



Illinois State Board of Education

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BULLETIN NO. 01-10

TO: School District Superintendents
School District Title I, Part A Directors

FROM: Monique Chism, Division Administrator, Innovation and Improvement

RE: Federal Regulation 34 CFR 200.48 Regarding Unspent Public School Choice and Supplemental Educational Services Funds

Contact: Please contact your Principal Consultant or Gary Greene for clarification or further information at 217-524-4832.

This e-bulletin serves as an additional notice regarding federal regulations found in the Code of Federal Regulations (CFR) under Title 34, Part 200.48 that went into effect in November 2008 involving Public School Choice (Choice) and Supplemental Educational Services (SES). Readers of this e-bulletin are urged to review the original regulation text for full details. This information is important because districts having unspent funds from their 20% obligation funds to support Public School Choice and Supplemental Educational Services (SES) will want to know what options they have. This regulation affects those options. To view the text of these or other federal education regulations, please visit this website: <http://www.gpoaccess.gov/cfr/index.html>.

General Background.

Section 1116(b) of the Elementary and Secondary Schools Act of 2001 (ESEA) requires districts to spend an amount equal to 20% of their Title I allocations for Choice and SES when they have to offer one or both of these options to parents unless a lesser amount will satisfy parental demand. This 20% obligation can be generated as a set aside from the Title I budget, but it may also come from other appropriate federal dollars as well as state, local, and/or private dollars. The 20% obligation funds are used to pay for costs of transporting students exercising a Choice option, to pay for SES, and/or to pay for some of the costs of outreach and assistance to parents concerning Choice and/or SES.

New Regulation.

Despite efforts to involve students in Choice and SES, a district might have unexpended funds in its 20% obligation. Previously, a district could utilize those funds for allowable Title I expenditures after amending their application and budget. The purpose of this new regulation is to encourage districts to devote reasonable effort to ensuring they have notified parents of their available public school choice and SES options, and they have made SES conveniently available in order to afford parents a genuine opportunity to participate.

Under this new regulation, however, if these funds were created via a Title I set aside, any unexpended amount carries over to the next school year and must be added to that year's 20% obligation. The district will be required in the next school year to expend the previous year's unexpended funds in addition to and the current year's 20% obligation on Choice and/or SES activities.

Or a district may shift unspent SES funds into Title I purposes as before if the district has met the following criteria—

- 1) Partnered, to the extent practicable, with outside groups, such as faith-based organizations, other community-based organizations, and business groups, to help inform eligible students and their families about Choice and SES.

- 2) Ensured that eligible students and their parents have a genuine opportunity to sign up for Choice or SES, meaning the district has
 - a) Provided timely, accurate notices about Choice and SES;
 - b) Ensured that sign-up forms for SES are distributed directly to all eligible students and their parents and are made widely available and accessible through broad means of dissemination, such as the Internet, other media, and communications through public agencies serving eligible students and their families; and
 - c) Provided a minimum of two enrollment “windows,” at separate points in the school year, that are of sufficient length to enable parents of eligible students to make informed decisions about requesting supplemental educational services and selecting a provider.
- 3) Ensured that its SES providers are given access to school facilities, using a fair, open, and objective process, on the same basis and terms as are available to other groups that seek access to school facilities;
- 4) Maintained records and documentation showing that the above criteria have been met.
- 5) Notified ISBE (via the “[Unspent Choice/SES Notification to ISBE](#)” to be available on [ISBE’s SES District Information](#) website) that it has met these requirements and intends to spend the remainder of its 20% obligation on other allowable activities, specifying the amount of that remainder.

Monitoring.

ISBE is required to ensure each district’s compliance with these requirements through its usual monitoring procedures, including checking of the required documentation. ISBE must also do additional monitoring if it finds a district:

- Has spent a significant portion of its 20% obligation for other allowable activities rather than Choice and/or SES; and
- Has been the subject of multiple complaints, supported by credible evidence, regarding implementation of Choice or SES.

If ISBE determines that a district has failed to meet any of the requirements listed above for spending less than the full 20% obligation for Choice and/or SES, then the district must:

- Spend an amount equal to the unspent funds in the subsequent school year, in addition to its 20% obligation for that year, on Choice and/or SES activities; or
- Meet those requirements and obtain permission from ISBE before spending less in that subsequent school year than the unspent amount from the initial year.

ISBE may not grant this permission to the district unless it has confirmed the district's compliance with those requirements for that subsequent school year.

Note: Counting parent outreach costs toward 20% obligation.

The new regulations also allow a district to count costs for parent outreach and assistance toward the 20% obligation requirement. This provision permits a district to allocate up to 0.2 percent of its Title I, Part A allocation (1.0 percent of the 20% obligation) in that manner. Allowing districts to count toward meeting the 20% obligation a limited amount of funds for parent outreach and assistance will help ensure that districts provide parents the information they need to make the best decisions for their children. The new provision will not impose costs on districts; it allows districts to shift some of the costs for parental outreach and assistance activities to the 20-percent obligation funds and away from local or other funds. (see § 200.48(a)(2)(iii)(C))

This e-bulletin contains basic information on ESEA provisions. It is meant to provide a ready reference for school administrators, teachers, and the public on ESEA implementation within Illinois. It is not intended as a comprehensive source of information on the rules and regulations which govern ESEA Title I.