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State of the K-12 Market 2015

K-12 EDUCATION AND THE EDUCATION INDUSTRY

Part I

MDR

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Part I: K-12 Education and the Education Industry

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Chapter 1: Introduction

State of the K-12 Market 2015 is the sixth annual report from EdNET Insight, Market Data Retrieval's research-based decision support service. It provides current data about elementary and secondary education in the United States, together with analyses and commentary about important trends and developments that influence the education market. The first section of the report provides an overview of the K-12 education landscape, while the remaining sections present comprehensive discussions of educational materials and technology issues. The report also includes an extensive appendix presenting additional relevant data tables.

Much of the data presented throughout this report is drawn from district-level research. As its title implies, the *State of the K-12 Market 2015* report reflects on what is happening in schools today and details districts' plans for the near-term future. This databased view can be especially useful for anyone seeking solid, market-based information about K-12 education. Much ongoing discussion in the media, and even among policymakers, about K-12 pedagogy, policy, and market trends is awash in emotion, long on opinion, and short on facts. While opposition to the adoption and implementation of the Common Core State Standards still simmers in some locales, it is opposition to testing that has taken over the spotlight. Membership in the Common Core Assessment Consortia has dwindled, states have moved to push back by several years any consequence associated with test scores, and parents have rallied over the issue of just too much testing.

Schools' technology infrastructure has benefitted from efforts to ensure the presence of enough devices and access to sufficient bandwidth to support the spring 2015 administration of the Common Core assessments, supplemented by relatively widespread adoption of programs that allow students to bring and use their own technology devices in classrooms. The search for Common Core-aligned resources, digital resources, and classroom-appropriate apps continues to prove challenging, complicated by the sheer volume of potential content and services and too little time and too few internal resources to conduct in-depth reviews, slowing decision-making and product procurement. Implementation of new instructional models—flipped classrooms, blended learning, and competency-based models—is still relatively limited, requiring shifts in the role of the teacher and the structure of the school day that may be slow in coming. Certainly, access to good data is key to the success of these new models, but concerns over student data privacy have begun to sweep the nation, with new data privacy legislation under consideration in a number of states and parental pushback causing schools to reexamine their policies and practices around the collection and use of student data.

The nation's economy is finally back on track, though anxiety lurking just below the surface makes for continued volatility. Following the Republican Congressional victories in the 2014 election, party leaders pledged a return to "regular order." Though there is still a fair amount of partisan posturing, legislation has begun to move through Congress, and thus far, the budget process is proceeding according to schedule. The bad news is that with no real Congressional support for measures that might bring in more revenue and strong interest, especially in the Republican-dominated House, in increasing defense-related spending, there is little possibility of any growth in non-defense discretionary spending. Both the House and Senate Budget Resolutions abide by the sequester cap for non-defense discretionary spending in FY2016, which means there will be no "extra" money for anything. The good news under this scenario would be flat education funding for FY2016, which would keep the federal share of overall K-12 funding at roughly 10%.

State budgets continue to improve, and many governors proposed increases in K-12 spending for FY2016, the state fiscal year that begins on July 1, 2015. School spending is returning to normal levels, and interest in technology and digital formats is high. There are still residual effects from the extended economic downturn, however, and schools will continue to be quite selective about discretionary spending. This report's solid intelligence about schools' current spending outlook and their instructional and technology priorities should help publishers and suppliers as they make tactical and strategic decisions in this marketplace.

This report relies on a range of both quantitative and qualitative research to provide a balanced and informed picture of the K-12 market. In addition to primary research based on surveys of curriculum and technology decision-makers at the district level, EdNET Insight analysts conduced in-depth research using a number of secondary resources, including government and foundation studies and education market reports. Additional information is drawn from MDR's National K-12 Education Market Database that includes detailed information about over 114,000 schools and more than 13,000 school districts. Supplementing the numerous tables and figures incorporated throughout the body of the report are extensive appendices with additional relevant data.

The report is organized in four major sections:

- Part I provides background and general context, including an overview of the K-12 education landscape (policies, funding sources, and national education initiatives), data on the characteristics of public schools and school districts in the United States, and information on school management organizations, as well as a brief overview of professional development.
- Part II focuses on educational materials—instructional materials, assessment and test prep, and online learning. Data are presented on district expenditures on instructional materials, budget allocations and outlooks, instructional priorities, and new instructional models. Developments affecting this market segment are discussed in detail.

- Part III covers educational technologies, including hardware (personal computing devices and classroom technologies) and software (SIS, LMS, and other enterprise management systems), as well as developments affecting this market segment.
- An Executive Summary pulls together significant data and related understandings from all three parts, providing a handy overview of the entire report. It reviews the major developments, trends, and issues influencing the K-12 marketplace and includes highlights from MDR's national surveys of K-12 curriculum and technology leaders. It concludes with a high-level synopsis of the Key Takeaway topics discussed by the reports' authors.

How to Use This Report

The purpose of this report is to provide education industry leaders with timely and actionable market intelligence to inform decisions related to their core business functions: sales, marketing, business development, product development, and strategic planning. How the report is used will be determined, to some extent, by the experience level and intent of the user. For example, individuals who are new to the K-12 market may find it helpful to review the entire report to gain an overview of the structure and dynamics of the market. More experienced readers may read only sections of the report in which they have a particular interest or keep the report handy as a reference to use when they need to find specific information points. Marketing directors will find information to help determine resource allocation, prioritization of customer segments, and development of effective messaging for particular audiences. Executives responsible for business development will find useful background against which to evaluate potential partnerships, new capabilities, product line expansions, etc. Data from current surveys of district-level curriculum and technology decision-makers provide essential information to inform product development efforts so that new products have the functionality to meet customer requirements. The entire report contains invaluable resources to use in evaluating a variety of strategic decisions.

State of the K-12 Market 2015 builds on the 2014 report, with school data, policy directions, market trends, and education industry information updated to reflect the current situation. Where appropriate, the 2015 report references research findings from prior reports and points out trends and discontinuities. As a benchmark study of the marketplace, this report provides valuable points of reference for understanding an organization's performance vis-à-vis competitors and overall industry trends.

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EdNET Insight is the K-12 education industry's premier information and consulting service, combining the proven power of research and analysis with recognized industry experts to deliver an insightful, comprehensive view of the trends and influences that are shaping the education market today—and tomorrow.

State of the K-12 Market 2015 provides an insightful overview of the K-12 education market based on large-scale surveys of instructional and technology decision-makers at the district level and authored by highly regarded industry analysts. This report is essential reading for a thorough and up-to-date understanding of the K-12 education market.

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