

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

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RE: Increased Schoolwide Flexibility

This e-bulletin addresses the fiscal and programmatic implications of the schoolwide model in regard to the right of districts to maximize flexibility in schoolwide buildings.

Background:

A schoolwide program is a comprehensive reform strategy designed to upgrade the entire educational program in a Title I, Part A school.¹ Its primary goal is to ensure that all students, particularly those who are low achieving, demonstrate proficient and advanced levels of achievement relative to the state's academic achievement standards.² Roughly half of all schools receiving Title I, Part A funds operate a schoolwide building—meaning that when the school reached a threshold of at least 40% poverty, it went through a significant planning process (possibly taking as much as a year), and it has an approved schoolwide plan to implement. Schools transitioning to schoolwide for school year 2013-14 and beyond must do their planning within Rising Star.

Because of confusion over how the schoolwide program model is permitted to operate, and how the concept of “supplement, not supplant” applies in a schoolwide school, the schoolwide model has rarely been implemented to its full potential. The schoolwide model can be a powerful tool for improving schools--particularly for schools implementing comprehensive improvement and turnaround strategies.

Existing Supplement vs. Supplant test (will continue to be the test for Targeted Assistance buildings):

The greatest impediment to using Title I, Part A funds to support a comprehensive reform strategy is the supplement versus supplant test articulated in the Elementary and Secondary Education Act and expounded on within the fiscal non-regulatory guidance.³ According to the guidance, a presumption of supplanting exists when any of the following situations are present:

1. A district used Title I funds to provide services that the district was required to make available under Federal, State, or local law.
2. A district used Title I funds to provide services that the district provided with non-Federal funds in the prior year(s).
3. A district used Title I funds to provide services for children participating in a Title I program that the district provided with non-Federal funds to children not participating in Title I.

¹ 2006 Non-regulatory Designing a Schoolwide Program Guidance (<http://www.ed.gov/policy/elsec/guid/designingswpguid.doc>)

² Section 1114(a)(1)

³ Section 1120A(b); 2008 Non-regulatory Title I Fiscal Issues Guidance (www2.ed.gov/programs/titleiparta/fiscalguid.doc) (section C)

Supplement vs. Supplant test for schoolwide buildings in districts utilizing this flexibility:

1. To arrive at a truly comprehensive reform strategy using Title I, Part A funds, a different supplement versus supplant test is offered here to balance the flexibility needed for comprehensive reform against possible misuse of funds: All children in the schoolwide building may participate in activities funded with Title I, Part A funds (consistent with the school's comprehensive schoolwide program plan), *and the school does not need to demonstrate that those activities are supplemental to ones that would otherwise be provided by the school.*⁴ Use of Title I, Part A funds in this situation would be governed by the cost principles in OMB Circular A-87.⁵ Are the costs reasonable and necessary, and do they meet the intent of the law?
 - a. Title I, Part A funds must still be used to ensure that all students, particularly those who are low achieving, demonstrate proficient and advanced levels of achievement relative to the state's academic achievement standards.
 - b. Therefore, extraneous costs (football fields, excessive travel, etc.) would still be prohibited, but schools would be able to maximize the usefulness of Title I, Part A funds to meet its goal.
 - c. However, there would no longer be a prohibition against using Title I, Part A funds for activities related to state-mandated initiatives (e.g., Common Core, RtI, textbooks), provided those activities and costs align with the schoolwide plan.
2. In situations where a school operating a schoolwide program does not consolidate its Title I, Part A funds with other Federal, State, and local funds, the school and district must account for and track the Title I, Part A funds separately, identifying the activities that the Part A funds support.⁶
3. A district must be able to show its method for allocating state and local funds is neutral with regard to Title I funds and does not reduce state and local allocations in light of Title I funds.⁷

Financial Implications:

1. While schools need not associate each expenditure with individual funding sources when the funds are thus consolidated, districts would still need to list by function and object code how Title I, Part A funds are being utilized. This combines programmatic flexibility at the school level with fiscal accountability at the district level. This will allow programmatic and monitoring/auditing staff to ensure the expenditures are reasonable and necessary.
2. Districts must be able to show that Title I, Part A schools received at least as much state and local resources as non-Title I schools.

Monitoring Implications:

1. The district must be able to demonstrate, that the intent and purposes of the Federal programs whose funds are consolidated are met at each schoolwide school using funding consolidation.⁸ This would be accomplished by reviewing the schoolwide plan with activities being conducted within the school. Those activities could be paid for with Title I, Part A funds or with other funding sources. What is critical is that the intent and purpose of Title I, Part A is being met.
2. The district must meet the reasonable and necessary test as articulated in OMB A-87 circular at each schoolwide school using funding flexibility.

⁴ Section 1114(a)(2)(A)

⁵ http://www.whitehouse.gov/sites/default/files/omb/assets/agencyinformation_circulars_pdf/a87_2004.pdf

⁶ 2008 Non-regulatory Title I Fiscal Issues Guidance (www2.ed.gov/programs/titleiparta/fiscalguid.doc) (question E-7)

⁷ Section 1114(a)(2)(B); 2008 Non-regulatory Title I Fiscal Issues Guidance www2.ed.gov/programs/titleiparta/fiscalguid.doc (question E-17.)

⁸ Section 1114(a)(3)(A) and (C)

3. Districts must show that Title I, Part A schoolwide schools using this flexibility received at least as much state and local resources as non-Title I schools. (see how to proceed below) Districts will still need to budget and track district level set-asides and expenditures (PD, SES, etc.).
4. Districts must continue to maintain inventories and track time and effort for all federally funded staff.
5. District ledger must still show federal fund expenditures by function and object code. The participating schools, however, do not have to track federal fund expenditures.

How to proceed:

1. On the Schoolwide page of the NCLB Consolidated Application, the district will mark if the listed schoolwide buildings are using this flexibility. By checking this box that the schools will participate in the flexibility, the district is affirming that ALL schools will receive an equal amount of state and local funds.
2. On the Schoolwide page of the NCLB Consolidated Application, the district will enter the amount of state and local resources all buildings will receive in order to ensure Title I schoolwide buildings are receiving at least as much. In the notes section of the bottom of the schoolwide page, the district will describe the process for calculating the base amount.

Examples of how to figure the base amount are:

- 100% of GSA + 20% local revenues will be provided to each school, divided by enrollment. 80% of local revenue will be used for district operating costs.
 - Each building will receive \$4000 per student.
3. On the Title I and Title IIA Budget Detail pages, the District is responsible for outlining a budget for the district, all schools receiving Title I funds, and the equitable participation of non public students. Because the itemization is needed for various reporting requirements, little will be changed within the budget detail section for schoolwide buildings participating in this flexibility. .
 - a. The district should first itemize the district-wide set-asides as usual (SES, PD, PI, homeless, etc.).
 - b. Non-public instructional and set-aside costs must also be budgeted as normal.
 - c. ALL buildings should budget as normal by the appropriate function and object codes and with the appropriate amount of detail.
 - d. **If a schoolwide building participating in this flexibility has an unusual budget request, the district should indicate the building is using the schoolwide flexibility within the descriptor.** In Title IIA, funds available thru schoolwide consolidation can be used for more than just professional development, recruitment, retention and class-size reduction. For these types of expenditures, use the appropriate function and object code and include in the description, "schoolwide consolidation funds". You will note in the Budget Detail Summary page that the grayed out cells are now available.
 4. **Update schoolwide plans for each building to ensure the anticipated expenditures are (1) aligned with the needs assessment, (2) meet the intent and purpose of the law, and (3) are reasonable and necessary.**
 5. Maintain records that the expenses incurred align with the (1) schoolwide needs assessment, (2) meet the intent and purpose of the law, and (3) are reasonable and necessary.
 6. Maintain records that schoolwide buildings received at least as much state and local resources as non-Title I schools.

Asking the right questions:

It is always good to measure proposed expenditures against intended outcomes. These questions provide a way of doing this. Will the proposed use of funds:

- Drive results for students who are failing, or most at risk of failing, to meet State academic achievement standards?
- Increase educators' long-term capacity to improve results for Title I students?

- Accelerate reform and advance SEA, district, or participating Title I school improvement objectives and reform goals?
- Foster continuous improvement and include approaches to measure and track implementation and results and create feedback loops to modify or discontinue strategies that evidence indicates are ineffective in improving achievement of Title I students?

Use of Funds Examples:

Title I, Part A funds may be used for any activity that supports the needs of students, particularly the lowest-achieving students, in the school that are identified through a comprehensive needs assessment and included in the schoolwide plan. While not a comprehensive list, here are some examples:

- Hire additional teachers to serve all students (or use state or local funds to support previously paid for Title I teacher or aides, thus, freeing up Title I funds for other purposes that meet the intent of the law and avoiding TRS requirements).
- Hire specialist to coach teachers in how to better serve low-achieving students (or use state or local funds to support previously paid for Title I coaches, thus freeing up Title I funds for other purposes that meet the intent of the law and avoiding TRS requirements).
- Implement a Response to Intervention (RtI) framework to improve educational outcomes of all students but particularly those most at-risk.
- Upgrade the curriculum for the entire school (including alignment and professional development related to Common Core).
- Increase participation of low-achieving students in advanced coursework.
- Provide intensive summer school classes for low-achieving students, including high school students, to prepare them for the rigor of taking advanced courses.
- Provide afterschool tutoring.
- Develop and use formative and interim assessments to track progress of low-achieving students and train teachers in their use.
- Purchase or develop supplemental instructional materials aimed at improving achievement of low-achieving students, including Students with Disabilities and English Learners.
- Conduct needs assessments.
- Implement an early warning system to identify low-achieving students or students at risk of dropping out.
- Extend the school day or school year.
- Reorganize class schedules to increase teacher planning time.
- Revamp the school's discipline process to improve achievement of low-achieving students.
- Reorganize classes to promote personalized learning for low-achieving students.
- Implement career academies to assist low-performing students prepare for college and careers.
- Implement school safety programs to improve the achievement of low-achieving students.
- Provide professional development to ensure effective teachers and leaders to serve low-achieving students.
- Engage in activities to improve school climate designed to improve the achievement of low-achieving students.