todd Brekhus, Capstone Digital president.

The new publishers add an additional 1,000 titles for students, including upper-level titles and books for young readers and preschool students, to those from previous publisher partners and Capstone’s own imprints that include Capstone Press, Heinemann-Raintree, Compass Point Books and Picture Window Books.

Each title added to the myOn platform is converted to an interactive digital book with added reading support. The books are aligned with the Lexile Framework for Reading and include end-of-book quizzes to assess comprehension.

AFT Offers Online Access to Resources

The American Federation of Teachers, in partnership with British publisher TSL Education, this month launched Share My Lessons, a digital platform for collaboration and resource sharing.

The new venture from the labor union that represents more than one million educators launched with 180,000 resources and plans to grow the collection rapidly.

“Share My Lessons is by teachers, for teachers,” said AFT president Randi Weingarten. “It’s an easy-to-use source for classroom resources and it’s free; it will become every teacher’s go-to-online destination for the support they need.

The AFT developed the site in response to teachers’ frustration with sifting through and evaluating the vast amount of educational resources available on the Internet. The AFT believes the site will become a go-to destination because it comes from the union.

Share My Lesson will allow users to upload their own resources—from worksheets and videos to course-length units. Users also can review and rate resources on the site and download anything at no charge.

User-generated content will be supplemented with resources from content partners that include Sesame Street, GreenTV and the Encyclopedia Britannica. The site also includes a dedicated resource bank for the Common Core State Standards.

Share My Lesson was modeled after tesconnect.com, a website TSL created in the U.K. That site has 2 million teacher members, more than 400,000 resources and logs 2.5 million downloads weekly.

Archipelago Adds Common Core Benchmarking

Archipelago Learning (Dallas) in June added Common Core Benchmarking for Grades 6-8 to its Study Island web-based instruction and practice program.

The new feature provides benchmark tests to evaluate the proficiency of students against the Common Core State Standards for English language arts and mathematics, which have been adopted by all but four states. Earlier in the year, Study Island added Common Core Benchmarking for Grades 3-5.

Archipelago’s 2011 year-end Study Island customer survey, 97% of teachers have a favorable attitude toward the Common Core standards. Teachers having a very favorable attitude totaled 57%, up from 27% in 2009.

Only 2% of those surveyed had a somewhat unfavorable attitude toward the Common Core, down from 12% in 2009. No respondents selected very unfavorable as their attitude toward the Common Core.

Plato Learning (Bloomington, Minn.) in May acquired Archipelago Learning for $291 million.

Waterhouse Named President & CEO of McGraw-Hill Education

McGraw-Hill Cos. (New York) in June named Lloyd Waterhouse president and CEO of McGraw-Hill Education, charged with leading the second-largest K-12 and college
Friedman said Schoology’s offering is more student- and user-centric than other enterprise platforms like Blackboard’s (Washington, D.C.), which is centered on the course. At the same time it provides better course functionality, he said, than a social learning platform like Edmodo (San Mateo, Calif.), where information is stored in feeds that can be difficult to search back through.

In May, Jefferson County public schools, Colorado’s largest school district with 86,000 students, decided to replace Blackboard with a Schoology LMS that it viewed as a more agile solution to meet its evolving needs.

“The front-end, we wanted our LMS to offer a user experience that is fun, intuitive and engaging by providing tools and services that look and feel like the popular social networking sites,” said Matt Cormier, Jefferson executive director of education technology. “On the back-end, the system needed to have an open application programming interface for easy customization and integration with existing systems.”

Friedman said Schoology’s open, cloud-based system offers flexibility, scalability, price and performance advantages. Customers come to Schoology saying they have many different tools they want to use together, he said.

As examples of how this is done, Friedman said Schoology works with Blackboard Collaborate to allow educators using Schoology to schedule events in one place.

The company works with Turnitin, to allow student work submitted via Schoology to be submitted to the academic plagiarism detector with one click.

Schoology helps districts create a public resources area where districts can share purchased or created content among their schools. Friedman has seen some districts creating content and courses for professional development on Schoology that have proven so successful they are being offered for sale to other districts.

While it is early to see the impact of the Common Core standards, Friedman expects it to be positive for Schoology. Schoology will be able to provide insight into what students did not understand when they get a particular grade and point to resources to address those deficiencies, he said.

**Financing Found**

Schoology has raised $9.3 million in capital since it was founded in 2009 by Friedman, Ryan Hwang, and Timothy Trinidad after their graduation from Washington University in St. Louis.

In April 2012, Schoology raised $6 million, intended to help scale the business, in a Series B financing round that was led by FirstMark Capital.

FirstMark’s involvement in Schoology supplements that firm’s existing education investments in companies that include the adaptive learning platform company Knewton (New York), online college course provider StraighterLine (Baltimore) and brain game developer Lumosity (San Francisco, Calif.).

Schoology also has received investment from a for-profit school system in Malaysia, which uses the free platform and sees potential to commercialize the offering internationally. Friedman expects to focus on international expansion in 2013.
Schools offerings currently are in use in more than 20,000 schools and districts. The company has 23 employees and plans to add 10-12 more in the next few months.

**Peoples Stock De-Listed from NASDAQ**

Peoples Educational Holdings stock was delisted from the NASDAQ Capital Market with trading on that market discontinued as of June 14. The company is exploring over-the-counter trading, but has not finalized future plans.

In January, Peoples was notified that the company was subject to delisting because its price-per-share of common stock had closed at less than $1 for more than 30 consecutive business days and because the market value of publicly held shares was less than $1 million. The company was given 180 days to regain compliance, but did not.

Peoples’ stock has traded in a 52-week range of 30 cents to $1.45 per share, but stayed at 30 cents per share in the first two weeks of June.

**First Nine Months 2011**

Revenue declined in all Peoples Education operating units in the company’s fiscal third quarter, ended Feb. 28, and in the nine-month period. Company revenue declined 29% to $3.6 million in the fiscal third quarter and was down 17.1% to $20.3 million in the nine-month period, compared to the same times last year.

Peoples has been hit hard by schools’ budgetary pressures. The Literacy segment is being hurt by the drop in federal spending on literacy programs, particularly the end of stimulus funding.

The third-quarter decline in Test Prep, Instruction and Assessment segment revenue was attributed to the drop in sales in one of Peoples’ target states that is in the process of transitioning to new standards and new tests. Initial feedback on Peoples recently released end-of-course test prep materials for that state has been favorable, according to the company.

The company operating loss nearly doubled in the fiscal third quarter; the nine-month loss of $1.3 million plummeted from $6,000 in operating income last year.

While net cash and cash equivalents of $940,000 was a significant gain over the nine-month period, Peoples has a working capital deficit of $8 million and an accumulated deficit of $4.2 million.

The company’s credit facility expires in December; management is exploring new financing prospects.

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**EER Stockwatch 2012**

*Share Price Values for Instructional Technology Providers, June 1—15, 2012 (closing prices)*

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<th>Ticker</th>
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*K12 and Pearson are listed on the NYSE; all others listed on NASDAQ exchanges

Source: Yahoo! Finance; Simba Information
News Briefs ...

▶ Curriculum Associates (North Billerica, Mass.) and PCI Education (San Antonio) have aligned two of CA’s Brigance assessments with PCI’s reading program to help special education teachers integrate appropriate reading curriculum into differentiated instruction.

▶ Gale, the research and reference business of Cengage Learning (Stamford, Conn.) in May released Classroom in Context, a collection of digital resources to supplement school textbooks. Classroom in Context materials are delivered through a portal with the flexibility to be integrated into a district’s or schools’ learning management system with school-wide and remote access anytime, anywhere with an internet connection.

The CLiC suite currently includes high school biology, chemistry, U.S. history and world history resources. Work on supplemental resources in earth science and government are in development.

▶ Technology firm Wanderful (San Francisco) in June secured licensing rights to the Living Book titles from Houghton Mifflin Harcourt (Boston). The titles originated by Broderbund Software in the early 1990s and became part of HMH when then-Riverdeep, parent of Broderbund, acquired Houghton Mifflin in 2006.

Wanderful president and CEO Mickey W. Mantle was vice president of engineering/chief technology officer at Broderbund in 1991.

Financial Briefs ...

▶ Princeton Review (Framingham, Mass.) 2011 revenue was $188.7 million, down 11.7% from 2010. The company operating loss mushroomed from $21.3 million in 2010 to $110.6 million in 2011. By November 2011, the company had sold off or closed down businesses or terminated relationships that essentially killed everything except the Test Prep Services and Penn Foster.

Following the disposal of Test Prep Services business, the company will focus on Penn Foster, the global online career and vocational postsecondary education provider.

▶ PreK-12 education and Catholic catechetical materials publisher William H. Sadlier (New York) generated $54.3 million in revenue in 2011, up 2.8% from 2010. Net income increased 14.2% to $4 million.