



AMERICAN INSTITUTES FOR RESEARCH™

Leveraging Federal Funding Focus Group Proceedings

Final Report

Submitted to:

Division of Research to Practice
Office of Special Education Programs
U.S. Department of Education

Washington, DC 20202
Multiple Award Task Order
Contract No. ED-OSE-09-0-0058
Deliverable 5.6.1 (Activity 5.6)

September 22, 2014

Prepared by:

Mel Kutner
Nioud Gebru
Melissa Storm Edmiston
Stephanie Jackson

American Institutes for Research
1000 Thomas Jefferson Street, NW
Washington, DC 20007-3835

SEPTEMBER 2014

Leveraging Federal Funding Focus Group Proceedings Final Report

September 2014



AIR[®]

AMERICAN INSTITUTES FOR RESEARCH[®]

1000 Thomas Jefferson Street NW
Washington, DC 20007-3835
202.403.5000 | TTY 877.334.3499

www.air.org

Copyright © 2014 American Institutes for Research. All rights reserved.

2312_06/14

Contents

	Page
Introduction	1
Report Outline	1
Focus Group Meeting Procedures	2
Focus Group Members	2
Synthesis of Focus Group Deliberations	3
Focus Group Deliberation Process	3
Draft and Cataloged Leverage Points	3
Deliberations on Final Leverage Points	4
Final Leverage Points	5
Short Term	5
Long Term: Student Data Reporting and Student Accountability	6
Meeting Wrap-Up and Next Steps	8
Attachment A: Agenda	1
Attachment B. Leveraging Federal Funding Gap Analysis Findings	1
Attachment C. Pre-Meeting Materials	1

Introduction

In January 2014, the U.S. Department of Education, Office of Special Education Programs (OSEP), with support from American Institutes for Research (AIR), invited a group of 50 experts to participate in a process that would assist OSEP, the Office of Elementary and Secondary Education (OESE), and other entities to move the field from the current to the preferred state of practice for the ways in which States and local districts leverage and could leverage Federal funding to support all students. These experts included superintendents and directors of local educational agencies (LEAs); commissioners, chief financial officers and student service directors in State educational agencies (SEAs); State auditor managers; directors of national educational associations; and representatives from various programs within the U.S. Department of Education (ED).

After an informational call to explain the scope and purpose of this process, individual participants completed a modified gap analysis form in which they described their ideal future vision for the ways in which LEAs and SEAs could leverage Federal funding to support all students, as well as the current practices and steps that could be taken to move the field from the current to the ideal future state. Participants then submitted their responses, which AIR analyzed. The analysis identified seven key leverage points.

OSEP invited 11 of the original experts to participate in a focus group to further operationalize and prioritize the leverage points identified in the gap analysis. The focus group met in Washington, D.C., on May 16, 2014. This report synthesizes the proceedings of the meeting as well as findings and recommendations that the group offered to ED policymakers for their consideration.

Report Outline

This report has three main sections. After this introductory section, the meeting procedures are described and the deliberations of the focus group are synthesized. The report concludes with a summary of the suggested leverage points.

Four attachments follow this report, including a copy of the meeting agenda (Attachment A); the full leveraging Federal funding gap analysis report (Attachment B), which include the draft leverage points on page 10 of the attachment; and a copy of materials shared with the original invited participants preceding the informational telephone call with OSEP (Attachment C).

Focus Group Meeting Procedures

This section provides information about the procedures OSEP employed to conduct the focus group and facilitate its deliberative process. Ms. Ruth Ryder, Deputy Director, OSEP, organized and coordinated the focus group meeting and provided introductory comments to guide the deliberations. In addition, Mr. Matt Schneer from the Monitoring and State Improvement Planning Division, OSEP, attended the meeting and contributed content area expertise to identify and address logistical and substantive issues regarding possible legislative updates. Dr. Melissa Storm Edmiston from AIR facilitated the meeting. Information about the focus group members, as well as a description of the focus group deliberation, follows.

Focus Group Members

The group, which consisted of six external members, represented key stakeholders in the topic at hand; they included two representatives from LEAs, two representatives from SEAs, and two representatives from national organizations that have expertise in the use of Federal funding flexibilities. Participants located in the Washington, D.C., area attended the meeting in person, and the others attended via videoconference.

Synthesis of Focus Group Deliberations

Focus Group Deliberation Process

During the meeting, the focus group first reviewed the leverage point themes from the original gap analysis. Focus group participants reviewed these themes to ensure that nothing vital was missing from the gap analysis findings. Once participants confirmed the leverage point themes, the group prioritized the themes to identify those that, if addressed, could lead to the greatest change in practice - or how SEAs and LEAs are using Federal funds to better leverage those funds to support education reform to improve results for all students. In addition, participants categorized whether the point could be addressed in the short term (6 to 18 months) or in the long term (longer than 18 months). Once the leverage point was categorized as a short- or a long-term goal, participants further operationalized each leverage point by providing targeted suggestions to OSEP for reaching the goal.

Draft and Cataloged Leverage Points

The leverage points discussed were taken from the gap analysis findings report. Table 1 shows the list of leverage point themes; see Attachment B for full description of each theme (pp.10-12).

Table 1. Draft Leverage Point Themes
Technical assistance
Update regulation or legislation
Information clarification and dissemination
Incentivize and support use of flexibilities
Comprehensive schoolwide programs
Reporting and accountability
Personnel practices

After a brief discussion, the group prioritized and categorized the leverage points into short- and long-term priorities (see Table 2). Technical assistance was identified as both a short- and a long-term priority. As a result of group discussion, the original “reporting and accountability” category was divided into two new long-term priorities, “student data reporting and accountability” and “fiscal reporting.” In addition, “incentivize and support use of flexibilities” was changed to “incentivize research-based innovations linked to the flexible use of funds” to reflect participants’ suggestion that Federal flexibilities should be used to support research-based practices.

Table 2. Prioritized Leverage Point Themes	
Short Term	Long Term
Technical assistance	Student data reporting and accountability
Update regulation	Technical assistance
Information clarification and dissemination	Update legislation

Incentivize research-based innovations linked to the flexible use of funds	Fiscal reporting
Comprehensive schoolwide programs	
Personnel practices and professional development	

Deliberations on Final Leverage Points

During the final step of the deliberations, the focus group refined and further operationalized the short- and long-term prioritized leverage point themes. Because of time constraints, the focus group discussed the top three identified short-term priorities and only the top identified long-term priority. An overview of the main themes of the discussion follows, in turn followed by more detailed description of the discussion and operationalization of the final leverage points.

One of the key challenges, both addressed in the gap analysis report and mentioned during focus group proceedings, was the conflicting understandings of stakeholders of information and requirements for flexible use of Federal funds at, and sometimes within, Federal, State, and local levels. Focus group members noted that ED could support the biggest change in practice by ensuring that all stakeholders at all levels are working from common information and understanding. Similarly, the gap analysis findings and discussions during the focus group indicated that the lack of clear and consistent communication between and within the Federal agencies, SEAs, and LEAs is a barrier that, if addressed, could lead to significant changes in practice. Systemic structures that contribute to these challenges are programmatic silos within agencies and different State and Federal reporting requirements for LEAs. Focus group members noted that a number of associations could be called upon by ED to leverage their existing relationships with State and local leaders and to use their expertise in working with SEAs and LEAs to ensure that outreach and dissemination efforts undertaken by ED are effective; this would support efforts to improve communication, knowledge, and collaboration. In addition, during the meeting, participants discussed current efforts being undertaken by ED that could be used to promote the use of flexibilities. They identified successful efforts undertaken by ED to support collaboration or disseminate information and a described effort to compile guidance, update regulations, and examine reporting requirements.

Focus group members agreed that ED could provide key support to change practices at SEAs and LEAs in the short term by focusing on the following: technical assistance, updating regulations, and information clarification and dissemination. Some of the components of the draft leverage points, however (see Table 2), were folded into others. For example, comprehensive schoolwide programs were included as a part of discussions about technical assistance. For the long term, participants focused on one leverage point: “student data reporting and student accountability.” A synthesized list of those final recommendations follows, preceded by a description of the discussion that led to the suggested leverage points. The leverage points are organized in the same order as priority was assigned to them, within their group.

Final Leverage Points

Short Term

Technical Assistance

Members of the focus group stated that technical assistance could be a leverage point that ED could begin to address both in the short and in the long term, but addressing it sooner could lead to significant changes in practice. For each content area suggested, participants also included recommendations of how the actions could be undertaken, in partnership with associations and agencies to ensure that all stakeholders have the same information.

- In general, compile the existing guidance documents that drive current practices and create a new guidance document that is updated and clearly identifies and addresses schools', districts', and States' needs. Specific guidance could be issued on (1) Response to Intervention/Multi-Tiered Systems of Support, and (2) what the termination of a high-cost program for a particular child means within LEA Maintenance of Effort (MOE) exceptions, and how this interacts with other funds. Outreach by OSEP and ED on this issue could be modeled on how the Office is currently providing guidance on the new State Systemic Improvement Plan (SSIP), where conference calls and cross-agency teams are following up on written information that was issued.
- Create roadmaps on the allowed and possible uses of Federal flexibilities that can be used by LEA and SEA financial offices. ED could engage SEAs to play a key role in reaching out to LEAs to disseminate these roadmaps. In addition, they could collaborate with the Association of Governmental Accountants in working on concepts of blending and braiding funds to use them, keeping consistent with each program's statutes and regulations but focusing on ends-driven programming.
- Identify LEAs that can serve as models of how an LEA can consolidate funds using Federal flexibilities as a part of comprehensive schoolwide programs. These model LEAs could share their approach with SEAs and other LEAs. The following entities could assist ED in identifying such models: the Council for Advancement and Support of Education (CASE), the National Association of Federal Education Program Administrators (NAFEPA), the CCSSO, the National Association of State Directors of Special Education (NASDSE), the Council for Exceptional Children (CEC), Title III Directors, TA Centers, and SEAs that have been at the forefront of using schoolwide programs.
- Use and leverage technology to disseminate information. Specifically, update the ED website with all information listed in a more user-friendly format and hold conference calls or webinars to extend reach.

Updating Regulations

Discussion during the focus group included the recognition of the Office of Management and Budget's Uniform Guidance (previously Omni-Circular or Super Circular) and ED's efforts to prepare for implementation of the Guidance, including work to pull together all documents that might be affected by the guidance to make sure that they can be revised and updated by the time the guidance is implemented. To further this work, the following suggestions are focused on

increasing awareness about what these updates mean and how they can be used by SEAs and LEAs to increase use of flexibilities and reduce burdens. In addition, some of the following recommendations include ways that ED could ensure that individuals across programs and agencies are aware of updated regulations.

- Create crosswalks to highlight changes to current regulations, or summarize the top five points that could be easily shared with SEAs and LEAs.
- In collaboration with a collection of key leaders in a few SEAs that administer all the Federal programming (e.g., program leads, financing departments, grant offices), association representatives could create a ‘train the trainer’ program on how to operationalize guidance, and then share that guidance with others.
- Support more cross-program collaboration at the SEA and LEA levels so that program leads are aware of and can take advantage of currently available flexibilities when planning budgets and writing grant applications. For example, ED could encourage SEAs to create consolidated application processes for all grant funds, or to change procedures and practices in their agencies to focus on outcomes for all students. This could be supported by encouraging people from different programs in the SEAs are brought into one conference or activity. At the local level, special education and Title I coordinators could be brought together to receive joint professional development on existing flexibilities.

Information Clarification and Dissemination—Fiscal Reporting

The following recommendations initially came out of the discussion about clarifying and disseminating information. In the focus group, however, discussions primarily focused on the varying interpretations of fiscal reporting requirements between the SEA and the LEA levels. Members noted that sometimes SEAs layer on requirements that do not seem to LEAs to be required by Federal entities and there is a general need for people in agencies from different programs to come together in a more integrated and less siloed fashion. This activity must take place at both the State and Federal levels.

- For those responsible for reporting fiscal information, differentiate and clarify which requirements are imposed by the State and which are required by Federal program(s) regulations.
- Provide clearer and unified options for States for sub-recipient programming and monitoring. This could be supported by presenting models of SEAs that are doing cross-programmatic monitoring.
- Encourage cross-program collaboration. For example, continue to model joint meetings or conferences with State Title 1, Title III, and special education directors.

Long Term: Student Data Reporting and Student Accountability

Participants in the focus group reflected on the differences that are present in the reporting systems for various Federal programs and across SEAs and LEAs. There also was a discussion of what suggestions would require changes in legislation as a part of the reauthorization of the Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities

Education Act (IDEA) and what can be accomplished independently of reauthorization. It was noted that currently ED has a data governance board examining the creation of common definitions for various data points (e.g., suspension/expulsion), which could help move these efforts forward. The following recommendations focus on steps ED could take to reduce burden on student data reporting, without losing accountability.

- Examine existing ED data reporting requirements and various systems that are in place to identify where there is overlap and conflicting data requirements, or those that are outdated. ED could collaborate with CCSSO and begin work from the survey they conducted in 2010 on current requirements across programs, which includes 1,000 student data points. Performance reports to be analyzed could include 618 data, *Consolidated State Performance Report (CSPR)*, *Annual Performance Report (APR)*, *School Improvement Grant Monitoring and Reporting Tool*, Title II, Migrant and Homeless Reports.
- Create a searchable database that lists requirements across programs with the purpose of increasing information sharing.
- Examine sophisticated monitoring systems already in place in some States (e.g., Ohio) and create recommendations for effective monitoring systems.

Meeting Wrap-Up and Next Steps

At the conclusion of the focus group meeting, AIR was tasked with preparing a draft proceedings report to send to OSEP for review and comment. Once OSEP has reviewed the report, AIR will send the final product to focus group members for their individual reviews and comments. AIR will compile all comments and forward them to OSEP. AIR will then use these comments and recommended potential next steps, as directed by OSEP, in preparing the final version of the report.

Attachment A: Agenda

LEVERAGING FEDERAL FUNDS INPUT GROUP

MAY 16, 2014, 1:00–4:00 p.m.

LOCATIONS:

American Institutes for Research
1050 Thomas Jefferson St. NW (3rd floor, Room 3251)
Washington, DC 20007

and

Video conference link: <https://support.omnijoin.com/join?dn=BZ1285>
Call-in number: 1 (800) 503-2899

Access code: 4035937, followed by #

AGENDA

- | | |
|-----------------------|---|
| 1:00-1:15 p.m. | Introduction <ul style="list-style-type: none">➤ <i>Ruth Ryder</i>, Deputy Director of Office of Special Education Programs (OSEP)➤ <i>Matt Schneer</i>, Monitoring and State Improvement Planning, OSEP |
| 1:15–1:30 p.m. | Purpose of today’s meeting <ul style="list-style-type: none">➤ <i>Melissa Storm Edmiston</i>, American Institutes for Research |
| 1:30–2:15 p.m. | Prioritize short- and long-term action items |
| 2:15–2:30 p.m. | Break |
| 2:30–3:45 p.m. | Refine and operationalize action items |
| 3:45–4:00 p.m. | Next steps |

Attachment B: Leveraging Federal Funding Gap Analysis Findings



Leveraging Federal Funding Gap Analysis Findings

Melissa Kutner

Stephanie Jackson

January, 2014

Leveraging Federal Funding Gap Analysis Findings

March 2014

Melissa Kutner

Stephanie Jackson



AIR[®]

AMERICAN INSTITUTES FOR RESEARCH[®]

1000 Thomas Jefferson Street NW

Washington, DC 20007-3835

202.403.5000 | TTY 877.334.3499

www.air.org

Copyright © 2014 American Institutes for Research. All rights reserved.

January, 2014

Contents

	Page
Introduction	3
Ideal Future	4
Current Practice	7
Leverage Points	10

Introduction

The United States Department of Education (ED) identified approximately fifty people that held positions in State educational agencies (SEAs), local educational agencies (LEAs), State auditors, Federal programs, and other groups, to invite to participate in an input group around leveraging Federal funds. This document provides a very brief description of the input group process and draft themes that resulted from submitted gap analyses.

Following an email invitation to participate in the input process, participants who accepted were sent a toolkit published by the Council of Chief State School Officers and the Federal Education Group and two guides created by the ED on using Federal funds as background materials. In addition, a copy of the gap analysis form was included for their reference.

On January 10, 2014 ED held an informational call for all invited participants to provide an overview of the purpose of the input group and the gap analysis process. Participants had until January 22 to send their responses to AIR.

Once the gap analysis responses were submitted to AIR, they were uploaded into the qualitative coding software, Nvivo. Each response was read and coded to identify emergent themes in each of the three responses. Not all responses were drawn upon to create each theme. The table that precedes each section provides an overview of the number of unique responses that support each theme, as well as the roles of those respondents. For reporting purposes, Federal program staff responses were counted as “Other,” along with participants from other non-governmental organizations.

Ideal Future

The gap analysis from prompted respondents to describe their ideal future vision of the ways that SEAs and LEAs could leverage Federal funding to support all students.

Ideal Future Themes								
Number and percentage of responses; overall and respondent type by theme.								
	Overall (n=24)		LEA		SEA		Other	
Knowledge and communication	6	58%	5	36%	5	36%	4	29%
Federal funding used to improve outcomes	14	58%	5	36%	6	43%	3	21%
Reporting Requirements	10	42%	4	40%	3	30%	3	30%
Professional development and staff allocation	8	33%	4	50%	3	38%	1	13%
SEA organized to support LEAs to leverage funds	8	33%	2	25%	3	38%	3	38%
Comprehensive schoolwide systems	6	25%	0	0%	4	67%	2	33%
Student instruction	6	25%	2	33%	2	33%	2	33%
Knowledge and perception of flexibilities	5	21%	2	40%	3	60%	0	0%

In general, responses did not vary greatly by respondent type. There were two instances where themes were identified from the input of one group¹ more than the others: 1) “Professional development and staff allocation” theme came primarily from LEA responses, and 2) “Comprehensive schoolwide systems” primarily was created from SEA responses.

Knowledge and communication

There would be regular communication and collaboration between Federal programs, SEAs LEAs on use of Federal flexibilities. For example, Federal offices would provide guidance and description on the appropriate use of funds and models from SEAs and LEAs that have implemented ‘best practices’ on leveraging funds, and accompanying student outcome information would be shared with SEAs and LEAs. Technical assistance would be provided to ensure that SEA and LEA administrators have and share in-depth understandings of the fiscal components of Federal programs.

Federal funds used to improve outcomes for all students

Ideally, only programs that have demonstrated that they are benefiting students receive continued funding. Student achievement would be measured using outcomes-based goals and there would be high-impact research conducted to demonstrate concrete benefits of a particular approach or program. The monitoring systems would incorporate performance and accountability, in addition to compliance. An ideal future would provide more opportunities for SEAs and LEAs

¹ Themes were evaluated as providing more input than others when 60% or more of the comments that were coded at that theme came from one respondent type.

to focus more on interventions and gap closure strategies using a unified approach that will benefit all students with deficits and focus less on a particular subgroup label.

Reporting Requirements

In an ideal future, compliance and accountability are seen not as a barrier but rather supporting improved educational outcomes. Programmatic and fiscal guidance and processes (planning, monitoring and reporting) would be aligned and would support SEAs and LEAs in using flexibilities. Federal program offices would use common language, have common definitions for program requirements and, would seek input from SEAs to identify and evaluate the most burdensome regulations and requirements. A single reporting system would be adequately funded, and would provide all data through a single portal that generates meaningful, readily accessible data that LEAs and SEAs could use to make data-driven decisions. Ideally, a Federal coordination and clarification of requirements would reduce the time and cost spent by SEAs and LEAs tracking, managing, and documenting funding information.

Professional development and staff allocation

Federal funding would ideally be leveraged to support centrally-administrated staff in LEAs, and policies and regulations on how funding may be spent on staff who provide services to specific student sub-groups would be reviewed to remove barriers. For example, LEAs could fund content-area coaches or teachers of gifted and talented for Title I schools who would support all learners without linking the central positions to the specific poverty level of the school. In addition, Federal regulations would require that professional development funds are used to provide training to staff on how to educate all learners in concert with on-going school improvement efforts, which would enable LEAs to be more precise in enhancing specific skills through evaluation processes and schools to develop teams of effective educators instead of individuals.

SEA organized to support LEAs to leverage funds

In an ideal future, SEAs would have a collective vision and internal organization to support the coordination of programs to improve outcomes for students. SEA program areas would work together so that each department or office knows what the other is doing. SEA leadership would also have a collective vision and commitment to how, as a whole, the SEA coordinates and connects various programs to improve outcomes for all students. For example States would share clear guidance with LEAs on how “supplement not supplant” works in practice and also provide case examples of proper and improper use of that test. SEAs would establish processes, provide tools, and highlight best practices in leveraging funding to better support LEAs in implementing flexibilities and conduct comprehensive planning processes to meet the needs of all their students. SEA staff would look across regulations and grants to identify and eliminate barriers for LEAs accessing Federal flexibilities. For example, improvement planning tools would be streamlined and duplicative monitoring processes reduced. In addition, SEAs would analyze district-wide data to proactively assist LEAs in recognizing how funding can be used to improve educational results for students.

Comprehensive schoolwide programs

Comprehensive schoolwide programs would be put in place, and have one consolidated budget and one plan for all teachers, staff, and students. Specifically, Federal funds would be leveraged to support the Title 1 Schoolwide model and Multi-Tiered Systems of Support (MTSS). Schools would utilize an integrated support system with formative assessments and

“early warning” systems that identify students for intervention, and that would be connected to social and emotional wrap around services. In addition, funds would be braided and blended, to provide one unified approach to support struggling students, regardless of subgroup ‘label’.

Student Instruction

Resources are directed to States and schools implementing research-based effective teaching and learning practices. Student data would be used to drive curriculum, programs, and services to improve student achievement. Educators would implement Universal Design for Learning and culturally responsive practices. Schools would provide programs such as ‘hands-on’ math and science, opportunities for advanced coursework, college and career mentoring, and counseling programs. All students would receive content-area instruction from staff with content-area expertise in inclusive settings.

Current Practice

Respondents were asked to describe the current practices of identifying and administering funds from IDEA, Title I, Title II, Title III, and other Federal programs to support all students. The form prompted participants to focus on how program flexibilities are utilized by SEAs, LEAs, and schools, as well as systematic or programmatic challenges.

Current Practice Themes								
Number of respondents used to create each theme, overall and response type by theme								
	Overall (n=24)		LEA		SEA		Other	
Knowledge and attitude towards funding	11	46%	5	45%	4	36%	2	18%
Use of flexibilities	11	46%	3	27%	5	45%	3	27%
Monitoring and reporting	10	42%	3	30%	5	50%	2	20%
Program silos	10	42%	5	50%	3	30%	2	20%
SEA systems	9	38%	3	33%	5	56%	1	11%
Schoolwide programs	9	38%	4	44%	5	56%	0	0%
Personnel training and allocation	8	33%	2	25%	5	63%	1	13%
Communication inconsistent or unclear	8	33%	3	38%	3	38%	2	25%

Again, in their descriptions of the current state, responses did not vary greatly by respondent type. However, in the theme “Schoolwide programs” was drafted from LEA and SEA respondents’ comments only.

Knowledge of and attitude towards funding

Although there has been an increased understanding and usage of funding flexibilities in the areas of excess cost and maintenance of effort, largely LEA administrators do not have knowledge on how to utilize Federal funds to supplement local funding. In addition, financial staff at both the SEA and LEA level are concerned with using funds in a way that may seem to be prohibited, and are, therefore, wary of innovative or creative ideas, which usually leads to the most restrictive interpretation of spending. Fear of being found ‘non-compliant’ or other negative outcomes from audit findings and lack of knowledge act as disincentives for using Federal flexibilities. Some challenges to building knowledge include staff turnover, program administrators who are protective of their programs and not willing to collaborate to identify ways to leverage funds, and LEA grant administrators who are cautious in their recommendations for fear of losing their job.

Use of flexibilities

For the most part, existing Federal funding flexibilities are not taken advantage of to the extent possible. However, some SEAs have led the use of flexibilities by creating a consolidated planning and monitoring division with the explicit purpose of assisting districts to maximize use of Federal funds and to minimize the burdensome paperwork of planning and monitoring. Some

LEAs are leveraging funds of IDEA and Title programs to complement each other; this is easier for larger districts with more knowledgeable program and budget staff, as well as those with larger amounts of grant funds to leverage. However, flexibility is also being used in some small districts, for example, through the combination of Title I and Title IIA funds.

Monitoring and reporting

In general, IDEA and ESEA are complex laws with numerous specific regulations and Federal program offices have different application, audit, and monitoring processes as well as different definitions for implementation (e.g. maintenance of effort is calculated and negotiated by each program office separately due to different Federal definitions). There is not a single unified reporting system, and the time and cost spent creating reports for various SEA and Federal data systems respondents reported that having multiple and sometimes incongruous data systems (CSPR, EdFacts, SPP/APR) is a burden for LEAs.

Program silos

Frequently SEAs and LEAs manage Federal funds into separate structures, which has created service silos. This approach to implementation is sometimes taken because laws are complex and compliance is easiest to demonstrate when programs are administered on a separate basis. This is especially true because State reporting must be done within the specific program areas of Title I, II, III funding. Some SEAs are attempting to consolidate and streamline processes with ESEA initiatives, although these have not always crossed over to services for students with disabilities and in some States Title III funding for English language learners has remained completely separate.

SEA systems

A few States are reducing State-controlled burden and duplication, developing tools and processes to permit better planning at the State, district, and school levels, and developing strategies to assist districts and schools implement comprehensive initiatives and aligned programs for students based on student and school needs. On the other hand, many respondents reported that State accounting practices prohibit consolidation of funds, by requiring separate budgets and accounting systems. States are challenged to address the complications of incorporating Federal flexibilities into their guidance and requirements to LEAs.

Schoolwide programs

Some schools and LEAs are implementing schoolwide programs to consolidate effort between programs and funding sources. For Example, Title I schoolwide model, MTSS – including Response to Intervention (RTI) and Schoolwide Positive Behavior Supports (SWPBS)- are being successfully used. Although special education and general education silos exist in LEAs, some districts are ensuring that the director of special education's voice is at the table when LEAs adopt a Title I schoolwide model to determine how funds will impact students with disabilities in the general education setting. While it may provide some coordination with federal funds and a relieving of some requirements, a Title I schoolwide model comes with other requirements that must be met and the onus is on SEAs to provide the right guidance and technical assistance to LEAs ensure successful implementation. In addition, some IDEA flexibilities that are used, such as CEIS, can create burdensome tracking of students and staff in the application of MTSS or other schoolwide programs.

Personnel training and allocation

Some LEAs and SEAs have been using blended or split-funding to hire instructional coaches, specialists, or support staff. However, in others very little flexibility is being applied; trainings are being implemented in a fragmented fashion, because of the perception that special education funds can only pay for special education training, school improvement grants (SIG) can only pay for SIG recipients etc. In addition, some regulations have had burdensome or adverse consequences. For example staff that are funded using CEIS funds are prohibited from providing services to students who have disabilities, which places large time and effort burden to track which students receive CEIS services within an MTSS model. Moreover, some districts have devoted the vast majority of their special education budgets to pay for personnel costs and are hesitant to risk program funds for students that are not yet eligible for special education, especially with carryover limitations and the unpredictability of enrollment forecasting.

Communication inconsistent or unclear

Communication from the Federal government is disseminated through workshops and webinars. However, the information being shared is primarily focused on compliance. In general, programmatic and fiscal conversations are taking place separately. There are few clear, universal guidelines or communications on expected outcomes for the deployment of Federal funds. SEAs report receiving little training or guidance but are also obligated to interpret and enforce Federal regulations for and with LEAs. In addition, many SEAs themselves are lacking clear and coherent communication to low-performing LEAs on how they may use Federal funding in more innovative ways that can lead to a larger impact on student success.

Leverage Points

Respondents were asked to identify 3-5 key leverage points are critical to address the gaps between the desired and current states of practice

Leverage Point Themes								
Number of respondents used to create each theme, overall and response type by theme								
	Overall (n=24)		LEA		SEA		Other	
Technical assistance	12	50%	4	33%	5	42%	3	25%
Update regulation or legislation	10	42%	6	60%	3	30%	1	10%
Information clarification and dissemination	8	33%	1	13%	4	50%	3	38%
Incentivize and support use of flexibilities	8	33%	4	50%	2	25%	2	25%
Comprehensive schoolwide programs	8	33%	2	25%	4	50%	2	25%
Reporting and accountability	7	29%	2	29%	3	43%	2	29%
Personnel practices	7	33%	4	57%	2	29%	1	14%

Technical assistance

ED develops fiscal training programs for SEA and LEA staff on using Federal flexibilities with practical examples, including information on MOE, “supplement, not supplant” and certain requirements of IDEA (e.g. using IDEA Part B funds for CEIS). Trainings should include tools to plan and conduct comprehensive processes. ED could leverage expertise of CCSSO, Comprehensive Centers, OSEP-funded TA Centers and interested SEAs to collaboratively develop toolkits to review current uses of Federal, State, and local funds. Information provided could be differentiated to address particular target areas or reform initiatives (e.g., allowable ways that Federal funding streams can be used to implement college- and career-ready standards and principal/teacher evaluation programs). In addition, States should/could collaborate with Federally-funded Centers to learn how the centers could provide some of the necessary supports to implement flexibilities—including technology solutions, which automate the financial and planning development and approval process.

Update regulation or legislation

The following specific legislative changes were proposed: 1) combine ESEA and IDEA into one law or starting from scratch to create one new law – to reduce duplicative efforts and improve the vision of improved outcomes for all students; 2) “forgive” State MOE requirements and allow States to do the same with LEAs in times of significant fiscal cutbacks at the State level; 3) review and update the funding sources allowed to support different teaching staff, including interventionists and allow districts to use Title I funds to hire special education teachers; 4) increase carryover percentages and the length of time that Federal funds can be carried over; 5) eliminate limitations placed on Federal funds when a school is in “improvement status;” 6) allow flexibility with supplanting issues,

especially in the context of comprehensive programs or interventions (e.g., if a comprehensive program is being implemented and partially funded locally that is allowable under a Federal source such as Title I, allow LEAs to continue to support that program with Title I funds, rather than having to eliminate the program due to funding issues); 7) review how funds are calculated to determine whether or not the district is providing equitable building level funding, as the current formula for distributing IDEA funds in a schoolwide setting does not account for increased costs for serving children with higher cost disabilities.

Information clarification and dissemination

ED should be as clear as possible about where flexibilities exist and where they do not. This could begin with ED conducting a review of policies across Federal programs and offices for consistency, and work with SEAs or organizations that may have already started this work. To support understanding of available flexibilities, ED could develop a compendium of approved funding flexibility opportunities within the context of IDEA and ESEA. Clearly written guidance on the appropriate use of funds should be made publically available on the ED website, along with brief, focused webinars that offer strategies that could be used by districts and schools using Federal funds in a more flexible manner to meet local needs. Information should include those at the school level (e.g., teachers, building administrators) about the protocol surrounding supplement, not supplant and the schoolwide model so that they, as the decision-makers, can advocate for how to use their Title funding.

Incentivize and support use of flexibilities

ED could incentivize collaborative endeavors across programs and coordination of funding streams in grant applications. To create opportunities and incentives for utilization of Federal fund flexibility by removing fear of penalty, ED could develop specific pilot projects and use time-limited or results-based waivers and create risk-based self-assessments (similar to actuary tables and based on prior audit results). These could be used at the SEA and LEA levels for staff to easily identify risk of misuse of funds without any immediate threat of penalty. ED could also require or support States to implement a supplement not supplant in some percentage of their LEAs or schools. This would allow LEAs and schools to (1) see that such use of flexibilities is acceptable and legal, and (2) have a larger pool of examples of schoolwide processes to draw from to identify most successful implementations. To increase buy-in to using flexibilities, ED and SEAs could also create a research agenda to provide a demonstrable connection between thoughtful schoolwide administration of Federal funds and student achievement gains.

Comprehensive schoolwide programs

ED could consider expanding the concept of Title I schoolwide programs in some way for all schools, which could be expanded by a waiver for districts with 40 percent or more of students eligible for free or reduced-price lunch (FRL) across the district to allow the schoolwide model to be implemented in all buildings, or by removing the Title I label altogether. ED could support implementation of schoolwide programs by providing well developed schoolwide financial models for schools and states to use as guidance. SEAs could ensure that appropriate program leads (e.g., director of special education) are involved in how the funds will impact all students. SEAs also could invest in high-impact research, both case studies and statistical analyses, to demonstrate the concrete

benefits of transitioning to a schoolwide approach to leveraging Federal funds. ED should encourage SEAs to consider developing and implementing MTSS for LEAs to use in schools with all students.

Reporting and accountability

ED could consider developing a unified system of reporting between programs and grants, or provide detailed examples of how to report and track funds back to the programs or grants. Review regulations to identify where it would be possible to ease or adjust duplicative, unnecessary, or outdated Federal reporting requirements. In addition, staff should ensure that all Federal and State fiscal auditors have received communications about flexibilities so that SEAs and LEAs are being asked for documentation appropriate to flexibilities they are implementing. It was also suggested that there should be a move to focus on outcomes-based accountability, rather than compliance. For example ED could clarify rules for procurement, inventory management, and financial management standards so they focus more on student outcomes and less on specific administrative requirements.

Personnel

To ensure that appropriately trained and knowledgeable staff are available to teach all students, and that all students are educated in an least restrictive environment, a number of regulations and processes could be clarified or reviewed by ED: 1) clarify the flexibilities available to districts to blend IDEA and Title funds for professional development for educators, to ensure that all teachers are trained in best practices for teaching all learners; 2) prohibit use of Title I, IDEA, and Title III funds for non-teaching staff to provide instruction, and instead instruct SEAs or LEAs to fund general education teachers who provide extra services to students with IEPs (e.g., ‘extra help classes’) using IDEA funds; 3) allow districts to use Title I funds to hire special education teachers, and; 4) supplement the allocation of teachers of English Language Learners. Finally, ED could prohibit SEAs from ‘mixed extra help classes.’

ABOUT AMERICAN INSTITUTES FOR RESEARCH

Established in 1946, with headquarters in Washington, D.C., American Institutes for Research (AIR) is an independent, nonpartisan, not-for-profit organization that conducts behavioral and social science research and delivers technical assistance both domestically and internationally. As one of the largest behavioral and social science research organizations in the world, AIR is committed to empowering communities and institutions with innovative solutions to the most critical challenges in education, health, workforce, and international development.

LOCATIONS

Domestic

Washington, D.C.
Atlanta, GA
Baltimore, MD
Chapel Hill, NC
Chicago, IL
Columbus, OH
Frederick, MD
Honolulu, HI
Indianapolis, IN
Naperville, IL
New York, NY
Portland, OR
Sacramento, CA
San Mateo, CA
Silver Spring, MD
Waltham, MA

International

Egypt
Honduras
Ivory Coast
Kenya
Liberia
Malawi
Pakistan
South Africa
Zambia

Attachment C: Pre-Meeting Materials

**Maximizing Federal Education Funds for Student Achievement: A Toolkit for
States Seeking to Enhance Flexibility and Reduce Burden**

November 2013



Table of Contents

Executive Summary: Maximizing Federal Funds and Burden Reduction Implementation Steps	3
Introduction	6
Rethink and Clarify State Use of Funds Policies	10
The Role of State Policy in the Administration of Federal Formula Grants	10
Strategies for Promoting More Effective Spending of Federal Formula Grants	12
Review (and if necessary, revise) use of funds policies, i.e. the policies states set around how school districts and schools may spend federal formula grants	12
Review grant processes to make sure they do not inadvertently limit spending options	12
Issue state policy guidance on the use of federal grant funds aligned to state and local educational goals.	13
Tackling the Work	13
Eliminate Burdensome Planning Requirements that Do Not Add Value	14
The Role of Ineffective Planning in Promoting Ineffective Spending	14
Strategies for Promoting More Effective Planning	14
Eliminate plans not required by federal or other laws if they are not adding value	14
Consolidate plans to minimize the number of documents school districts and schools must complete, and the state must review	14
Tackling the Work	15
Redesign State Oversight Mechanisms to Reduce Burden	16
The Role of Administrative Burden in Ineffective Spending	16
Strategies for Redesigning Oversight Systems	17
Look beyond traditional “monitoring” and build in multiple kinds of oversight opportunities throughout the grant process	17
Reduce unnecessary duplication	18
Consider tiered oversight mechanisms for different districts	18
Tackling the Work	19
Conclusion: Putting It All Together	20

Executive Summary: Reducing Burdens to Maximize the Impact of Federal Funds

CCSSO, in partnership with the Federal Education Group, provides this toolkit for states that want to reexamine the way they, and their school districts, spend federal K-12 formula grants to support student achievement. While the specific steps each state will take will vary, there is a core set of practices or considerations states may wish to consider when undertaking this work. This executive summary provides a brief overview of these core practices and considerations. Substantive themes that may be addressed follow in the body of the toolkit.

Kicking Off the Work

- Determine the scope of project and its objective.
 - For example, is the purpose to maximize flexibilities in federal funds for school districts and schools, or to streamline requirements and reduce burden, or both?
 - Can the state build off of any existing initiatives such as efforts to redesign state support and oversight under ESEA Flexibility, the School Improvement Grant program, Race to the Top, or other state initiatives?
- Engage federal grant staff, programs/offices supported by federal grants, and fiscal staff across the agency. Different offices within a state educational agency (SEA) may have different viewpoints about, and responsibilities over, federal grant funds. Gathering staff across the agency that are touched by federal funds, including academic, programmatic, and fiscal staff, is important to ensure the agency develops cohesive policies.
- Specify which decisions need to be vetted by senior leadership. For example, if senior leadership wants a final say over how federal funds are used, is this clear to relevant federal grants and/or fiscal staff?

Rethinking and Clarifying How School Districts and Schools May Use Federal Funds in Your State

- Review formal use of funds policies, i.e. the policies states set around how school districts and schools may spend federal formula grants (such as Title I, Title II, IDEA), including written guidance, presentations, memoranda, and other technical assistance documents.
 - Determine whether the policies are more restrictive than federal law requires.
 - If the policies are more restrictive, determine if the state-imposed restrictions are consistent with state policy goals.
 - If the policies are not consistent with state goals, revise the policies to remove unnecessary barriers.

- Review state practices with regard to how school districts and schools may spend federal funds. State practices include how federally-funded activities are approved or disapproved at the state level, and informal feedback about use of funds (via phone or email). Implementation of this step could include:
 - Review past state denials. Determine the types of activities that school districts and schools have proposed to support with federal funds that the state has denied.
 - Determine whether the activities that were denied may be permitted under federal law.
 - Decide whether these past denials are consistent with the state’s current policies and thinking around uses of federal funds.
 - Ask district and school staff what their experiences are with the federal grants processes in your state.
 - Determine what kinds of activities district and school staff would like to fund with federal money.
 - Determine if the state can find a way to approve these costs.
 - If state practices are not consistent with current state thinking and/or are more restrictive than what federal law requires, revise practices. This could include revising guidance/technical assistance documents as described above, revising application documents, described below, and providing professional development opportunities to SEA staff to ensure that the agency is aligned on how federal funds may be used.

Eliminating Burdensome Planning Requirements that Do Not Add Value

- Take an inventory of all the applications, plans, and reports the state is requiring with regard to federal funds.
- Take an inventory of all the applications, plans, and reports the state is requiring with regard to state funds and state legislative requirements.
- With the help of school districts, take stock of any local planning requirements (imposed by local school boards, etc.) that schools or districts are required to produce.
- Determine where there is duplication among plans (federal, state, and local).
- Where possible consolidate, streamline, or eliminate applications, plans, or reports that are not required by federal or state law and are duplicative or do not add value.

Redesigning State Oversight Mechanisms to Reduce Burden

- Determine what kinds of oversight processes the state uses with regard to the entire federal grant cycle and across the agency (application processes, technical assistance, monitoring, expenditure reimbursement, etc.).
 - For example, does one office review school district spending through a reimbursement process while another office reviews it through program monitoring and another office through program planning?
 - Determine if multiple review processes are helpful or burdensome.
 - If the burden outweighs the value, revise necessary processes.
- Implement tiered oversight based on differing district needs.
 - Evaluate if certain districts need more or less support than others with regard to spending money effectively, implementing effective programs, complying with requirements, etc.
 - Determine the most common capacity and technical assistance issues school districts face and develop technical assistance supports districts can use during the planning and program implementation process, so as to minimize reactive compliance findings.
 - Tailor oversight mechanisms to meet district needs and to reduce burden on school district staff (i.e. move away from “one size fits all” grant oversight mechanisms).

Introduction

CCSSO, in partnership with the Federal Education Group, developed this toolkit for states that want to evaluate the manner in which they and school districts under their jurisdiction spend K-12 federal formula grants. Each year the federal government distributes tens of billions of dollars in K-12 formula grants to support student achievement. These grants can be used to support a broad range of activities, including:

- Improved curricula
- Early warning systems to identify at-risk students
- Universal design for learning initiatives to address the needs of students with disabilities and other at-risk learners
- Support for teachers to meet the needs of English language learners
- College and career readiness initiatives that link academic and technical skills
- Rewards for highly effective teachers
- Improved school climate
- Parent and community engagement

Often, however, federal grants are used in limited ways that fail to make a substantial difference in student achievement.

States, school districts and schools that understand the full potential of federal formula grant programs such as Title I, Title II, Title III, IDEA, and Perkins can leverage significant resources to support their educational goals. This toolkit addresses common misperceptions that limit effective uses of federal formula grants and highlights approaches that leading states are using to drive more effective spending.

Misperceptions arise because federal grants are governed by complicated rules that are hard to navigate. Because it can be so hard to determine what is and is not required by law, persistent compliance myths often arise and cause states, school districts, and schools to think that federal law prohibits certain things, even when the law and its implementation rules do not. These compliance myths can have powerful effects, shaping the way schools serve students and the community.

The Power of Compliance Myths: Real World Example

A high-poverty Title I high school sought to implement a program to prepare low-achieving students for advanced coursework based on research showing students who take advanced classes are more likely to graduate from high school and succeed in college. Although the cost of the program could be supported with Title I, the state denied the school district's request for

funding on behalf of the school, believing this use of Title I funds was not allowed under federal law.

Why did this happen?

In this situation, because Title I is designed to help struggling students in low-income schools meet state standards, the state had the misperception that Title I could not support activities to help students advance beyond grade level, even if those activities are part of a larger school improvement strategy.

While federal guidance permits the use of Title I for advanced coursework preparation, the perception that Title I funds could not be used was stronger than the reality. At the end of the day, the school was approved to continue its “old” use of Title I funds for existing Title I paraprofessional positions.

Where the rules are unclear people are more likely to reject new ideas. This risk aversion is understandable: failure to comply with federal law can have serious consequences – auditors can (and do) question hundreds of millions of dollars if a state or school district fails to comply with federal rules. Even if the state or school system ultimately avoids financial penalties, the threat of having to pay money back to the federal government, along with negative press and increased government scrutiny, understandably makes states and school districts sensitive to compliance rules. This fosters an environment that prioritizes what is safe in terms of audit risk over what is effective in terms of outcomes for students.

Ultimately, these pressures can lead states and districts to develop compliance systems that result in poor spending decisions, and can even divert resources away from the classroom. For example, to facilitate compliance many state educational agencies (SEAs) create agency structures aligned to funding source such as a Title I office, a Title II office, etc. This structure is understandable from a grants management standpoint, but it can drive siloed thinking based on funding source rather than supporting a focus on district, school, and student needs. It also can silo knowledge about federal program requirements and flexibilities within a single SEA office rather than disseminating knowledge across the SEA and promoting coordination within the agency.

These federal compliance systems can also influence how states and school districts spend state and local funds. Federal administrative rules and structures are often borrowed for state and local programs. This further silos resources and can make it challenging to implement comprehensive programs and interventions across districts or schools.

If approached meaningfully, this work could facilitate:

- Improved student and school performance by refocusing efforts around student and school needs and outcomes;
- Improved compliance with less burden for both the state and school districts by clarifying the state's expectations about how funds can be used; and
- Improved communications with school districts and schools.

But first, how can states think about tackling this work? Here are a few steps that may help states get started:

- Determine the scope of the project and its objective. For example, is the purpose to maximize flexibilities in federal funds for school districts and schools, or to streamline requirements and reduce burden, or both? Can the state build off of any existing initiatives such as efforts to redesign state support and oversight under ESEA Flexibility, the School Improvement Grant program, Race to the Top, or other state initiatives?
- Engage federal grant staff, programs/offices supported by federal grants, and fiscal staff across the agency. Grant responsibilities are often diffused throughout a state educational agency (SEA), and it can be helpful to bring all offices together early in the process. For example, one office may provide instructional or related supports to school districts and/or schools, while other offices oversee federal grant implementation, and still other offices oversee the financial management of federal grant programs. Each office will come to the table with its own perspective, insight, and needs. Bringing together everyone involved with federal grants early in the process can help to:
 - Ensure leadership's policy positions and goals are understood across the agency;
 - Give leadership an opportunity to hear ideas and concerns from various offices that either administer federal funds or use federal funds to accomplish program goals;
 - Break down silos within the SEA; and
 - Obtain buy-in from the staff that will be responsible for implementing any changes made as a result of this work.
- Specify which decisions need to be vetted by senior leadership. For example, if senior leadership wants a final say over how federal funds are used, is this clear to relevant federal grants and/or fiscal staff?

Minimize a Potential Pitfall: Early Planning for Audit, Monitoring or Other Enforcement Action

Any changes made by the SEA as a result of this work will eventually be vetted by auditors, monitors, and other oversight entities. These entities may have their own interpretations of federal rules, and/or may not be aware of the flexibilities discussed throughout this toolkit. Early planning for how the SEA will respond to questions or concerns raised by oversight entities is important for several reasons.

First, having an action plan for addressing potential compliance questions down the road can help state (and local) staff feel more comfortable about making changes, which in turn might make them more receptive to implementing changes meaningfully.

Second, states have the right to engage with auditors, monitors, or other oversight entities, which includes everything from correcting misunderstandings that arise during a compliance visit, to responding to findings after the visit, to challenging a compliance finding if necessary. Understanding these rights, what level of engagement the state is comfortable with, and which SEA staff will be responsible for this engagement, can help the state avoid findings or negative enforcement action down the road.

Once a state undertakes these preliminary steps, it can turn to the following activities to maximize federal funds for student achievement:

1. Rethink and clarify state use of funds policies;
2. Eliminate burdensome planning requirements that do not add value; and
3. Redesign state oversight mechanisms to reduce burden.

The Role of State Policy in the Administration of Federal Formula Grants

Federal formula grants are *state-administered*, meaning states have substantial discretion to set policies around how school districts and schools receive, manage, and spend federal funds. These policies are generally binding on school districts and schools. As a result, even if an activity is permitted under federal law, it might not be permitted in a particular state because of state-imposed rules around federal grant funds.

Although federal law requires states to minimize burdens,¹ compliance pressures often prompt states to interpret federal rules restrictively. For example:

- Many states limit Title I to reading and math. This limitation is not required by federal law.² Title I funds could be spent on many subjects including science, social studies, art, and others.
- Many states limit IDEA, Part B to discrete special education services such as special education teachers, related service providers, and professional development. This limitation is not required by federal law.³ IDEA can support a variety of comprehensive initiatives to benefit students with disabilities, even if they benefit other students as well.⁴ For example, IDEA could support activities related to implementing a universal design for learning curriculum,⁵ planning and implementing new learning environments to support all learners in an inclusive setting,⁶ or purchasing curriculum-based screening and progress monitoring instruments,⁷ assuming the cost satisfies other IDEA rules.
- Many states limit Title II to professional development or class size reduction. This limitation is not required by federal law. The Title II statute permits spending on many human capital initiatives such as merit pay, alternative certification, teacher advancement initiatives, and differential pay to incentivize teaching in hard-to-staff schools or subject areas,⁸ assuming the cost satisfies other Title II rules.

State-imposed restrictions on the Title I “Schoolwide Program” model are particularly common. Most Title I schools are “schoolwide” schools.

The schoolwide program model is an option for Title I schools with at least 40% poverty, as well as priority and focus schools in ESEA Flexibility states. Schools operating schoolwide programs may use Title I funds flexibly to upgrade their educational programs. The goal of the schoolwide program is to facilitate comprehensive reforms that improve educational outcomes

for all students, particularly those academically at-risk. Yet, many states limit what schoolwide schools can do, undermining the potential of the schoolwide program model.

For example:

- Some states require schoolwide schools to maintain a list of struggling students and/or require Title I services to be targeted only to struggling students. This is contrary to the Title I statute, which permits schools to implement comprehensive interventions⁹ based on the policy position that improving the entire school will benefit struggling students the most. Permissible activities might include strengthening the curriculum, providing positive behavioral supports, engaging external partners for additional assistance, increasing teacher supports, or engaging parents.
- Conversely, some states require schoolwide schools to focus only on whole school interventions that touch every student. This also runs contrary to the Title I statute, which requires schools to implement strategies based on the school's specific needs. In practice, schools have limited Title I resources and may choose to focus Title I funds on their highest-priority needs - concentrating, for example, on a specific grade or subject. Permissible activities might include a 9th grade academy, drop-out prevention initiatives for high school students, or additional supports for English language learners.
- Many states apply a more restrictive "supplement not supplant" test to schoolwide programs, limiting Title I to add-on services in schoolwide schools. This prevents schools from spending on otherwise permissible activities that are more comprehensive in nature, such as early warning systems for struggling students, teacher coaches, additional classroom teachers, improved curriculum, or upgraded instructional materials. The Title I statute establishes a different "supplement not supplant" test for schoolwide programs, one that focuses on the school's total funding as opposed to individual costs.¹⁰ For more information about supplement not supplant and schoolwide programs, please see *The Money You Don't Know You Have for School Turnaround: Maximizing the Title I Schoolwide Model*, a publication from Mass Insight Education available at:
http://www.fededgroup.com/uploads/FedEd_SDN_supplemental_funds_toolkit_FINAL_7_11_13.pdf

The Unrealized Potential of the Schoolwide Program Model

The Title I schoolwide program model can be a powerful tool for improving student achievement, but its potential is often overlooked.

Case-in-point: The School Improvement Grant (SIG) program receives significant attention for its support of comprehensive reforms to drive student achievement. SIG receives approximately \$530 million each year. In comparison, Title I receives approximately \$14 billion each year.

Why is this comparison relevant? Because schoolwide program schools can use Title I funds to support many, if not most, of the activities that can be supported under SIG including:

- Preparing low-achieving students to participate in advanced coursework¹¹
- Formative or interim assessments¹²
- Data collection and analysis¹³
- Performance-based compensation systems¹⁴
- New teacher induction programs¹⁵
- Job embedded professional development¹⁶
- Whole-school interventions aligned to turnaround principles¹⁷
- Principal academies for principals in low-performing Title I schools¹⁸
- Learning academies for specific grades¹⁹

Title I funds rarely support these kinds of initiatives, however. Clearing up the misunderstandings that lock down Title I spending can help schools maximize federal funds for student achievement and promote sustainable improvements in underperforming schools.

Strategies for Promoting More Effective Spending of Federal Formula Grants

Because states play an important role in the administration of federal programs, there are several steps they can take to facilitate more effective spending. For example:

- Review (and if necessary, revise) use of funds policies, i.e. the policies states set around how school districts and schools may spend federal formula grants. Are these policies more restrictive than federal law? If so, are these state restrictions consistent with state policy goals? Keep in mind state policies may be both formal (e.g. written policies set out in state guidance or other public documents) and informal (e.g. unwritten understandings developed over time by the state staff that interacts with school districts and schools).
- Review grant processes to make sure they do not inadvertently limit spending options. For example, school districts must apply to the state to access major federal grant programs. The state-developed application may inadvertently limit spending choices – for example by including drop down menus that permit districts to choose only a few

select spending options, but do not give districts space to propose other permissible activities.

- Issue state policy guidance on the use of federal grant funds aligned to state and local educational goals. States can develop and disseminate state policy guidance highlighting how districts can target federal funds to support activities the state believes are most effective. For example, if a state wanted to promote certain dropout prevention strategies it could issue guidance describing the activities districts can undertake with Title I, Title II, IDEA or Perkins funds.

Tackling the Work

Implementing this strategy will vary from state to state, but options include:

- Review activities the state has denied over the years. Could those activities be justified under federal law? What were the reasons for denying the activities? Do those reasons still apply now? Do the denials reflect the state's current thinking around uses of funds? If not, can the state reframe its use of funds policies to more clearly reflect its goals and priorities?
- Brainstorm with state program staff about the primary activities they most wish school districts and schools would carry out to support student achievement. Could some or all of these activities be supported with federal formula grants? How could the state provide technical support to encourage this kind of spending? For example, could the state issue policy guidance highlighting how formula grants could support these activities? Likewise, what are the primary costs currently supported with federal funds that appear to be ineffective? Can the state determine why districts are spending money on these costs and provide technical assistance to reprogram funds to more effective ends?
- Engage school district and school staff. What activities are on their wish lists? Why aren't districts currently spending federal formula grants on these types of activities? Reasons may include: concern the state would say no; didn't realize the costs were permissible; or, didn't think they could propose the cost to the state given the state's application documents. Could the state get to "yes" on supporting some or all of these activities with federal funds?

The Role of Ineffective Planning in Promoting Ineffective Spending

School districts and schools must complete many plans to access federal grant funds. Frequently, these plans do not align to each other or to state policy goals. This is not only burdensome, but it can drive ineffective spending since typically costs charged to federal grants must be consistent with these plans. It is important, therefore, to ensure that planning and compliance tools align to state and local educational goals in order to facilitate effective spending in those areas.

Although federal law requires many plans, there are some available flexibilities that can help streamline state and local planning requirements. For example, states may consolidate the applications/plans school districts must submit to receive grants under several Elementary and Secondary Education Act (ESEA) programs into a unified application/plan document known as a “consolidated application.”²⁰ States that use consolidated applications have substantial discretion to request only the information the state deems necessary to evaluate the school district’s program, as opposed to including each and every planning element that would otherwise be required by federal law. States can use this authority to streamline the application/planning process and focus on state priorities. It should be noted that while many states call their ESEA program application a “consolidated application,” some do not use the flexibility offered under federal law to its full potential.

Strategies for Promoting More Effective Planning

States can promote more effective planning in at least two ways:

- Eliminate plans not required by federal or other laws if they are not adding value. For example, many states require Title I schools operating targeted assistance programs to develop targeted assistance plans. This is not required by the Title I statute or regulation.
- Consolidate plans to minimize the number of documents school districts and schools must complete and the state must review. For example, school districts receiving Title II funds must conduct an assessment of local hiring and professional development needs. Federal law, however, does not require this to be a separate, standalone process. The required needs assessment can be integrated into other processes (e.g. a needs assessment required as part of a Title I district improvement plan, a needs assessment

process required under a state's approved ESEA Flexibility plan, or a state/local accreditation process).

- Align plans that cannot be eliminated or consolidated. For example, while a school district's IDEA application cannot technically be consolidated with its ESEA applications, states can combine the applications into one document to facilitate more comprehensive and coordinated planning at the school and district levels.
- Strip out requirements that can be addressed through other processes to reduce burden and duplication. For example, school districts receiving IDEA or Perkins funds must report certain accountability data to the state. Some states incorporate these reporting requirements into the front-end grant applications school districts must complete to access IDEA or Perkins funds. This can delay completion and approval of the grant award, which in turn can delay funding to the district, which then delays program implementation. It may make sense to decouple the reporting and application processes so districts can get speedier access to their funds. It may also be possible to collect data through other means (e.g. existing state databases) minimizing the amount of information school districts must report during the year.

Tackling the Work

Identifying ways to streamline planning requires the state to map its current process. For example:

- What plans does the state require school districts and schools to complete to gain access to federal funds, including ESEA Flexibility, Race to the Top, and School Improvement Grant related plans if relevant?
- What plans do school districts and schools complete to satisfy state legal requirements?
- What other plans do school districts and schools complete (e.g. district-developed or required plans, plans developed as part of the chartering process, plans related to accreditation, etc.)?

Once the state has identified these plans it can determine whether there are plans, or parts of plan, that are unnecessary, duplicative, or do not add value.



The Role of Administrative Burden in Ineffective Spending

States bear the ultimate responsibility for ensuring school districts and schools comply with federal requirements in state-administered federal programs. If a district or school violates a federal requirement, the U.S. Department of Education will look to the state to remedy the issue. As a result, federal law gives states broad discretion to develop oversight mechanisms, and requires states to monitor local implementation of federal programs.

Unfortunately, the same myths and compliance pressures that lock-down federal grant spending can also lead states to develop burdensome oversight systems that incentivize technical compliance over effective program delivery. In many states, a technical violation of a paperwork requirement is more likely to trigger state enforcement action than long-term spending on ineffective activities that fail to improve student achievement.

This plays out in two ways:

1. Many states look at the same requirements multiple times throughout the year. For example, a state might ask a district to submit parental involvement plans as part of the application process on the front end, and then re-review the same plans in-depth as part of a back-end monitoring process. While this might be an appropriate strategy in some situations, looking at the same requirement multiple times throughout the year can be burdensome for both the district and the state. It also affects district behavior. School districts tend to focus on the issues the state looks at most vigorously, which can incentivize districts to focus their attention on those issues, often at the exclusion of others.
2. Many states develop one-size-fits-all oversight systems for school districts, as opposed to strategically tiered systems that reflect different risk levels. For example, a state might have a few districts that struggle to comply with federal parental involvement requirements but require all districts to address these requirements as part of the application process. States have discretion to develop different interventions for different districts.

Understanding State Authority to Drive More Effective Spending

States have authority under federal law to use their oversight responsibility to drive more effective spending decisions. For example:

- States are responsible for ensuring local activities supported with federal grant funds are “necessary and reasonable.”²¹ This gives states discretion to work with school districts and schools to focus federal formula grants on activities that promote student achievement consistent with state and local needs and priorities, while remaining compliant with federal law.
- States have discretion to take reasonable steps to ensure local compliance with federal grant requirements.²² This could include determining whether federal funds are being used effectively to meet performance objectives.
- States have discretion to place special conditions on school districts struggling to meet federal compliance obligations, program goals, or financial management expectations under certain circumstances.²³ Special conditions could take a variety of forms, including requiring additional information or spending justifications from districts, more state oversight, or even directing spending to more effective costs.

States that understand their authority under federal law are in the best position to design strategic oversight systems that promote more effective spending at the school district and school level.

Strategies for Redesigning Oversight Systems

States can redesign their oversight systems a few ways:

- Look beyond traditional “monitoring” and build in multiple kinds of oversight opportunities throughout the grant process. Oversight means different things in different contexts. When the U.S. Department of Education talks about oversight it often uses the word “monitoring,” which most states interpret to mean a standalone process through which the state conducts a back-end compliance review of a federal program in a school district or its schools. In reality, “monitoring” and “oversight” can happen at any point in the grant cycle, and states have substantial discretion to oversee different aspects of federal program implementation through different processes.

For example, many districts struggle to comply with federal “equitable services” requirements, which require districts to set aside grant funds to provide certain services to private school students or teachers. A state may choose to address this through:

- Robust technical assistance, including trainings, clear and simple written guidance, calendars of key compliance milestones, and state-developed forms or checklists;
- The application process, requiring districts to describe their compliance activities before receiving funds; or
- A back-end monitoring process where the state reviews district documentation to verify compliance.

Any of these activities can be effective oversight tools depending on how they are implemented, state capacity, and district needs.

- Reduce unnecessary duplication. Looking across the entire state educational agency – does the state review the same compliance requirements more than once throughout the year? For example, does one office review school district spending through a reimbursement process while another office reviews it through program monitoring, and another office through program planning? Is a multiple review process helpful or just burdensome? Do state processes overlap? For example, do school districts have to submit documents through the application process only to submit the same documents again through some other process? Does this duplication support or confound state policy objectives?
- Consider tiered oversight mechanisms for different districts. Tailoring oversight activities to the level of risk in a given district can help reduce burden and incentivize performance. For example, states could offer successful districts more flexibility in the use of their grant funds or permit them to use a more streamlined application. Alternatively, academically struggling districts might be alleviated of some paperwork burden so they can focus more time on educational issues. A differentiated approach to districts given their needs helps the state to prioritize work where district needs are greatest.

Tackling the Work

There is no one-size-fits-all oversight system that will work for all states. How a state oversees federal program implementation will depend on a variety of factors. Some steps states can take include:

- Map the state's grant process from beginning to end, identifying the various grant-related plans and reports school districts and schools must submit throughout the year, monitoring activities, and technical assistance activities. This gives the state a picture of where there might be duplication, and where there might be opportunities to redesign oversight mechanisms to be more effective.
- Consider whether the state can leverage other processes to facilitate oversight. For example, some states have state teams that work closely with struggling school districts or schools. These teams might look at issues that touch upon federal grant requirements and be able to offer technical support/oversight. For example, the team might look at district budgets and be able to offer support on the permissible use of grant funds. It may not make sense to use state teams this way, as there are legitimate reasons to keep compliance and technical assistance separate, but this may be an option states wish to consider.
- Consider state capacity. For example, a small state office might not have resources to conduct robust back-end monitoring. In this case, the state may prefer to embed oversight mechanisms into applications or other processes throughout the year.

Conclusion: Putting It All Together

Revamping state systems to maximize federal funds and reduce burden is challenging work. While states often face common problems, solutions will vary depending on a state's philosophy, its relationship with its districts, its compliance history, and the size and capacity of state staff. Solutions will also vary based on district needs.

This toolkit has identified strategies in three broad areas where states can begin to examine their policies and processes. Tackling this work will require input from staff across the SEA and from local stakeholders. While the goal of this work may be to redesign compliance systems, state compliance systems have developed over time for specific reasons. Engaging program, grant, and fiscal staff can help the state understand why state systems and policies look the way they do today, what risks might be involved in making changes, and what on-the-ground supports districts might need going forward.

Ultimately, spending federal funds well is a shared enterprise. It requires strong leadership, as well as the input of program staff who understand educational practice, grant staff who understand federal rules and sensitivities, operational staff who carry out transactions, and fiscal staff who keep the books.

CCSSO looks forward to continuing its support for states who engage in this work. Please do not hesitate to contact Peter Zamora (Peter.Zamora@CCSSO.org), Director of Federal Relations, or Margaret Millar (Margaret.Millar@CCSSO.org), Director of Member Services, if you have any questions.

¹ See for example, the Elementary and Secondary School Act of 1965, as amended by the No Child Left Behind Act [hereinafter referred to as ESEA], Title I, Section 1903, directing states to “minimize such [Title I] rules, regulations, and policies to which the State’s local educational agencies and schools are subject.”

² See ESEA, Title I, Part A, Section 1111 et seq., imposing no academic subject matter limitations.

³ See IDEA, Part B, Section 613(a)(2), permitting local educational agencies to use funds for the excess cost of providing special education and related services to children with disabilities, with no restriction on the specific activities an agency could fund to provide such services.

⁴ See IDEA, Part B, Section 613(a)(4), permitting IDEA-funded services to be provided in the regular classroom setting even if non-disabled students benefit. See also, USDE’s non-regulatory guidance on *Using ARRA Funds Provided Through Part B of the Individuals with Disabilities Education Act (IDEA) to Drive School Reform and Improvement* [hereinafter referred to as *IDEA Reform Guidance*], p.2 (encouraging local educational agencies “to use IDEA funds in the context of their overall plans for systemic school reform”). The guidance is available at: <http://www2.ed.gov/policy/gen/leg/recovery/guidance/idea-b-reform.pdf>, and applies to all IDEA, Part B funds.

⁵ See USDE’s *IDEA Reform Guidance*, pp. 17-19

⁶ See USDE’s *IDEA Reform Guidance*, p. 18

⁷ See USDE’s *IDEA Reform Guidance*, p. 21

⁸ See ESEA, Title II, Part A, Section 2123(a).

⁹ See ESEA, Title I, Part A, Section 1114; see also the U.S. Department of Education's (USDE's) *Title I Reform Guidance*

¹⁰ See ESEA, Title I, Part A, Section 1114 (a)(2)(B).

¹¹ See USDE's *Title I Reform Guidance*, Question C-1

¹² See USDE's *Title I Reform Guidance*, Question C-6

¹³ See USDE's *Title I Reform Guidance*, Question D-1

¹⁴ See USDE's *Title I Reform Guidance*, Question E-3

¹⁵ See USDE's *Title I Reform Guidance*, Question E-4

¹⁶ See USDE's *Title I Reform Guidance*, Question E-6

¹⁷ See USDE's *ESEA Flexibility FAQs*, Question B-17, at <http://www2.ed.gov/policy/eseaflex/esea-flexibility-faqs.doc>

¹⁸ See USDE's *Title I Reform Guidance*, Question E-14

¹⁹ See USDE's *Title I Reform Guidance*, Question F-6

²⁰ See ESEA, Title IX, Part C, Section 9305

²¹ See 2 CFR part 225 (OMB Circular A-87), Appendix A, available at: <http://www.ecfr.gov/cgi-bin/text-idx?SID=a603e824446ee0531da26e4afb171159&node=2:1.1.2.10.6.0.15.12.7&rgn=div9>.

²² See Education Department General Administrative Regulations, Section 76.770, available at: <http://www.ecfr.gov/cgi-bin/text-idx?SID=a603e824446ee0531da26e4afb171159&node=34:1.1.1.1.23.7.122.18&rgn=div8>

²³ See Education Department General Administrative Regulations, Section 80.12, available at: <http://www.ecfr.gov/cgi-bin/text-idx?SID=a603e824446ee0531da26e4afb171159&node=34:1.1.1.1.26.2.131.3&rgn=div8>.

FLEXIBILITY IN USING FEDERAL FUNDS TO MEET LOCAL NEEDS

Federal laws and regulations allow states, districts, and schools certain flexibility in using federal funds to meet local needs. Which opportunities make sense to use will vary based on local context. In this document, we have highlighted some of the current flexibility contained in the *Elementary and Secondary Education Act (ESEA)* to allow state and local policymakers, working in collaboration with teachers, principals, and other stakeholders, to evaluate which options make the most sense for their particular needs. More information on the provisions described below is available on the Department’s Web site (<http://www.ed.gov>).

Transferring ESEA Funds among Programs to Meet State and Local Needs

The ESEA allows state and local educational agencies (SEAs and LEAs) to transfer a portion of the funds that they receive under certain ESEA programs to other programs and into Part A of Title I of the ESEA in order to more effectively address their students’ needs, including the needs of English Learners and students with disabilities. This is allowed through the “transferability” provision in section 6123 of the ESEA. For more information on transferability, please see the Department’s final guidance on the transferability authority at <http://www2.ed.gov/programs/transferability/legislation.html>.

State Transfers

An SEA may transfer up to 50 percent of the nonadministrative funds allotted to it to carry out state-level activities under each of the following ESEA provisions to one or more of its allotments under any of the other provisions listed below:

- Section 2113(a)(3) (Teacher and Principal Training and Recruitment)
- Section 2412(a)(1) (Enhancing Education Through Technology)
- Section 4112(a)(1) (Safe and Drug-Free Schools and Communities Governors’ funds, with the agreement of the Governor) and Section 4112(c)(1) (Safe and Drug-Free Schools and Communities SEA funds)
- Section 4202(c)(3) (21st Century Community Learning Centers)

State Transferability Basic Facts	
Overview	Allows SEAs to transfer 50% of funds to certain other programs to meet unique state needs
Eligibility	All SEAs
Application	None
Requirements	Conduct consultation in order to provide for the equitable participation of private school students and staff; notify the Department of the intent to transfer at least 30 days before the date of the transfer; modify state plans if necessary and submit modified plans to the Department.
Reporting	Report information on transfers on the Consolidated State Performance Report.

Although no 2010 funds were appropriated for the Safe and Drug-Free Schools and Communities formula grant programs (Section 4112(a)(1) Governors' funds and Section 4112(c)(1) SEA funds) at the state level, carryover funds from 2009 may be available for obligation. Accordingly, funds may be transferred into or out of these programs through September 30, 2011.

An SEA may also transfer up to 50 percent of the funds allotted to it under the provisions listed above to its allotment under Part A of Title I to carry out state-level activities. An SEA may not transfer funds out of Part A of Title I to any other program.

LEA Transfers

There are separate transferability provisions applicable to LEAs generally, to LEAs identified for improvement, and to LEAs identified for corrective action.

Most LEAs

An LEA (except an LEA identified for improvement or corrective action under Title I) may transfer up to 50 percent of the funds allocated to it by formula under each of the following provisions to its allocation under any of the other provisions:

- Section 2121 (Teacher and Principal Training and Recruitment)
- Section 2412(a)(2)(A) (Enhancing Education Through Technology)
- Section 4112(b)(1) (Safe and Drug-Free Schools and Communities)

An LEA may also transfer up to 50 percent of the funds allocated to it by formula under the provisions noted above to its allocation under Part A of Title I. An LEA may not transfer funds allocated under Part A of Title I to any other program.

LEAs identified for improvement

An LEA identified for improvement under Part A of Title I may transfer not more than 30 percent of the funds allocated to it by formula under any of the provisions listed above to its allocation for school improvement under section 1003 of the ESEA or to any other allocation listed above if the transferred funds are used only for LEA improvement activities consistent with section 1116(c) of Title I. The LEA may not transfer funds allocated under Part A of Title I to any other program.

LEA Transferability Basic Facts	
Overview	Allows certain LEAs to transfer 30-50% of funds to certain other programs to meet unique local needs
Eligibility	Most LEAs may transfer 50%; LEAs identified for improvement may transfer 30% for specified activities; LEAs identified for corrective action may not transfer funds
Application	None
Requirements	Modify local plans, notify the SEA, and consult with private school officials (as appropriate)
Reporting	Submit a copy of the modification to the SEA within 30 days

LEAs identified for corrective action

An LEA identified for corrective action may not transfer funds under this authority.

Additional Flexibility for Rural Districts

Because small rural districts frequently receive small allocations from federal formula grants and often have higher costs per pupil, the ESEA offers flexibility to districts eligible for the Small, Rural School Achievement (SRSA) program. This provision, known as “REAP-Flex,” allows these districts to make more effective use of their small federal formula allocations. An eligible LEA may use its formula allocations under certain programs to carry out authorized activities or for activities authorized under a broader range of programs.

To be eligible for the SRSA program, and thereby eligible for REAP-Flex, an LEA must:

- Have fewer than 600 students in average daily attendance in the LEA, or serve only schools that are located in counties that have a population density of fewer than 10 persons per square mile; and
- Serve only schools that have a National Center for Education Statistics (NCES) locale code of 7 (rural) or 8 (rural near an urban area); or are located in an area of the state defined as rural by a governmental agency of the state. (The locale codes of schools are listed on the Department’s NCES Web site at <http://www.nces.ed.gov/ccd/ccdLocaleCode.asp>.)

REAP-Flex Basic Facts	
Overview	Allows eligible LEAs to combine certain funds and use them to carry out activities under a broader range of programs
Eligibility	LEAs eligible for the Small, Rural School Achievement program
Application	None
Requirements	Notify the SEA of its intention to use this flexibility
Accountability	After 3 years in the program, LEAs that have not made adequate yearly progress must use the funds for school improvement activities

Specifically, this authority allows eligible LEAs to combine certain funds provided under the ESEA – specifically, funds provided under subpart 2 of Part A of Title II, section 2412(a)(2)(A), section 4114, and Part A of Title V – and use that funding to carry out local activities under one or more of the following ESEA programs:

- Part A of Title I (Improving the Academic Achievement of Disadvantaged Children)
- Part A of Title II (Teacher and Principal Training and Recruiting)
- Part D of Title II (Enhancing Education Through Technology)
- Title III (Language Instruction for Limited English Proficient and Immigrant Students)
- Part A of Title IV (Safe and Drug-Free Schools and Communities)
- Part B of Title IV (21st Century Community Learning Centers)

- Part A of Title V (Innovative Programs)

After the third year that an LEA participates in the SRSA program, the SEA must determine whether the LEA has made adequate yearly progress (AYP) as defined under Title I of the ESEA. Only those LEAs that have made AYP may continue to participate. LEAs that fail to make AYP may continue to participate in the program and use the REAP-Flex authority only if they use the flexible funds to carry out the Title I school improvement requirements.

Consolidation of State and District Administrative Funds to Build State and Local Capacity

SEAs and LEAs are currently allowed to consolidate ESEA administrative funds in order to utilize such funds to strengthen their own capacity to more effectively meet local needs, including to best support students with the greatest needs such as students from low-income families, English Learners, and students with disabilities.

State Consolidation

An SEA may consolidate funds specifically made available to it for state administration under any ESEA program, as well as other programs that the Secretary may designate. An SEA may consolidate state administrative funds only if it can demonstrate that the majority of its resources are derived from non-federal sources.

State Consolidation Basic Facts	
Overview	Allows SEAs to consolidate ESEA administrative funds to administer all programs in the consolidation
Eligibility	Any SEA that can demonstrate the majority of its resources are from non-federal sources
Application	None
Reporting	None

An SEA may use consolidated state administrative funds to administer the programs included in the consolidation, and for administrative activities designed to enhance the effective and coordinated use of funds under those programs. In addition, an SEA may use the funds to develop the standards and assessments required under Part A of Title I.

District Consolidation

With the approval of its SEA, an LEA may also consolidate funds available for program administration under ESEA programs so long as the amount consolidated does not exceed the cap, if any, established in the ESEA for each program.

District Consolidation Basic Facts	
Overview	Allows LEAs to consolidate ESEA administrative funds to administer all programs in the consolidation
Eligibility	LEAs with the approval of their SEAs
Application	None
Reporting	None

An LEA may use consolidated administrative funds to administer the programs included in the consolidation and for uses, at the district and school levels, designed to enhance the effective and coordinated use of funds under those programs.

An LEA that consolidates administrative funds for any fiscal year may not use any other funds under the programs included in the consolidation for administration for that fiscal year.

Consolidating Federal, State, and Local Education Funds to Promote Comprehensive Reforms at the Schoolwide Level

Schools that run a Title I schoolwide program (those with 40 percent or more students from low-income families) have the flexibility to combine federal education funds, including ESEA, IDEA, and Perkins funds (consistent with certain limitations in IDEA) along with state and local funds in order to redesign their entire educational program to improve educational achievement for all students, including English Learners and students with disabilities. This allows a school to use resources effectively and efficiently to undertake comprehensive reform.

The minimum poverty threshold required for implementing a schoolwide program is 40 percent. Eligible schools are allowed to consolidate and use funds under Part A of Title I, together with other federal education funds (to the extent applicable) and state and local funds, in order to upgrade the entire educational program at the school. This means that all funds are treated as if they are a single pool of funds – individual program funds can be used flexibly to support any activity of the schoolwide program that is identified in its schoolwide plan. Schools that fully consolidate all funds are subject to less burdensome federal reporting requirements.

In consultation with its LEA, an eligible school that desires to operate a schoolwide program must:

- Conduct a comprehensive needs assessment of the entire school;
- Develop (or amend, as applicable) a comprehensive plan, based on the needs assessment, for reforming the total instructional program in the school; and
- Annually evaluate the academic achievement results and revise the plan, as necessary, to improve achievement.

Schoolwide Consolidation Basic Facts	
Overview	Consolidate federal, state, and local funds into a flexible pool to be used for improving the whole school
Eligibility	Title I schools operating a schoolwide program where 40% or more of students are from low-income families
Application	None
Requirements	Conduct a needs analysis and design a comprehensive plan
Reporting	Schoolwide schools that consolidate federal funds with state and local funds are not required to maintain separate fiscal accounting requirements or employee time and effort requirements

A school that consolidates and uses funds from different federal programs along with state and local funds to support a schoolwide program is not required to meet most of the statutory and regulatory requirements of the consolidated federal programs, provided the school meets the intent and purposes of those programs. The school is also not required to maintain separate fiscal accounting records that identify how the consolidated federal funds were spent, so long as the school can demonstrate that the schoolwide program as a whole addresses the intent and purposes of each program whose funds were consolidated. Furthermore, the school is not required to maintain “time and effort” records for employees. Finally, an LEA with a schoolwide school is allowed to comply with the Title I supplement, not supplant requirement by demonstrating that it distributes state and local funds fairly and equitably to the schoolwide school without regard to whether the school is receiving federal funds.

Letter from the Department of Education Regarding the Flexible use of Federal Funds



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

SEP 13 2013

Dear State Directors:

As you know, many State educational agencies (SEAs) are moving forward with next-generation differentiated recognition, accountability and support systems that recognize student growth and school progress, align accountability determinations with support and capacity-building efforts, and provide for systemic, context-specific interventions that focus on the lowest-performing schools and schools with the largest achievement gaps. To support these reforms, it is more important than ever for local educational agencies (LEAs) and schools to leverage non-Federal and Federal funds as efficiently and effectively as possible.

The Federal resources available to SEAs and LEAs include funds provided under Part B of the Individuals with Disabilities Education Act (IDEA) and under Part A of Titles I and II of the Elementary and Secondary Education Act of 1965, as amended (ESEA). With respect to these programs, we are writing to highlight some ways that SEAs and LEAs can leverage the funds to support reforms, particularly in Title I schoolwide programs. Although SEAs report that more than 73 percent of Title I schools operate schoolwide programs and LEAs and schools generally already use some of the flexibilities available to schoolwide programs, in some instances these flexibilities are not being used to their full extent. LEAs and schools lose opportunities to fully leverage their resources when that occurs.

One reason for this may be uncertainty among some LEAs and schools about the full extent of flexibility available in a schoolwide program. To help address these uncertainties, we are sharing the enclosed document with you, which we originally provided earlier this year during a meeting with the Council of Chief State School Officers. Its purpose is to identify, at a high level, examples of how IDEA, Title I, and Title II funds may be used by SEAs and LEAs to support key areas of reform (College- and Career-Ready Standards and Assessments; State- Developed Differentiated Recognition, Accountability, and Support; Effective Instruction and Leadership; and Positive School Climate), with a particular emphasis on schoolwide programs.

400 MARYLAND AVE., SW. WASHINGTON, DC 20202

The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access

We hope that this enclosure is useful to you, your staff, and LEAs and schools in your State. In using it, please note the "A Few Words of Caution" and "Selected Requirements to Keep in Mind" sections and that the enclosure is intended to be used with existing U.S. Department of Education guidance regarding IDEA, Title I, and Title II. If there are any questions, please let us know.

Sincerely,

Monique M. Chism, Ph.D.
Director
Student Achievement and
School Accountability Programs

Sylvia Lyles, Ph.D.
Director
Academic Improvement and Teacher Quality Programs

Ruth E. Ryder
Deputy Director
Office of Special Education

Enclosure



Maximizing Flexibility in the Administration of Federal Grants

IDEA, Title I, Title II, and Non-Federal Funds in Schoolwide Programs

SELECTED FEDERAL PROGRAMS

- Individuals with Disabilities Education Act (IDEA): Supplemental Federal funds to ensure all children with disabilities have a free appropriate public education, in the least restrictive environment, with access to the general curriculum to improve results and outcomes for all children with disabilities.
- Title I, Part A (Title I) of the Elementary and Secondary Education Act of 1965 (ESEA): Supplemental Federal funds to ensure Title I students have fair, equal, and significant opportunities to obtain a high-quality education and improve their achievement.
- Title II, Part A (Title II) of the ESEA: Supplemental Federal funds to increase academic achievement by improving teacher and principal quality.
- IDEA, Title I, and Title II are distinct Federal programs with specific purposes.
- Program flexibilities contribute to opportunities for partnerships among State Educational Agencies (SEAs), Local Educational Agencies (LEAs), and schools.
- These flexibilities generally apply regardless of whether an SEA has received ESEA flexibility.

SCHOOLWIDE PROGRAMS

A schoolwide school:

- ./ Represents a primary means to maximize flexibility in using Federal funds.
- ./ Serves as a vehicle to whole-school reform.
- ./ Allows for easier leveraging of non-Federal and Federal funds to work together to improve educational performance of the entire school.
- ./ Addresses student needs through a schoolwide plan based on a comprehensive needs assessment.

A FEW WORDS OF CAUTION

- ./ The examples below illustrate ways that Title I, Title II, and IDEA funds may be used by SEAs and LEAs to support key areas of reform in a schoolwide program.
- ./ Because they are merely examples, however, they do not take into account the specific context in which these funds would be used at the State or local level.
- ./ Note that the sources of funds listed in the examples below do not imply that other sources are not permissible in the proper context.

AREAS of REFORM

- ./ College- and Career-Ready (CCR) Standards and Assessments
- ./ State-Developed Differentiated Recognition, Accountability, and Support
- ./ Effective Instruction and Leadership
- ./ Positive School Climate

COLLEGE- and CAREER-READY STANDARDS and ASSESSMENTS

SEAs may:

- ./ Develop standards and assessments for all students (Title I State administrative funds and Consolidated ESEA State administrative funds).
- ./ Develop appropriate accommodations for children with disabilities and valid and reliable alternate assessments to assess the performance of children with disabilities (IDEA).
- ./ Support capacity building activities and improve the delivery of services by LEAs to ensure access to CCR standards for children with disabilities in order to accelerate and improve outcomes (IDEA).
- ./ Provide professional development to implement CCR standards and assessments (ESEA Section 6111- State assessment funds and Title II).
- ./ Provide professional development to support all teachers and leaders in learning core content and new instructional strategies to implement CCR standards (Title II).

LEAs may:

- ./ Provide professional development to support all teachers and leaders in learning core content and new instructional strategies to implement CCR standards (Title II).
- ./ Prepare low-achieving students to participate successfully in advanced coursework aligned with CCR standards (Title I).
- ./ Provide intensive summer programs to low-achieving high school students to prepare them to take advanced classes (Title I).

STATE-DEVELOPED DIFFERENTIATED RECOGNITION, ACCOUNTABILITY, and SUPPORT

SEAs may:

- ./ Provide technical assistance to low-performing schools and LEAs (Title I).
- ./ Provide technical assistance to personnel, and direct services to children with disabilities, in schools and LEAs identified for improvement based solely on the low performance of students with disabilities, including relevant focus schools (IDEA).
- ./ Use the school improvement reservation for their Statewide system of support and establish eligibility criteria to determine the schools that receive this support (Title I).

LEAs may:

- ./ Consolidate funds in a schoolwide school to turn around low-performing schools (IDEA, Title I, and Title II).
- ./ Encourage a schoolwide school, if funds are not consolidated, to use Title I funds on comprehensive reforms designed to improve the overall school, consistent with its needs as identified in the schoolwide plan, rather than just on specific services for individual low-achieving students (e.g., pull-out programs).
- ./ Focus funds where the needs are greatest by:
 - o Reserving funds for LEA support to low-performing schools (Title I).
 - o Allocating more funds per low-income student to schools with higher poverty rates (Title I).
 - o After allocating to schools above 75 percent poverty, deciding whether to allocate funds to elementary, middle, or high schools (Title I).

- ./ Provide incentives and rewards to attract qualified and effective teachers to low-performing schools (Title I and Title II).
- ./ Provide educators with professional development, and materials and supplies, to implement a schoolwide plan (Title I and Title II).

EFFECTIVE INSTRUCTION and LEADERSHIP

SEAs may:

- ./ Train evaluators (Title II).
- ./ Develop, or help LEAs develop, performance-based compensation systems that provide differential and bonus pay in high-need schools (Title II).
- ./ Provide professional development to teachers and related services providers of students with disabilities (IDEA).
- ./ Provide professional development to assist teachers in using educator evaluation data to improve instruction (Title II).

LEAs may:

- ./ Provide professional development to teachers as part of carrying out a schoolwide plan (Title I and Title II).
- ./ Develop and implement coordinated, early intervening services (CEIS) for non-identified students in need of additional academic or behavioral support, including professional development (IDEA).
- ./ Recruit and retain effective and highly qualified teachers using differential pay (Title II).
- ./ Provide monetary incentives associated with earning high educator effectiveness ratings (Title II).

SCHOOL CLIMATE

SEAs may: Use State-level activity funds for a Statewide initiative to assist LEAs in providing positive behavioral supports for students with disabilities (IDEA).

LEAs may:

- ./ Permit a schoolwide program to implement activities to improve school climate, provided that climate-focused interventions are part of the schoolwide plan (Title I).
- ./ Implement behavioral evaluations and interventions for non-identified students who need additional academic and behavioral support (IDEA/CEIS).

SELECTED REQUIREMENTS to KEEP in MIND

General Requirements

- ./ Title I funds may not be used for activities for non-Title I students except when there is a specific authorization in the law. All students in a schoolwide program school are Title I students.
- ./ Federal funds must supplement, and not supplant, non-Federal funds. Supplement not supplant applies differently in different programs; within Title I, it applies differently in a schoolwide vs. a targeted assistance school (IDEA, Title I, and Title II).
- ./ Federal funds must support activities that are necessary and reasonable to accomplish the Federal program's purpose (IDEA, Title I, and Title II).

Title II Funds May Not Be Used To:

- ./ Develop curriculum associated with implementing CCR standards .
- ./ Provide subject-specific professional development in non-core areas .
- ./ Simply raise educator awareness about a State-mandated evaluation system. For example, Title II funds may not be used to pay for public relations activities or other awareness-raising activities that do not have a professional development component .
- ./ Purchase evaluation system-related data systems to manage linking student and teacher data .
- ./ Purchasing equipment, such as iPads, for school and district administrators to use in evaluating teachers unless solely used for that purpose.
- ./ Pay non-highly qualified teachers or pay highly qualified teachers hired for any purpose other than class-size reduction.

SCHOOLWIDE PROGRAM EXAMPLE

Depending on its needs, a schoolwide program school could:

Spend Title I funds to:

- ./ Upgrade the curriculum for the entire school
- ./ Implement an early warning system
- ./ Extend the school day or school year
- ./ Reorganize class schedules to increase teacher planning time
- ./ Revamp the school's discipline process
- ./ Hire additional teachers
- ./ Reorganize classes to promote personalized learning
- ./ Implement career academies
- ./ Implement school safety programs

Spend Title II funds to:

- ./ Train evaluators as part of a teacher and leader evaluation system
- ./ Provide incentives to attract highly qualified and effective teachers to a low-performing school

Spend IDEA funds to:

- ./ Provide professional development on CCR instructional strategies to teachers and related services providers of students with disabilities
- ./ Implement positive behavioral interventions and supports schoolwide

U.S. DEPARTMENT OF EDUCATION CONTACTS

Title I:

Monique Chism, Director
*Student Achievement and School
Accountability, Office of Elementary
and Secondary Education*
monique.chism@ed.gov

Title II:

Carol O'Donnell, Group leader
*Teacher Quality Programs, Academic
Improvement and Teacher Quality, Office
of Elementary and Secondary Education*
carol.odonnell@ed.gov

IDEA:

Gregg Corr, Director
*Monitoring and State Improvement
Planning Division, Office of Special
Education and Rehabilitative
Services*
greg.corr@ed.gov