



***ESEA SEC. 1003***  
***FUNDING FOR SCHOOL IMPROVEMENT***  
***&***  
***ESEA SEC. 1003A***  
***DIRECT STUDENT SERVICES***

**JULY 18, 2018**



# AGENDA

## PART 1

- Overview of Funds for School Improvement- ESEA Section 1003
  - Background
  - Funding for school improvement
  - Local educational agency (LEA) uses of funds
  - Grant-making: awarding funds
  - Grant-making: implementation
  - State educational agency (SEA) reporting, monitoring, evaluation, and oversight of LEA activity





# AGENDA

## PART 2

- Overview of Direct Student Services – ESEA section 1003A
  - Optional Reservation & Use of Funds
  - Consultation Requirements
  - LEA Applications
  - Direct Student Services Providers





# ESEA Section 1003

## School Improvement Funds





# BACKGROUND

- For purposes of carrying out school improvement activities, the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act (ESSA)\* requires each State to reserve the **greater** of:
  - 7 percent of the State's total Title I, Part A allocation , or
  - the sum of the amounts it reserved for fiscal year 2016 for school improvement under the ESEA, as amended by No Child Left Behind (NCLB), and the amount it received for fiscal year 2016 for its School Improvement Grant (SIG) allocation under NCLB.

\*Throughout this presentation, unless otherwise specified, the abbreviation ESEA refers to the ESEA, as amended by the ESSA.





# BACKGROUND

- Special note: the special rule in ESEA section 1003(h) changes how the school improvement reservation operates in school year 2018-2019 (and subsequent years) compared to school year 2017-2018:
  - ✓ Starting with school year 2018-2019 allocations, the ESEA requires an SEA not to reduce an LEA below its prior year's Title I, Part A allocation in reserving funds for school improvement.
  - ✓ Only LEAs with increases in their school year 2018-2019 Title I, Part A allocations over school year 2017-2018 will contribute to the school improvement reservation.
- The special rule may prevent some SEAs from reserving the full amount.



# SCHOOL IMPROVEMENT FUNDS

## AWARDS 1003(b)(2)

- States must allocate at least 95 percent of funds reserved under section 1003 to LEAs with schools identified for comprehensive support and improvement or targeted support and improvement.
- An LEA with identified schools may receive a school improvement allocation even if the LEA did not contribute to the school improvement reservation due to the special rule.
- States may set aside up to five percent of their 1003 school improvement funds to carry out responsibilities with respect to those funds (ESEA section 1003(b)(2)).







# SCHOOL IMPROVEMENT FUNDS

## FLEXIBILITY FOR SCHOOL IMPROVEMENT GRANTS

- In a January 2018 Dear Colleague Letter (available here: <https://www2.ed.gov/policy/elsec/leg/essa/sigflexibilitiesdci.pdf>), the U.S. Department of Education (ED) granted States the flexibility to use remaining SIG funds consistent with the SIG final requirements or consistent with section 1003 of the ESEA.
- A State that decides to use some or all of its remaining SIG funds consistent with section 1003 of the ESEA may, at its discretion, permit an LEA that is currently implementing SIG to transition to the requirements of section 1003 of the ESEA with its remaining SIG funds.







# LEA ELIGIBILITY

## SCHOOL IMPROVEMENT FUNDS 1003(b)(1)(A)

- States must allocate school improvement funds reserved under ESEA section 1003 to LEAs with one or more schools implementing comprehensive or targeted support and improvement plans (ESEA section 1003(b)(1)(A)).
- Any LEA with a school that is identified for comprehensive support and improvement under ESEA section 1111(c)(4)(D)(i) or implementing a targeted support and improvement plan under ESEA section 1111(d)(2) is eligible to receive school improvement funds.
- An LEA may receive 1003 funds for a non-Title I school that is identified for comprehensive or targeted support and improvement. That school is not required to comply with the ESEA requirements for Title I schools, though it is required to meet the requirements for identified schools under ESEA section 1111(d) and requirements under ESEA section 1003.





# LEA ELIGIBILITY

## SCHOOL IMPROVEMENT FUNDS 1003(b)(1)(A)

- An LEA may only receive section 1003 funds for schools that meet statutory requirements for the identification of comprehensive or targeted support and improvement schools, even if a State identifies additional schools for improvement beyond those that meet the statutory definitions of comprehensive and targeted support and improvement.
- For example, a State that chooses to identify for comprehensive support and improvement any high school with a graduation rate of 75% or lower, is only permitted to award ESEA section 1003 funds to those schools that meet the statutory definition of a comprehensive support and improvement school with a graduation rate below 67%.





# LEA Uses of Section 1003 Funds & Evidence-Based Interventions





# LEA USES OF FUNDS

- An LEA may use section 1003 funds for any activity that it determines (and the SEA agrees) will help a school identified for comprehensive or targeted support and improvement have improved student outcomes within the school.
- For example, an LEA may use section 1003 funds to implement interventions aimed at improving the school, such as professional development, tutoring opportunities to increase student achievement in the school, and family engagement activities.





# LEA USES OF FUNDS

- Activities supported with section 1003 funds must be consistent with a school's comprehensive or targeted support and improvement plan, but need not be included in that plan.
- For example, a comprehensive support and improvement plan for an elementary school might include targeted professional development related to early education interventions focused on improving performance in kindergarten.
- Section 1003 funds could be used in that school to help increase the kindergarten school day from half day to full day because that activity would, consistent with its support and improvement plan, be aimed at improving the school and student outcomes in the school.





# LEA USES OF FUNDS

- Section 1003 funds may also be used to implement more comprehensive reforms aimed at improving student outcomes in the school.
- An LEA could, for example, use section 1003 funds to convert a school to a charter or close and reopen a school under a charter school operator, a charter management organization, or an education management organization selected through a rigorous review process.
- An LEA may use 1003 funds to pay for district-level activities to support implementation of comprehensive or targeted support and improvement plans.





# EVIDENCE-BASED INTERVENTIONS

## REQUIREMENTS FOR EVIDENCE-BASED INTERVENTIONS

- A school that is identified for comprehensive or targeted support and improvement must implement at least one evidence-based intervention as part of its improvement plan.
- An LEA is not required to implement an evidence-based intervention for purposes of ESEA section 1003, however.
- Under ESEA section 8101(21)(B), any evidence-based intervention, activity, or strategy that the LEA pays for with ESEA section 1003 funds must meet one of the first three tiers of evidence under ESEA section 8101(21)(A) (strong, moderate, or promising evidence).
- An LEA may not use section 1003 funds to pay for an evidence-based intervention that meets the fourth level of evidence under 8101(21)(A)(ii), i.e., a rationale that the intervention is likely to improve student outcomes or other relevant outcomes.







# EVIDENCE-BASED INTERVENTIONS

## REQUIREMENTS FOR EVIDENCE-BASED INTERVENTIONS

- For more information on evidence-based interventions, see the Department's non-regulatory guidance, "*Using Evidence to Strengthen Education Investments*" (available at: <http://www2.ed.gov/policy/elsec/leg/essa/guidanceuseseinvestment.pdf>).





# Grant-making: Awarding Funds





# GRANT-MAKING: AWARDING FUNDS

## APPLICATION REQUIREMENTS FOR SCHOOL IMPROVEMENT FUNDS 1003(e)

- The ESEA requires that, to receive 1003 funds, an LEA with one or more schools identified for comprehensive or targeted support and improvement develop and submit an application for the SEA's consideration.
- The LEA's 1003 application is separate from its schools' comprehensive or targeted support and improvement plans.
  - To the extent there is overlap between the application requirements and the plan, the State is encouraged to streamline the procedures.
- A State may permit an LEA applying for section 1003 funds to reference or otherwise link to descriptions or information contained in its comprehensive or targeted support and improvement plan.





# GRANT-MAKING: AWARDING FUNDS

## PROCESS TO AWARD AND SIZE OF GRANTS 1003(b)(1)(A)

- States may award section 1003 school improvement funds on a competitive or formula basis (ESEA section 1003(b)(1)(A)).
- There is no minimum or maximum grant size for section 1003 school improvement awards. However, awards must be of a sufficient size to enable the LEA receiving the funds to effectively implement all proposed interventions (ESEA section 1003(b)(2)(A)(ii)).
- A State may want to require each LEA applying for funds to include its proposed budget indicating how the LEA will allocate school improvement funds among the identified schools that it commits to serve and a description of how the LEA will sustain effective school improvement activities following the completion of a section 1003 grant.





# GRANT-MAKING: AWARDING FUNDS

## PLANNING FOR IMPLEMENTATION 1003(c)

- A State may award section 1003 school improvement funds to an LEA for up to four years, which may include a planning year (ESEA section 1003(c)).
- If a State awards an LEA funds to support a planning year, the State may want to review the performance of the LEA in supporting the school during the planning year prior to renewing the LEA's award.





# GRANT-MAKING: AWARDING FUNDS

## APPLICATION REQUIREMENTS FOR SCHOOL IMPROVEMENT FUNDS 1003(e)

- To receive section 1003 funds, an LEA must submit an application that describes how the LEA will:
  - Develop a comprehensive support and improvement plan for each school identified for comprehensive support and improvement for which the LEA receives school improvement funds;
  - Support each school developing or implementing a targeted support and improvement plan, for which the LEA receives school improvement funds





# GRANT-MAKING: AWARDING FUNDS

## APPLICATION REQUIREMENTS FOR SCHOOL IMPROVEMENT FUNDS 1003(e)

- To receive section 1003 funds, an LEA must submit an application that describes how the LEA will:
  - Monitor schools receiving funds under ESEA section 1003;
  - Use a rigorous review process to recruit, screen, select, and evaluate any external partners, if the LEA partners with one or more;
  - Align other Federal, State, and local resources to carry out the activities supported with school improvement funds; and
  - As appropriate, modify practices and policies to provide flexibility that enables effective implementation of comprehensive or targeted support and improvement plans.







# GRANT-MAKING: AWARDING FUNDS

## REVIEW OF EXTERNAL PROVIDERS 1003(e)(1)(D)

- If the LEA chooses to use external providers, the ESEA requires the LEA, in its application for school improvement funds, to describe the rigorous review process it will use to recruit, screen, select, and evaluate any external partners with which the LEA will partner in carrying out activities supported with school improvement funds (ESEA section 1003(e)(1)(D)).
- This rigorous review can be used to, for example, examine a prospective provider's reform plans and strategies, review past performance, and identify any potential compliance issues.





# GRANT-MAKING: AWARDING FUNDS

## REVIEW OF EXTERNAL PROVIDERS 1003(e)(1)(D)

- An effective screening process might include requiring a potential external provider to demonstrate its competencies through interviews and documentation, and may include other evidence.
- In conducting its rigorous review process, an LEA should be as specific as possible in its request for proposals or other documents made available to potential providers regarding its expectations for how the provider will perform and be held accountable.
- An LEA should review the performance of external providers regularly to ensure that they are on track to meet the LEA's expectations and to inform contract renewal decisions.





# GRANT-MAKING: AWARDING FUNDS

## OPERATIONAL FLEXIBILITY 1003(e)(1)(F)

- The ESEA requires that an LEA describe in its application how it will modify practices and policies to provide operational flexibility, including with respect to school budgeting and staffing, “as appropriate.”
- An LEA is not required to provide operational flexibility unless its necessary to enable full and effective implementation of comprehensive or targeted support and improvement plans.
- An LEA may determine the appropriate areas for operational flexibility.





# GRANT-MAKING: AWARDING FUNDS

## APPLICATION REQUIREMENTS FOR SCHOOL IMPROVEMENT FUNDS 1003(e)

- We encourage an SEA to require as part of its application that an LEA that plans to use the first year of its school improvement funds for planning activities to include in its application:
  - A description of the activities that will be supported with school improvement funds;
  - The timeline for implementing those activities;
  - How such timeline will ensure full implementation of the comprehensive or targeted support and improvement plan; and
  - How those activities will support successful implementation of comprehensive or targeted support and improvement plans.





# GRANT-MAKING: AWARDING FUNDS

## EXAMPLES OF PLANNING ACTIVITIES

- If a State chooses to permit a planning year, consistent with ESEA section 1003(c), possible planning activities that an LEA may carry out using school improvement funds include:
  - Family and Community Engagement
  - Rigorous Review of External Providers
  - Staffing
  - Instructional Programs
  - Professional Development and Support





# Grant-making: Implementation





# GRANT-MAKING: IMPLEMENTATION

## FUNDING AWARDS

- Funds reserved under ESEA section 1003 carry the same period of availability as the regular Title I, Part A allocations from which they are reserved—27 months from when they first become available.
- States may not award subgrants of school improvement funds for a period of four years from a single year's Title I, Part A allocation.
- To fund an award for longer than 27 months, a State must provide continuation grants to each LEA.







# GRANT-MAKING: IMPLEMENTATION

## DIRECT PROVISION OF SCHOOL IMPROVEMENT ACTIVITIES 1003(b)(1)(B)

- A State may provide improvement activities directly or through external entities to improve schools (ESEA section 1003(b)(1)(B)).
- A State may take advantage of the option to provide improvement activities directly only if it has the authority under State law to take over the school or, if the State does not have such authority, with LEA approval with respect to each such school, consistent with ESEA section 1003(b)(1)(B).





# GRANT-MAKING: IMPLEMENTATION

## DIRECT PROVISION OF SCHOOL IMPROVEMENT ACTIVITIES 1003(b)(1)(B)

- If a State wants to use external providers, it must use a rigorous review process in recruiting, screening, selecting, and evaluating external partners that will carry out activities with 1003 funds (ESEA section 1003(e)(1)(D)), and must ensure that any such external partner has expertise in using evidence-based strategies to improve student achievement, instruction, and schools (ESEA section 1003(b)(1)(B)).





# GRANT-MAKING: IMPLEMENTATION

## APPLICANT PRIORITIZATION 1003(f)

- If a State does not have sufficient school improvement funds to make grants to each LEA that submits an approvable application, a State must give priority to an LEA that:
  - serves high numbers, or a high percentage of, elementary and secondary schools implementing comprehensive or targeted support and improvement plans;
  - demonstrates the greatest need for school improvement funds; and
  - demonstrates the strongest commitment to use such funds to enable the lowest-performing schools to improve academic achievement and student outcomes.





# GRANT-MAKING: IMPLEMENTATION

## ADDITIONAL CONSIDERATIONS

- When prioritizing LEAs, we encourage a State to consider the following when determining which LEAs have the greatest need or strongest commitment for section 1003 funds:
  - The State's review of resources among and within LEAs;
  - The current academic achievement and student outcomes in the schools the LEA is proposing to serve; and
  - The proposed use of evidence-based interventions that are supported by the strongest level of evidence available and that are sufficient to support the school in making progress toward meeting the relevant exit criteria.





# GRANT-MAKING: IMPLEMENTATION

## EXITING STATUS AS AN IDENTIFIED SCHOOL

- A school identified for comprehensive or targeted support and improvement must continue implementing evidence-based interventions until it exits its status as an identified school.
- A school may modify or replace the interventions it is implementing following the end of support from section 1003, but it may not stop implementing required interventions until it is no longer identified for comprehensive or targeted support and improvement.
- If a school exits its status as an identified school before the completion of its 1003 award, it may continue to receive those 1003 funds for the remainder of its award so long as it continues implementing interventions described in the LEA's application for the funds.





# SEA Reporting, Monitoring, Evaluation, and Oversight of LEA Activities





# SEA REPORTING REQUIREMENTS FOR SCHOOLS THAT RECEIVE SCHOOL IMPROVEMENT FUNDS

- A State must include on its annual report card under ESEA section 1111(h)(1):
  - a list of all LEAs, and schools served by those LEAs, that received school improvement funds;
  - the amount of funds each LEA received to serve each school; and
  - the types of strategies implemented in each funded school.







# SEA MONITORING, EVALUATION, AND OVERSIGHT OF LEA ACTIVITY

- A State must evaluate the use of school improvement funds by its LEAs. An examples of how this could be don is by:
  - Regularly disseminating to LEAs with schools identified for comprehensive or targeted support and improvement its findings regarding the interventions it evaluates.



# SEA MONITORING, EVALUATION, AND OVERSIGHT OF LEA ACTIVITY

- Prior to renewing an LEA's school improvement award with respect to a particular school, we encourage a State to evaluate whether:
  - The school is making progress on the State's long-term goals, measurements of interim progress, and accountability indicators.
  - The school is implementing interventions in accordance with the LEA's application for school improvement funds and the requirements for comprehensive or targeted support and improvement schools, as applicable.





# RESOURCES

- January 2018 Dear Colleague Letter on the Use of Remaining SIG Funds:  
<https://www2.ed.gov/policy/elsec/leg/essa/sigflexibilitiesdci.pdf>
- Using Evidence to Strengthen Education Investments:  
<http://www2.ed.gov/policy/elsec/leg/essa/guidanceuseininvestment.pdf>





# Questions?



# ESEA Section 1003A

## Direct Student Services





# DIRECT STUDENTS SERVICES

## OVERVIEW

- *Direct Student Services is a new provision of the ESEA that provides **the option** for a State to reserve and award money to districts to support individualized academic services to improve student achievement*



# Optional Reservation & Use of Funds





# RESERVATION & USE OF FUNDS

## SEA LEVEL RESERVATION REQUIREMENTS - 1003A(a)(1)(A) AND (a)(2)

- An SEA may reserve up to 3% of its Title I, Part A funds to carry out direct student services.
- An SEA may use up to 1% of the amount it reserves to administer the Direct Student Services program.
- An SEA reserves funds by ratably reducing the Title I, Part A allocations of all LEAs (unlike the 1003 reservation, which, starting in SY 2018-19, only comes from LEAs with an increase over their prior year's Title I, Part A allocation).







# RESERVATION & USE OF FUNDS

## SEA LEVEL REQUIREMENTS – 1003A(e)

An SEA that chooses to reserve funds must:

- Ensure that each LEA receiving an award that intends to provide public school choice can provide a sufficient number of options to provide meaningful choice for parents;



# RESERVATION & USE OF FUNDS (CONT.)

## SEA LEVEL REQUIREMENTS – 1003A(e)

An SEA that chooses to reserve funds must:

- Compile and maintain an updated list of State-approved high-quality academic tutoring providers;
- Ensure that each LEA receiving an award is able to provide meaningful choice of high-quality academic tutoring options to parents;





# RESERVATION & USE OF FUNDS

## REQUIREMENTS FOR HIGH-QUALITY TUTORING PROVIDERS – 1003A(e)(2)

A State-approved list of high-quality academic tutoring providers must:

- Be developed using a fair negotiation and rigorous selection and approval process;
- Provide parents with meaningful choices;
- Offer a range of tutoring models, including online and on campus.





# RESERVATION & USE OF FUNDS (CONT.)

## REQUIREMENTS FOR HIGH-QUALITY TUTORING PROVIDERS – 1003A(e)(2)

A State-approved list of high-quality academic tutoring providers must:

- Include **only** providers that:
  - Have a demonstrated record of success in increasing students' academic achievement;
  - Comply with all applicable Federal, State, and local health, safety, and civil rights laws; and
  - Provide instruction and content that is secular, neutral, and non-ideological.





# RESERVATION & USE OF FUNDS

## SEA LEVEL REQUIREMENTS – 1003A(e)

An SEA that chooses to reserve funds must:

- Develop and implement procedures for monitoring the quality of services provided by direct student service providers; and
- Establish and implement clear criteria describing the course of action for direct student service providers that are not successful in improving student academic outcomes, which may include a process to remove academic tutoring providers from the State-approved list.



# SUBGRANT AWARDS

## SEA LEVEL REQUIREMENTS – 1003A(b)

- Subgrants must be awarded to geographically diverse LEAs
- Priority must be given to LEAs serving the highest percentage of schools:
  - Identified for comprehensive support and improvement; or
  - Implementing targeted support and improvement plans





# LEA RESERVATION & USE OF FUNDS

## LEA LEVEL REQUIREMENTS – 1003A(c)(1)-(2)

LEA use of funds:

- An LEA may use up to 1% of its award for outreach and communication to parents about available direct student service providers in the LEA.
- An LEA may use up to 2% of its award for administrative costs.





# LEA RESERVATION & USE OF FUNDS

## LEA LEVEL USE OF FUNDS – 1003A(c)(3)

- Remaining funds must be used for one or more of the following direct student services:
  - Enrollment and participation in academic courses, including:
    - Advanced courses; and
    - Career and technical education coursework that is aligned with challenging State academic standards and leads to industry-recognized credentials, consistent with the requirements in the Workforce Innovation Opportunity Act
  - Credit recovery and academic acceleration courses that lead to a regular high school diploma







# LEA RESERVATION & USE OF FUNDS

## LEA LEVEL USE OF FUNDS – 1003A(c)(3) (CONTINUED)

- Activities that assist students in successfully completing postsecondary level instruction and examinations that are accepted for credit at IHEs (e.g., AP and IB)
  - May include reimbursement for low-income students for costs of fees for examinations
- Components of a personalized learning approach
  - May include high-quality academic tutoring
- Transportation to allow a student attending a school identified for comprehensive support and improvement to attend another public school that has not been identified for comprehensive support and improvement





# LEA RESERVATION & USE OF FUNDS

## LEA PRIORITIES - 1003A(c)(4)

- An LEA must:
  1. First pay costs for students enrolled in schools identified for comprehensive support and improvement;
  2. Second, pay costs for low-achieving students enrolled in schools implementing targeted support and improvement plans; and
  3. With remaining funds, pay costs for other low-achieving students served by the LEA.





# LEA RESERVATION & USE OF FUNDS

## LEA AWARDS

- An LEA may use section 1003A funds for direct student services for students in some non-Title I schools. For example an LEA may use 1003A funds for direct student services for:
  - Any student enrolled in a school identified for comprehensive support and improvement based on its low graduation rate.
  - Any low-achieving student enrolled in a school identified for targeted support and improvement because it has one or more consistently underperforming subgroups of students or because it has one or more subgroups of students performing as poorly as the lowest-performing 5% of Title I schools identified for comprehensive support and improvement.





# LEA RESERVATION & USE OF FUNDS

## UNUSED FUNDS

- If an LEA has section 1003A funds available after serving students enrolled in schools identified for comprehensive support and improvement and low-achieving students enrolled in schools identified for targeted support and improvement, it may use those funds to pay the costs of direct student services for low-achieving students in other schools served by the LEA, including non-Title I schools.





# LEA RESERVATION & USE OF FUNDS

## PERSONALIZED LEARNING APPROACH

- A “personalized learning approach” may include both in-school and out-of-school activities that help students learn real-world skills and competencies that are aligned to the State’s challenging academic standards so that all students graduate high school college- and career-ready.
- As mentioned previously, this could include high-quality tutoring.



# LEA RESERVATION & USE OF FUNDS

## TRANSPORTATION – 1003A(c)(3)(E)

- For LEAs that do not reserve funds for transportation under section 1111(d)(1)(D)(v), 1003A funds may be used to provide transportation to allow students enrolled in a school identified for comprehensive support and improvement to transfer to another public school (including a public charter school) that has not been identified for comprehensive support and improvement.



# Consultation Requirements





# CONSULTATION REQUIREMENTS

## SEA LEVEL CONSULTATION REQUIREMENTS – 1003A(a)(1)

- Before reserving funds, each SEA must conduct meaningful consultation with geographically diverse LEAs that include:
  - Suburban, rural, and urban LEAs
  - LEAs serving a high percentage of schools identified for comprehensive support and improvement, and
  - LEAs serving a high percentage of schools implementing targeted support and improvement plans.







# LEA Applications





# APPLICATIONS

## LEA APPLICATION – 1003A(d)(1)-(3)

At a minimum, each LEA must submit an application to the SEA in which it describes how the LEA will:

- Provide adequate outreach ensuring parents have meaningful choice of direct student services for their child's education;
- Ensure parents have adequate time and information to make a meaningful choice prior to enrolling their child in a direct student service;
- In the case of an LEA offering public school choice under section 1003A, ensure sufficient availability of seats in the public schools the LEA will make available for public school choice options.





# APPLICATIONS

## LEA APPLICATION – 1003A(d)(4)-(7)

- Prioritize services to students who are lowest-achieving;
- Select providers;
- Monitor the provision of direct student services; and
- Publicly report results of direct student service providers in improving relevant student outcomes in a manner accessible to parents.





# PROVIDERS

## WHO CAN BE A PROVIDER? 1003A(d)(5)

- A provider of direct student services may include one or more of:
  - The LEA or LEAs;
  - Community colleges or other IHEs;
  - Non-public entities;
  - Community-based organizations; or
  - In the case of high-quality academic tutoring, a variety of providers that are selected and approved by the State and appear on the State's list.





# Questions



