

# **School Improvement Grants Application for FY 2012 New Awards Competition**

## **Section 1003(g) of the Elementary and Secondary Education Act**

Fiscal Year 2012

CFDA Number: 84.377A

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**State Name:** North Carolina



U.S. Department of Education  
Washington, D.C. 20202

OMB Number:

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## SCHOOL IMPROVEMENT GRANTS

### **Purpose of the Program**

School Improvement Grants (SIG), authorized under section 1003(g) of Title I of the Elementary and Secondary Education Act of 1965 (Title I or ESEA), are grants to State educational agencies (SEAs) that SEAs use to make competitive subgrants to local educational agencies (LEAs) that demonstrate the greatest need for the funds and the strongest commitment to use the funds to provide adequate resources in order to raise substantially the achievement of students in their lowest-performing schools. Under the final requirements published in the *Federal Register* on October 28, 2010 (<http://www.gpo.gov/fdsys/pkg/FR-2010-10-28/pdf/2010-27313.pdf>), school improvement funds are to be focused on each State's "Priority" or "Tier I" and "Tier II" schools. Tier I schools are the lowest-achieving five percent of a State's Title I schools in improvement, corrective action, or restructuring, Title I secondary schools in improvement, corrective action, or restructuring with graduation rates below 60 percent over a number of years, and, if a State so chooses, certain Title I eligible (and participating) elementary schools that are as low achieving as the State's other Tier I schools ("newly eligible" Tier I schools). Tier II schools are the lowest-achieving five percent of a State's secondary schools that are eligible for, but do not receive, Title I, Part A funds, secondary schools that are eligible for, but do not receive, Title I, Part A funds with graduation rates below 60 percent over a number of years, and, if a State so chooses, certain additional Title I eligible (participating and non-participating) secondary schools that are as low achieving as the State's other Tier II schools or that have had a graduation rate below 60 percent over a number of years ("newly eligible" Tier II schools). An LEA also may use school improvement funds in Tier III schools, which are Title I schools in improvement, corrective action, or restructuring that are not identified as Tier I or Tier II schools and, if a State so chooses, certain additional Title I eligible (participating and non-participating) schools ("newly eligible" Tier III schools). (See Appendix B for a chart summarizing the schools included in each tier.) In the Priority or Tier I and Tier II schools an LEA chooses to serve, the LEA must implement one of four school intervention models: turnaround model, restart model, school closure, or transformation model.

### **ESEA Flexibility**

States that have received approval of their ESEA flexibility request will not be required to maintain a separate list of Tier I and Tier II schools. Under this flexibility, an LEA is eligible to apply for SIG funds to implement one of the four school intervention models defined in the SIG final requirements in a priority school even if that school is not in improvement and thus the LEA would not otherwise be eligible to receive SIG funds for the school. An SEA approved to implement this flexibility may award SIG funds above the amount needed for SIG continuation awards to an LEA with Priority schools according to the rules that apply to Tier I and Tier II schools under the SIG final requirements.

### **Availability of Funds**

The Department of Education Appropriations Act, 2012, provided \$535 million for School Improvement Grants in fiscal year (FY) 2012.

FY 2012 school improvement funds are available for obligation by SEAs and LEAs through September 30, 2014.

### **State and LEA Allocations**

Each State (including the District of Columbia and Puerto Rico), the Bureau of Indian Education, and the outlying areas are eligible to apply to receive a School Improvement Grant. The Department will allocate FY 2012 school improvement funds in proportion to the funds received in FY 2012 by the States, the Bureau of Indian Education, and the outlying areas under Parts A, C, and D of Title I of the ESEA. An SEA must allocate at least 95 percent of its school improvement funds directly to LEAs in accordance with the final requirements (<http://www.gpo.gov/fdsys/pkg/FR-2010-10-28/pdf/2010-27313.pdf>). The SEA may retain an amount not to exceed five percent of its allocation for State administration, evaluation, and technical assistance.

### **Consultation with the Committee of Practitioners**

Before submitting its application for a SIG grant to the Department, an SEA must consult with its Committee of Practitioners established under section 1903(b) of the ESEA regarding the rules and policies contained therein. The Department recommends that the SEA also consult with other stakeholders, such as potential external providers, teachers' unions, and business, civil rights, and community leaders that have an interest in its application.

# FY 2012 NEW AWARDS APPLICATION INSTRUCTIONS

This application is for use only by SEAs that will make new awards. New awards are defined as an award of SIG funds to an LEA for a school that the LEA was not previously approved to serve with SIG funds in the school year for which funds are being awarded—in this case, the 2012–2013 school year. New awards may be made with the FY 2012 funds or any remaining FY 2009, FY 2010 and FY 2011 funds not already committed to grants made in earlier competitions. The U.S. Department of Education will not require those SEAs that will use FY 2012 funds solely for continuation awards to submit a SIG application. Rather, such an SEA is required to submit an assurance that it is not making new awards, as defined above, through the separate application titled, “Continuation Awards Only Application for FY 2012 SIG Program”.

An SEA that must submit a FY 2012 application will be required to update its timeline for making awards to LEAs, but may retain all other sections from its FY 2011 application, including its lists of Tier I, II, and III schools and priority schools.

## SUBMISSION INFORMATION

### **Electronic Submission:**

The Department strongly prefers to receive an SEA’s FY 2012 SIG application electronically. The application should be sent as a Microsoft Word document, **not** as a PDF.

The SEA should submit its FY 2012 application to the following address: [OST.OESE@ED.GOV](mailto:OST.OESE@ED.GOV)

In addition, the SEA must submit a paper copy of the cover page signed by the SEA’s authorized representative to the address listed below under “Paper Submission.”

### **Paper Submission:**

If an SEA is not able to submit its application electronically, it may submit the original and two copies of its SIG application to the following address:

Carlas McCauley, Group Leader  
Office of School Turnaround  
U.S. Department of Education  
400 Maryland Avenue, SW, Room 3W320  
Washington, DC 20202-6132

Due to potential delays in government processing of mail sent through the U.S. Postal Service, SEAs are encouraged to use alternate carriers for paper submissions.

### **Application Deadline**

Applications are due on or before January 18, 2013.

### **For Further Information**

If you have any questions, please contact Carlas McCauley at (202) 260-0824 or by e-mail at [Carlas.Mccauley@ed.gov](mailto:Carlas.Mccauley@ed.gov).

APPLICATION COVER SHEET  
SCHOOL IMPROVEMENT GRANTS

<p>Legal Name of Applicant: North Carolina Department of Public Instruction</p>	<p>Applicant's Mailing Address: Mail Service Center 6351 Raleigh, NC 27601-6351</p>
<p>State Contact for the School Improvement Grant</p> <p>Name: Donna R. Brown</p> <p>Position and Office: Director, Federal Program Monitoring and Support Division</p> <p>Contact's Mailing Address: MSC 6351 Raleigh, NC 27699-6351</p> <p>Telephone: 919.807.3957</p> <p>Fax: 919.807.3968</p> <p>Email address: donna.brown@dpi.nc.gov</p>	
<p>Chief State School Officer (Printed Name): June S. Atkinson</p>	<p>Telephone: 919.807.3957</p>
<p>Signature of the Chief State School Officer: X </p>	<p>Date: <b>2-26-13</b></p>
<p>The State, through its authorized representative, agrees to comply with all requirements applicable to the School Improvement Grants program, including the assurances contained herein and the conditions that apply to any waivers that the State receives through this application.</p>	

# FY 2012 NEW AWARDS APPLICATION CHECKLIST

Please use this checklist to indicate the changes the SEA elects to make to its FY 2012 application from its FY 2011 application. An SEA will be required to update Section D (Part 1): Timeline, but will have the option to retain all other sections from its FY 2011 application, including its lists of Tier I, II, and III schools.

<b>SECTION A: ELIGIBLE SCHOOLS</b>	<input type="checkbox"/> SEA elects to keep the same definition of “persistently lowest-achieving schools” (PLA schools) as FY 2011	<input checked="" type="checkbox"/> SEA elects to revise its definition of “persistently lowest-achieving schools” (PLA schools) for FY 2012
	<i>For an SEA keeping the same definition of PLA schools, please select one of the following options:</i> <input type="checkbox"/> SEA elects not to generate new lists of Tier I, Tier II, and Tier III schools <input type="checkbox"/> SEA elects to generate new lists	<i>For an SEA revising its definition of PLA schools, please select the following option:</i> <input type="checkbox"/> SEA must generate new lists <input checked="" type="checkbox"/> SEA is substituting the PLA list with its list of priority schools (please see Waiver 4 in Section G of SEA application)
<b>SECTION B: EVALUATION CRITERIA</b>	<input checked="" type="checkbox"/> Same as FY 2011 (except for dates)	<input type="checkbox"/> Revised for FY 2012
<b>SECTION B-1: ADDITIONAL EVALUATION CRITERIA</b>	<input checked="" type="checkbox"/> Same as FY 2011 (except for dates)	<input type="checkbox"/> Revised for FY 2012
<b>SECTION C: CAPACITY</b>	<input checked="" type="checkbox"/> Same as FY 2011	<input type="checkbox"/> Revised for FY 2012
<b>SECTION D (PART 1): TIMELINE</b>	<input checked="" type="checkbox"/> Revised for FY 2012	
<b>SECTION D (PARTS 2-8): DESCRIPTIVE INFORMATION</b>	<input checked="" type="checkbox"/> Same as FY 2011	<input type="checkbox"/> Revised for FY 2012
<b>SECTION E: SEA RESERVATION</b>	<input checked="" type="checkbox"/> Same as FY 2011	<input type="checkbox"/> Revised for FY 2012
<b>SECTION F: CONSULTATION WITH STAKEHOLDERS</b>	<input checked="" type="checkbox"/> Consultation with stakeholders provided.	
<b>SECTION G: WAIVERS</b>	<input checked="" type="checkbox"/> Same as FY 2011	<input type="checkbox"/> Revised for FY 2012

## PART I: SEA REQUIREMENTS

As part of its FY 2012 application for a School Improvement Grant under section 1003(g) of the ESEA, an SEA will be required to update its timeline, but may retain all other sections from its FY 2011 application, including its lists of Tier I, II, and III schools.

<b>SECTION A: ELIGIBLE SCHOOLS</b>	
<input type="checkbox"/> <b>Definition of “persistently lowest-achieving schools” (PLA schools) is same as FY 2011</b>	<input type="checkbox"/> <b>Definition of “persistently lowest-achieving schools” (PLA schools) is revised for FY 2012</b> <input checked="" type="checkbox"/> <b>SEA is substituting the PLA list with its list of priority schools (please see Waiver 4 in Section G of SEA application)</b>
<p><i>For an SEA keeping the same definition of PLA schools, please select one of the following options:</i></p> <input type="checkbox"/> 1. The SEA elects not to generate new lists of Tier I, Tier II, and Tier III schools. The SEA does not need to submit a new list for the FY 2012 application.  <input type="checkbox"/> 2. SEA elects to generate new lists. Lists submitted below.	<p><i>For an SEA revising its definition of PLA schools, please select the following option:</i></p> <input type="checkbox"/> 1. SEA must generate new lists of Tier I, Tier II, and Tier III schools because it has revised its definition of “persistently lowest-achieving schools.” Lists submitted below. <input checked="" type="checkbox"/> 2. SEA has generated a PLA list in accordance with their ESEA Flexibility request. List submitted below.

**Directions:** An SEA that elects to generate new lists or must generate new lists of Priority or Tier I, Tier II, and Tier III schools because it has revised its definition of “persistently lowest-achieving schools” must attach a table to its SIG application that include its lists of all Priority or Tier I, Tier II, and Tier III schools that are eligible for new awards.<sup>1</sup> An SEA that will not generate new lists of Tier I, Tier II, and Tier III schools does not need to submit a new list for the FY 2012 application.

SEAs that generate new lists should create this table in Excel using the format shown below. An example of the table has been provided for guidance.

<sup>1</sup> A “new award” is defined as an award of SIG funds to an LEA for a school that the LEA was not previously approved to serve with SIG funds in the school year for which funds are being awarded—in this case, the 2012–2013 school year. New awards may be made with the FY 2012 funds or any remaining FY 2009, FY 2010 or FY 2011 funds not already committed to grants made in earlier competitions.

**SCHOOLS ELIGIBLE FOR FY 2012 SIG FUNDS**

LEA NAME	LEA NCES ID #	SCHOOL NAME	SCHOOL NCES ID#	PRIORITY	TIER I	TIER II	TIER III	GRAD RATE	NEWLY ELIGIBLE <sup>2</sup>

**EXAMPLE:**

**SCHOOLS ELIGIBLE FOR FY 2012 SIG FUNDS**

LEA NAME	LEA NCES ID #	SCHOOL NAME	SCHOOL NCES ID#	PRIORITY	TIER I	TIER II	TIER III	GRAD RATE	NEWLY ELIGIBLE
LEA 1	##	HARRISON ES	##		X				
LEA 1	##	MADISON ES	##		X				
LEA 1	##	TAYLOR MS	##				X		X
LEA 2	##	WASHINGTON ES	##		X				
LEA 2	##	FILLMORE HS	##				X		
LEA 3	##	TYLER HS	##			X		X	
LEA 4	##	VAN BUREN MS	##		X				
LEA 4	##	POLK ES	##				X		

**Directions:** All SEAs are required to list any LEAs with one or more schools for which funding under previously awarded SIG grants will not be renewed. For each such school, note the amount of unused remaining funds and explain how the SEA or LEA plans to use those funds (e.g., reallocate to other schools with SIG grants or retain for a future SIG competition).

LEA NAME	SCHOOL NAME	DESCRIPTION OF HOW REMAINING FUNDS WERE OR WILL BE USED	AMOUNT OF REMAINING FUNDS
<b>TOTAL AMOUNT OF REMAINING FUNDS:</b>			

<sup>2</sup> “Newly Eligible” refers to a school that was made eligible to receive SIG funds by the Consolidated Appropriations Act, 2010. A newly eligible school may be identified for Tier I or Tier II because it has not made adequate yearly progress for at least two consecutive years; is in the State’s lowest quintile of performance based on proficiency rates on State’s assessments; and is no higher achieving than the highest-achieving school identified by the SEA as a “persistently lowest-achieving school” or is a high school that has a graduation rate less than 60 percent over a number of years. For complete definitions of and additional information about “newly eligible schools,” please refer to the FY 2010 SIG Guidance, questions A-20 to A-30.

**Directions:** In the boxes below, provide updates to any sections, if any, the SEA elects to revise. The only section the SEA will be required to update is *Section D (Part 1): Timeline*. The SEA does not need to resubmit information for any section in which it elects to use the same criteria as its FY 2011 SIG application. See Appendix A for guidelines on the information required for revised sections.

**SECTION B: EVALUATION CRITERIA**

SEA is using the same information in this section as in its FY 2011 application. The SEA does not need to resubmit this section.

SEA has revised the information in this section for FY 2012. Updated information listed below.

Part 1

Each LEA with identified Priority Schools will be notified of eligibility in order to provide an opportunity for submitting a Letter of Intent. Applications and budgets for Priority Schools will be prioritized for funding as outlined in section D(5) of the SEA application.

Each application will be reviewed to determine if the LEA has sufficiently demonstrated an analysis of needs for each school, identified specific interventions for all schools, addressed capacity for supporting interventions, and budgeted to appropriately implement selected interventions within a specific timeline. The SIG Scoring Rubric is attached in Appendix D.

For each of the SIG requirements listed in the rubric, the LEA application will be rated as follows:

Leading	Developing	Emerging	Lacking
10 points	6 points	2 points	0 points

LEAs submitting requests for schools will be prioritized for funding based on the total number of points received out of a possible 50 points total. An LEA Application that receives a rating of 0 for any required component will not be approved.

Part 2

In order to effectively assess the LEA’s commitment to implement interventions throughout the period of SIG funding, DPI will utilize the Scoring Rubric (Appendix D) for each of the required components. Exemplars for each component are described as Leading in the rubric. DPI will provide funding to LEAs in priority for applications receiving the highest overall scores based on ratings described in section B(1). Descriptions must clearly demonstrate the following:

- Evidence of a thorough needs assessment clearly aligned to the selected intervention;
- Description of external partner/provider selection, alignment of resources, modification of existing policies or practices, and efforts to sustain the reforms;
- Capacity to support the interventions with adequate resources, monitoring, and evaluation; and
- Proposed budgets sufficient to implement the selected intervention.

In the LEA application, LEAs will have an opportunity to address any interventions that have been implemented prior to the receipt of SIG funds (see attached LEA Application). DPI will monitor the LEAs implementation of the interventions supported with SIG funds throughout the period of fund availability as described in section D(4) of this application to further ensure LEA commitment is sustained.

### **SECTION B-1: ADDITIONAL EVALUATION CRITERIA FOR PRE-IMPLEMENTATION**

SEA is using the same information in this section as in its FY 2011 application. The SEA does not need to resubmit this section.

SEA has revised the information in this section for FY 2012. Updated information listed below.

(1) For LEAs that choose to conduct pre-implementation activities, budgets provided within the FY12 SIG LEA application will be reviewed to determine if pre-implementation activities and expenses are directly related to full and effective implementation of the selected intervention model, both reasonable and necessary for implementation, address the LEA identified needs, and help improve student academic achievement. In Section E of the LEA application, the LEA must provide appropriate budget codes from the DPI Chart of Accounts indicating how funds will be budgeted to demonstrate allowable use of funds through pre-implementation activities.

(2) Technical assistance will be provided by the SEA in February, 2013, with multiple webinars and regional/on-site technical assistance as needed. In Section C of the LEA application scoring rubric (attached as Appendix D), the LEA's proposed pre-implementation activities will be evaluated to determine alignment to local needs assessment outcomes, alignment of other resources with the intervention model, appropriate communication and collaboration with stakeholders, and modification of its practices or policies to fully support implementation of the selected intervention model, sustain the reform efforts, and improve student achievement.

### **SECTION C: CAPACITY**

SEA is using the same information in this section as in its FY 2011 application. The SEA does not need to resubmit this section.

SEA has revised the information in this section for FY 2012. Updated information listed below.

To determine each LEAs capacity to support its schools, DPI annually reviews district capacity based on specific criteria as a part the Statewide System of Support. Capacity is measured by a combined index of the Disadvantaged Student Supplemental Funding (DSSF) index and the low wealth percentage. Capacity should not be equated to funding levels.

DSSF index combines weighted "community" variables that are correlated to low student performance. It provides information on the student population.

- Percentage of public school students living in a single parent household;
- Percentage of students eligible for federal ESEA Title I; and

- Percentage of public school students who have at least one parent with less than a high school diploma.

Low Wealth index combines weighted financial variables that are a reflection of the LEAs ability to generate their own funds as compared with the State average. LEAs that fall below the State average are eligible for supplemental state funds.

- Anticipated Total County Revenue
- Tax Base per Square Mile (Density)
- Per Capita Income

Although the initial screening process as described above determines general capacity, the LEA must demonstrate capacity in its application for SIG funds by sufficiently describing how:

- Existing resources are clearly aligned to selected interventions including district and school staff that will be used to implement intervention;
- Additional resources that will be needed to implement the intervention have been identified;
- Specific annual goals and measurable objectives for each intervention implemented in the schools align to the intervention model and the school’s identified needs;
- A monitoring plan for ongoing review of interventions will ensure the fidelity of implementation steps; and
- Periodic evaluation measures clearly align to all of the measurable objectives for each school’s progress toward achieving its goals with timeline and persons responsible.

The SEA realizes that specific conditions often exist within an LEA that may result in the LEAs lack of capacity to implement the rigorous intervention models with SIG funds. For example, an LEA might be able to demonstrate a lack of capacity if it lacks a sufficient number of school leaders (e.g., principals, assistant principals, teacher leaders) capable of implementing one of the rigorous interventions. Additionally, an LEA might sufficiently describe that it can best impact student achievement by focusing resources heavily in a subset of Priority Schools, attempting to turn around some schools before proceeding to others.

If an LEA does not choose to serve an identified Priority School, the LEA may describe why it lacks capacity to do so in its application. LEA applications that sufficiently justify a lack of capacity to serve all of its Priority Schools may still receive funds for the remaining eligible Priority Schools. If DPI determines that an LEA has more capacity than it claims in its application, DPI will require the LEA to provide additional information and/or data to substantiate its lack of capacity to serve each its Priority Schools. If the LEA cannot substantiate a lack of such capacity, its SIG application will not be approved for funding.

**SECTION D (PART 1): TIMELINE:** An SEA must describe its process and timeline for approving LEA applications.

Part 1

The timeline for SIG funds is as follows:

- \*February 11, 2013 – Post Public Notice and consult the Committee of Practitioners
- \*February 14, 2013 – Draft provided to the Committee of Practitioners
- \*February 15, 2013 – Priority Schools Webinar
- \*February 22, 2013 – Letter of Intent for Priority Schools due to DPI

- \*February 25 – April 5, 2013 - Ongoing Technical Assistance to LEAs
- \*April 19, 2013 – LEA SIG Applications for Priority Schools due to DPI
- \*April 22-26, 2013 – Application Peer Review/Scoring
- \*April 30, 2013 – Final Approval of LEA Applications for Priority Schools
- \*May 2, 2013 – Release “Intent to Fund” notice to approved LEAs. The grant will be awarded over a two-year period, using FY 2012 and projected FY 2013 funds to support the full three years of SIG implementation.

**SECTION D (PARTS 2-8) DESCRIPTIVE INFORMATION:**

SEA is using the same information in this section as in its FY 2011 application. The SEA does not need to resubmit this section.

SEA has revised the information in this section for FY 2012. Updated information listed below.

Part 2

(2) LEA Applications for School Improvement Grant funds will be reviewed by a team of internal and external reviewers with expertise in school reform initiatives such as comprehensive needs assessments, curriculum alignment, school leadership, and teacher evaluation. Each application will be independently reviewed by two members of the review team. LEA applications and budgets will be reviewed utilizing the criteria outlined in the Scoring Rubric provided in Appendix D of this application to determine if the LEA has sufficiently met the requirements for the use of SIG funds.

(3) Each LEA receiving SIG funds for Priority Schools must annually report on the progress of meeting its goals. DPI will review required reports on an annual basis to determine if the LEAs School Improvement Grant requires revision.

The LEA must demonstrate progress with appropriate increases (e.g., increased the percentage of students that are proficient on state reading assessments), or appropriate decreases (e.g., decreased the total number of tardies in grade 6) on each measurable objective described in its application. Progress on locally established goals and objectives will be reported to DPI in June of each year of funding. Student outcomes will be reviewed after state assessments are administered on an annual basis.

For LEAs with schools not meeting annual goals as described in the initial application, the LEA must revise the implementation plan outlining specific steps that will be taken to ensure the success of selected interventions. Revisions and budget amendments along with annual progress reports will be reviewed to determine if the LEAs SIG funds will be renewed.

(4) The monitoring plan for SIG funds consists of the following elements.

Application and Assurances

In order to be eligible to receive funds, each LEA signs and submits to DPI the “Assurances for SIG Funds” which is included in this application.

Allotment

SIG funds are allotted in Program Report Codes (PRC) 117 and 143 to distinguish these funds from all other funds at the LEA. In general, allotments are issued to sub-recipients at the beginning of the school year and

through the year as additional federal program budgets are approved or additional funds become available.

### Budgeting Process

Budgets for federal programs, including SIG funds, are submitted to DPI via the Budget Utilization and Development (BUD) System. In BUD, SIG funds are budgeted according to purpose and object, using a chart of accounts aligned to federal requirements and limitations on the allowable use of funds. The BUD system also captures detail for salary line items, such as number of positions and monthly salary, and detail on equipment items over \$5,000. Federal program budgets are submitted annually through the BUD System, and amended as necessary during the year. DPI Federal program administrators are responsible for approving budgets for their programs. The Federal Program Monitoring and Support Division approves budgets for SIG funds.

### Onsite and Desk Review Monitoring

Federal program consultants monitor federal grant sub-recipients on an annual basis. For LEAs receiving SIG funds, federal program staff will conduct on-site and desk reviews to determine the quality of interventions being implemented at each school identified in the LEAs initial application for funding. All LEAs receiving SIG funds will be monitored through on-site and desk reviews at least once per year. On-site and desk reviews will be conducted for all schools in the LEA receiving SIG funds or participating in LEA-level activities provided with SIG funds. During on-site visits, DPI conducts documentation review, observation of interventions, and interviews with appropriate staff. Desk reviews will include documentation review, a comparison of the budget versus the expenditures aligned to the approved plan, and virtual interviews (e.g., phone conference, webinars, etc.) as appropriate.

In addition, monitoring will be conducted as a component of the North Carolina Statewide System of Support and in coordination with its Race to the Top grant plan. Some LEAs identified as having the least capacity and lowest performing schools, are encouraged to enter into a three-year agreement with DPI to provide intense resources and support. DPI staff members are assigned to assist the LEA on-site throughout each of three (3) years with ongoing need assessments, budget analysis, resource allocation, plan implementation, and program evaluation. For these LEAs, DPI coordinates monitoring efforts through a three-prong roundtable structure that provides for cross-agency collaboration and coordination of both monitoring and support.

Regional Roundtables consisting of appropriate DPI and Regional Educational Service Agency (RESA) staff meet on a monthly basis to coordinate monitoring and support for districts and schools. For those districts serving schools with SIG funds, a function of the Regional Roundtable will be to ensure that interventions with SIG funds are implemented fully and effectively for the Priority Schools as identified in the LEA application.

### Monitoring of Expenditures

DPI monitoring of expenditures involves the use of several established systems and reports within DPI. These systems and reports are described below:

**UERS:** The acronym for the Uniform Education Reporting System. It is the legislated required accounting system specifications and processes designed to help ensure standard, accurate, reporting of accounting activity by the school systems in order to maintain uniform reporting of the use of various funds to the state.

**Uniform Chart of Accounts:** All LEAs are required to use the Uniform Chart of Accounts. This chart is administered and controlled at the State level. When a new grant or program is funded by the State or federal government, the initial chart is created, conferring with the program staff to ensure that only allowable expenditures are included in the chart. LEAs may request additions to the chart after the initial set up. These requests are made in writing and are only added at the approval of the DPI financial and program staff.

**Financial Data Collection:** On a monthly basis, each LEA is required to submit all financial data in a required

file layout. The financial data include all expenditures from state, federal and local account, detail of all checks written and all payroll records by social security. All the LEAs financial data are run through a series of UERS edits to determine if the data are in compliance with accounting specifications. After the data have passed the UERS edits, they are validated against our Uniform Chart of Accounts to determine which expenditures, if any, have been coded to account codes that are unallowable or invalid. A monitoring letter is provided electronically to the LEAs listing all the invalid codes. LEAs are required to correct all errors.

**Salary Audit:** A large percentage of education funds are expended on certified personnel (principals, teachers and instructional support). In order to ensure that personnel expenditures are appropriate, DPI audits expenditures coded to certified personnel. All monthly payroll detail is loaded in to a Salary/Licensure database at DPI. This system audits combines the salary paid, the license of individuals and the chart of accounts. The audit process ensures the following:

- The person coded from the grant is certified in the appropriate license area;
- The salary paid from the fund is allowable according to State law; and
- Only persons with specific license areas can be paid from certain budget codes.

All LEAs have access to the audit exception list via a web application. DPI has two salary audit personnel to consult with LEAs and monitor the exceptions. All audit exceptions must be cleared.

**Communication and Reports Back to the LEAs:** A monitoring letter is provided electronically to the LEAs listing all the invalid codes. LEAs are required to correct all errors.

The following monthly reports are made available to the LEAs:

- **Budget Balance Report (JHA305EG):** This is the primary report used to reconcile expenditures which have been posted for the Federal Funds (by grant) for each LEA. The report shows the most recent total budget amount for the year, current month expenditures, current month adjustments and refunds, year-to-date expenditures, and remaining budget balance. If the expenditures do not have a corresponding budget, then the LEA will need to complete a budget amendment through the BUD system and the Program section to correct this.
- **Cash Balance Report (JHA314EG):** This is the primary report used to reconcile the cash certifications which have posted for the Federal Funds. It is in two parts; year-to-date figures (R01), and monthly figures (R03). This report shows the beginning of the fiscal year cash balance, the certifications recorded, the cash expenditures recorded, and the ending calculated cash balance. It also shows the amount of dollars still available (Authority to Draw) to be requested for the PRC.
- **Federal Cash Zero-out Report (JHA903EG):** This report is used to notify the LEA of the amount of the monthly cash zero-out for the Federal funds, by program. It is a summary report by PRC.
- **Monthly Financial Reports:**
  - DBS/MFR Match Report (JHA899EG):** This report shows the comparison month-to-date and year-to-date between the DBS/MSA data (datafile) and the MFR data (LEA general ledger). Any differences on this report should be reconciled monthly.
  - MFR Error Messages Issued Report (PGA10RP4-E):** This report provides all errors that must be corrected (in all funds).
  - MFR Verification Messages Issued Report (PGA10RP4-V):** This report notifies the LEA of unusual transactions/conditions. Items on this report do not have to be corrected if they are valid transactions. If they are not valid transactions, then the LEA only needs to correct its general ledger. It is not necessary to notify DPI of these corrections.
  - MFR Revenue & Expenditure Summary Report (PGA10RP5):** This report is grouped by PRC. It shows all revenue and expenditure codes categorized by Fund: State, Federal, and Local. Each fund shows Total Revenues, Total Expenditures, and any Difference. Revenues and Expenditures should

equal for State and Federal funds.

#### Monthly Zero-Out Process

DPI utilizes a zero-out process to prevent subrecipients from keeping cash on hand above the amount of reported expenditures. Each month the LEAs' federal fund balances are compared against expenditures reported. If there is excess cash above expenditures, the cash balance is returned to DPI. If more expenditures have been reported than cash requested, the LEA receives cash to cover the expenditures up to the periods authorized funding limit. In this way, cash balances are kept to a minimum.

#### Independent Audit and Single Audit Review

A single audit is required annually by the various federal and state agencies. This requires an outside, independent auditor to come into the school system to audit their books and records in accordance with the requirements of the program. The audit compliance supplement directs this audit. A State Compliance Supplement is prepared for programs funded by state or federal funds. Auditors utilize the Federal compliance supplements in OMB Circular A-133, as well as the State compliance supplements. In the State supplements, DPI can direct auditors to review certain areas for compliance with state or federal requirements. The auditor informs the user of the audit if the entity audited is using funds according to the grant specifications. If the auditor finds problems referred to as deficiency or a material finding, the issues are explained in the audit.

The Single Audit accountant at DPI reviews the single audits from all LEAs. When the independent auditor reports a material audit finding, DPI requests an action plan. When a Significant Deficiency or a Material Finding is reported on a Federal Program in the audit, the Single Audit Accountant makes a copy of the finding for the Federal Program involved. DPI may ask the auditor for the working papers on these for further review. In addition the school system may be provided with technical assistance to review and help correct the problem. In some cases, DPI will ask the school system to repay the money they received because they used the funds improperly.

All questioned costs (subject to a threshold that varies with the program) are presented to the appropriate DPI program administrator for review. The DPI program administrator has 30 days to review the cost and report back to the Monitoring & Compliance Section. The Monitoring & Compliance Section follows the recommendation of the DPI program administrator. If recommended, the questioned cost is recovered from the proper party. The Single Audit Accountant updates a tracking table at each step in the process, to provide for follow up.

(5) School Improvement grants will be allotted to districts committing to serve its Priority Schools. LEA Applications will be reviewed and rated as described in Part 1 of section B in this application. LEAs that receive the highest rating as determined by the identified criteria in the Scoring Rubric will receive priority for funds. An LEA Application that receives a rating of 0 for any required component in accordance with SIG final rules will not be approved.

The SEA may determine that SIG funds allocated to an LEA may be less than what the LEA budget indicates is requested if the SEA determines that a lesser amount is needed to implement the proposed intervention(s) or if the SEA determines the LEA does not have the capacity to implement the proposed intervention(s). Final funding will be determined in consideration of the overall distribution of funds relative to geographical regions of the state.

(6) Not Applicable.

(7) DPI does not intend to take over any Priority Schools.

(8) In coordination with the North Carolina Statewide System of Support, DPI will provide direct services to LEAs for which the following apply:

The SEA has determined the LEA does not have sufficient capacity for implementing the interventions identified for its schools; and

The LEA enters into an agreement with DPI to allow the SEA to provide direct services.

While the SEA will not assume responsibility for implementing the intervention models, SEA services will provide support for the implementation of the models including data analysis, budget review, identifying resources for sustainability, and facilitation of professional development needs for staff.

### **SECTION E: SEA RESERVATION**

SEA is using the same information in this section as in its FY 2011 application. The SEA does not need to resubmit this section.

SEA has revised the information in this section for FY 2012. Updated information listed below.

DPI will reserve five (5) percent of the School Improvement Grant for administration, evaluation, and monitoring of its SIG funded implementations. Funds will be used as follows:

- Provide technical assistance to LEAs to assist with the plan development including the statewide meeting with current and potential SIG schools;
- Increase resources to support the application review process and monitoring requirements including contracts with outside experts;
- Enhance existing DPI data systems to include required SIG data reporting elements;
- Complete the evaluation process on an annual basis for each LEA receiving SIG funds; and
- Increase direct services for LEAs determined to have low capacity for implementing interventions in coordination with the Statewide System of Support and the Race to the Top initiative.

### **SECTION F: CONSULTATION WITH STAKEHOLDERS**

By checking this box, the SEA assures that it has consulted with its Committee of Practitioners regarding the information set forth in its application.

**SECTION G: WAIVERS:** SEAs are invited to request waivers of the requirements set forth below. An SEA must check the corresponding box(es) to indicate which waiver(s) it is requesting.

### **WAIVERS OF SEA REQUIREMENTS**

**North Carolina** requests a waiver of the State-level requirements it has indicated below. The State believes that the requested waiver(s) will increase its ability to implement the SIG program effectively in eligible schools in the State in order to improve the quality of instruction and raise the academic achievement of students in Priority or Tier I, Tier II, and Tier III schools.

**Waiver 1: Tier II waiver**

**Note: An SEA that requested and received the Tier II waiver for its FY 2011 definition of “persistently lowest achieving schools” should request the waiver again only if it is generating new lists of Tier I, Tier II, and Tier III schools.**

In order to enable the State to generate new lists of Tier I, Tier II, and Tier III schools for its FY 2012 competition, waive paragraph (a)(2) of the definition of “persistently lowest-achieving schools” in Section I.A.3 of the SIG final requirements and incorporation of that definition in identifying Tier II schools under Section I.A.1(b) of those requirements to permit the State to include, in the pool of secondary schools from which it determines those that are the persistently lowest-achieving schools in the State, secondary schools participating under Title I, Part A of the ESEA that have not made adequate yearly progress (AYP) for at least two consecutive years or are in the State’s lowest quintile of performance based on proficiency rates on the State’s assessments in reading/language arts and mathematics combined.

**Assurance**

The State assures that it will include in the pool of schools from which it identifies its Tier II schools all Title I secondary schools not identified in Tier I that either (1) have not made AYP for at least two consecutive years; or (2) are in the State’s lowest quintile of performance based on proficiency rates on the State’s assessments in reading/language arts and mathematics combined. Within that pool, the State assures that it will identify as Tier II schools the persistently lowest-achieving schools in accordance with its approved definition. The State is attaching the list of schools and their level of achievement (as determined under paragraph (b) of the definition of “persistently lowest-achieving schools”) that would be identified as Tier II schools without the waiver and those that would be identified with the waiver. The State assures that it will ensure that any LEA that chooses to use SIG funds in a Title I secondary school that becomes an eligible Tier II school based on this waiver will comply with the SIG final requirements for serving that school.

**Waiver 2: n-size waiver**

**Note: An SEA that requested and received the n-size waiver for its FY 2011 definition of “persistently lowest-achieving schools” should request the waiver again only if it is generating new lists of Tier I, Tier II, and Tier III schools.**

In order to enable the State to generate new lists of Tier I, Tier II, and Tier III schools for its FY 2012 competition, waive the definition of “persistently lowest-achieving schools” in Section I.A.3 of the SIG final requirements and the use of that definition in Section I.A.1(a) and (b) of those requirements to permit the State to exclude, from the pool of schools from which it identifies the persistently lowest-achieving schools for Tier I and Tier II, any school in which the total number of students in the “all students” group in the grades assessed is less than **[Please indicate number]**.

**Assurance**

The State assures that it determined whether it needs to identify five percent of schools or five schools in each tier prior to excluding small schools below its “minimum n.” The State is attaching, and will post on its Web site, a list of the schools in each tier that it will exclude under this waiver and the number of students in each school on which that determination is based. The State will include its “minimum n” in its definition of “persistently lowest-achieving schools.” In addition, the State will include in its list of Tier III schools any schools excluded from the pool of schools from which it identified the persistently lowest-achieving schools in accordance with this waiver.

**Waiver 3: New list waiver**

Because the State does not elect to generate new lists of Tier I, Tier II, and Tier III schools, waive Sections I.A.1 and II.B.10 of the SIG final requirements to permit the State to use the same Tier I, Tier II, and Tier III lists it used for its FY 2011 competition.

**Waiver 4: Priority schools list waiver**

In order to enable the State to replace its lists of Tier I, Tier II, and Tier III schools with its list of Priority schools under ESEA flexibility, waive the school eligibility requirements in Section I.A.1 of the SIG final requirements.

Assurance

The State assures that, through its request for ESEA flexibility, its priority school definition provides an acceptable alternative methodology for identifying the State's lowest-performing schools and thus is an appropriate replacement for the eligibility requirements and definition of PLA schools in the SIG final requirements.

**WAIVERS OF LEA REQUIREMENTS**

**North Carolina** requests a waiver of the requirements it has indicated below. These waivers would allow any local educational agency (LEA) in the State that receives a School Improvement Grant to use those funds in accordance with the final requirements for School Improvement Grants and the LEA's application for a grant.

The State believes that the requested waiver(s) will increase the quality of instruction for students and improve the academic achievement of students in Priority, Tier I, Tier II, and Tier III schools by enabling an LEA to use more effectively the school improvement funds to implement one of the four school intervention models in its Priority or Tier I, Tier II, or Tier III schools. The four school intervention models are specifically designed to raise substantially the achievement of students in the State's Priority or Tier I, Tier II, and Tier III schools.

**Waiver 5: School improvement timeline waiver**

**Note: An SEA that requested and received the school improvement timeline waiver for the FY 2011 competition and wishes to also receive the waiver for the FY 2012 competition must request the waiver again in this application.**

**Schools that started implementation of a turnaround or restart model in the 2010-2011, 2011-2012 or 2012-2013 school years cannot request this waiver to "start over" their school improvement timeline again.**

Waive section 1116(b)(12) of the ESEA to permit LEAs to allow their Priority or Tier I, Tier II, and Tier III Title I participating schools that will fully implement a turnaround or restart model beginning in the 2013-2014 school year to "start over" in the school improvement timeline.

Assurances

The State assures that it will permit an LEA to implement this waiver only if the LEA receives a School Improvement Grant and requests the waiver in its application as part of a plan to implement the turnaround or restart model beginning in 2013-2014 in a school that the SEA has approved it to serve. As such, the LEA may only implement the waiver in Priority or Tier I, Tier II, and Tier III schools, as applicable, included in its application.

The State assures that, if it is granted this waiver, it will submit to the U.S. Department of Education a report that sets forth the name and NCES District Identification Number for each LEA implementing a waiver.

**Waiver 6: Schoolwide program waiver**

**Note: An SEA that requested and received the schoolwide program waiver for the FY 2011 competition and wishes to also receive the waiver for the FY 2012 competition must request the waiver again in this application.**

Waive the 40 percent poverty eligibility threshold in section 1114(a)(1) of the ESEA to permit LEAs to implement a schoolwide program in a Priority, Tier I, Tier II, or Tier III Title I participating school that does not meet the poverty threshold and is fully implementing one of the four school intervention models.

Assurances

The State assures that it will permit an LEA to implement this waiver only if the LEA receives a School Improvement Grant and requests to implement the waiver in its application. As such, the LEA may only implement the waiver in Priority or Tier I, Tier II, and Tier III schools, as applicable, included in its application.

The State assures that, if it is granted this waiver, it will submit to the U.S. Department of Education a report that sets forth the

name and NCES District Identification Number for each LEA implementing a waiver.

**ASSURANCE OF NOTICE AND COMMENT PERIOD – APPLIES TO ALL WAIVER REQUESTS**  
**(Must check if requesting one or more waivers)**

The State assures that, prior to submitting its School Improvement Grant application, the State provided all LEAs in the State that are eligible to receive a School Improvement Grant with notice and a reasonable opportunity to comment on its waiver request(s) and has attached a copy of that notice as well as copies of any comments it received from LEAs. The State also assures that it provided notice and information regarding the above waiver request(s) to the public in the manner in which the State customarily provides such notice and information to the public (*e.g.*, by publishing a notice in the newspaper; by posting information on its Web site) and has attached a copy of, or link to, that notice.

**PART II: LEA APPLICATION**

An SEA must develop an LEA application form that it will use to make subgrants of school improvement funds to eligible LEAs.

**LEA APPLICATION**

SEA is using the same FY 2011 LEA application form for FY 2012.

The SEA does not need to resubmit the LEA application.

SEA has revised its LEA application form for FY 2012.

The SEA must submit its LEA application form with its application to the Department for a School Improvement Grant. The SEA should attach the LEA application form in a separate document.

**LEA APPLICATION REQUIREMENTS**

The LEA application form that the SEA uses must contain, at a minimum, the information set forth below. An SEA may include other information that it deems necessary in order to award school improvement funds to its LEAs.

**A. SCHOOLS TO BE SERVED: An LEA must include the following information with respect to the schools it will serve with a School Improvement Grant.**

An LEA must identify each Priority, Tier I, Tier II, or Tier III school the LEA commits to serve and identify the model that the LEA will use in each Priority, Tier I or Tier II school.

SCHOOL NAME	NCES ID #	PRIORITY	TIER I	TIER II	TIER III	INTERVENTION (TIER I AND II ONLY)			
						turnaround	restart	closure	transformation

Note: An LEA that has nine or more Tier I, Tier II or priority schools may not implement the transformation model in more than 50 percent of those schools.

**B. DESCRIPTIVE INFORMATION: An LEA must include the following information in its application for a School Improvement Grant.**

- (1) For each Priority or Tier I and Tier II school that the LEA commits to serve, the LEA must demonstrate that—
  - The LEA has analyzed the needs of each school and selected an intervention for each school; and
  - The LEA has the capacity to use school improvement funds to provide adequate resources and related support to each Priority or Tier I and Tier II school identified in the LEA’s application in order to implement, fully and effectively, the required activities of the school intervention model it has selected.
- (2) If the LEA is not applying to serve each Priority or Tier I school, the LEA must explain why it lacks capacity to serve each Priority or Tier I school.
- (3) The LEA must describe actions it has taken, or will take, to—
  - Design and implement interventions consistent with the final requirements;
  - Recruit, screen, and select external providers, if applicable, to ensure their quality;
  - Align other resources with the interventions;
  - Modify its practices or policies, if necessary, to enable its schools to implement the interventions fully and effectively; and
  - Sustain the reforms after the funding period ends.
- (4) The LEA must include a timeline delineating the steps it will take to implement the selected intervention in each Priority or Tier I and Tier II School identified in the LEA’s application.
- (5) The LEA must describe the annual goals for student achievement on the State’s assessments in both reading/language arts and mathematics that it has established in order to monitor its Priority or Tier I and Tier II schools that receive school improvement funds.
- (6) For each Tier III school the LEA commits to serve, the LEA must identify the services the school will receive or the activities the school will implement.
- (7) The LEA must describe the goals it has established (subject to approval by the SEA) in order to hold accountable its Tier III schools that receive school improvement funds.
- (8) As appropriate, the LEA must consult with relevant stakeholders regarding the LEA’s application and implementation of school improvement models in its Priority or Tier I and Tier II schools.

**C. BUDGET: An LEA must include a budget that indicates the amount of school improvement funds the LEA will use each year in each Priority, Tier I, Tier II, and Tier III School it commits to serve.**

The LEA must provide a budget that indicates the amount of school improvement funds the LEA will use each year to—

- Implement the selected model in each Priority or Tier I and Tier II school it commits to serve;
- Conduct LEA-level activities designed to support implementation of the selected school intervention models in the LEA’s Priority or Tier I and Tier II schools; and
- Support school improvement activities, at the school or LEA level, for each Tier III school identified in the LEA’s application.

Note: An LEA’s budget should cover three years of full implementation and be of sufficient size and scope to implement the selected school intervention model in each Priority or Tier I and Tier II school the LEA commits to serve. Any funding for activities during the pre-implementation period must be included in the first year of the LEA’s three-year budget plan.

An LEA’s budget for each year may not exceed the number of Priority or Tier I, Tier II, and Tier III schools it commits to serve multiplied by \$2,000,000 or no more than \$6,000,000 over three years.

**Example:**

<b>LEA XX BUDGET</b>					
	<b>Year 1 Budget</b>		<b>Year 2 Budget</b>	<b>Year 3 Budget</b>	<b>Three-Year Total</b>
	<b>Pre-implementation</b>	<b>Year 1 - Full Implementation</b>			
<b>Tier I ES #1</b>	\$257,000	\$1,156,000	\$1,325,000	\$1,200,000	\$3,938,000
<b>Tier I ES #2</b>	\$125,500	\$890,500	\$846,500	\$795,000	\$2,657,500
<b>Tier I MS #1</b>	\$304,250	\$1,295,750	\$1,600,000	\$1,600,000	\$4,800,000
<b>Tier II HS #1</b>	\$530,000	\$1,470,000	\$1,960,000	\$1,775,000	\$5,735,000
<b>LEA-level Activities</b>	\$250,000		\$250,000	\$250,000	\$750,000
<b>Total Budget</b>	<b>\$6,279,000</b>		<b>\$5,981,500</b>	<b>\$5,620,000</b>	<b>\$17,880,500</b>

**D. ASSURANCES: An LEA must include the following assurances in its application for a School Improvement Grant.**

The LEA must assure that it will—

- (1) Use its School Improvement Grant to implement fully and effectively an intervention in each Priority or Tier I and Tier II school that the LEA commits to serve consistent with the final requirements;
- (2) Establish annual goals for student achievement on the State’s assessments in both reading/language arts and mathematics and measure progress on the leading indicators in section III of the final requirements in order to monitor each Priority or Tier I and Tier II school that it serves with school improvement funds, and establish goals (approved by the SEA) to hold accountable its Tier III schools that receive school improvement funds;
- (3) If it implements a restart model in a Priority, Tier I or Tier II school, include in its contract or agreement terms and provisions to hold the charter operator, charter management organization, or education management organization accountable for complying with the final requirements;
- (4) Monitor and evaluate the actions a school has taken, as outlined in the approved SIG application, to recruit, select and provide oversight to external providers to ensure their quality.
- (5) Monitor and evaluate the actions schools have taken, as outlined in the approved SIG application, to sustain the reforms after the funding period ends and that it will provide technical assistance to schools on how they can sustain progress in the absence of SIG funding.; and
- (6) Report to the SEA the school-level data required under section III of the final requirements.

**E. WAIVERS: If the SEA has requested any waivers of requirements applicable to the LEA’s School Improvement Grant, an LEA must indicate which of those waivers it intends to implement.**

The LEA must check each waiver that the LEA will implement. If the LEA does not intend to implement the waiver with respect to each applicable school, the LEA must indicate for which schools it will implement the waiver.

- “Starting over” in the school improvement timeline for Priority or Tier I and Tier II Title I participating Schools implementing a turnaround or restart model.
- Implementing a school-wide program in a Priority, Tier I or Tier II Title I participating school that does not meet the 40 percent poverty eligibility threshold.

## APPENDIX A

### REQUIRED INFORMATION FOR REVISED SEA APPLICATION SECTIONS

#### **B. EVALUATION CRITERIA:**

**Part 1:** The three actions listed in Part 1 are ones that an LEA must take prior to submitting its application for a School Improvement Grant. Accordingly, the SEA must describe, with specificity, the criteria the SEA will use to evaluate an LEA's application with respect to each of the following actions:

- (1) The LEA has analyzed the needs of each Priority or Tier I and Tier II School identified in the LEA's application and has selected an intervention for each school.
- (2) The LEA has demonstrated that it has the capacity to use school improvement funds to provide adequate resources and related support to each Priority or Tier I and Tier II school identified in the LEA's application in order to implement fully and effectively the selected intervention in each of those schools.
- (3) The LEA's budget includes sufficient funds to implement the selected intervention fully and effectively in each Priority or Tier I and Tier II school identified in the LEA's application, as well as to support school improvement activities in Tier III schools, throughout the period of availability of those funds (taking into account any waiver extending that period received by either the SEA or the LEA).

**Part 2:** The actions in Part 2 are ones that an LEA may have taken, in whole or in part, prior to submitting its application for a School Improvement Grant, but most likely will take after receiving a School Improvement Grant. Accordingly, an SEA must describe the criteria it will use to assess the LEA's commitment to do the following:

- (1) Design and implement interventions consistent with the final requirements.
- (2) Recruit, screen, and select external providers, if applicable, to ensure their quality.
- (3) Align other resources with the interventions.
- (4) Modify its practices or policies, if necessary, to enable it to implement the interventions fully and effectively.
- (5) Sustain the reforms after the funding period ends.

**B-1. ADDITIONAL EVALUATION CRITERIA:** In addition to the evaluation criteria listed in Section B, the SEA must evaluate the following information in an LEA's budget and application:

(1) How will the SEA review an LEA's proposed budget with respect to activities carried out during the pre-implementation period<sup>2</sup> to help an LEA prepare for full implementation in the following school year?

(2) How will the SEA evaluate the LEA's proposed activities to be carried out during the pre-implementation period to determine whether they are allowable? (*For a description of allowable activities during the pre-implementation period, please refer to section J of the FY 2010 SIG Guidance.*)

<sup>2</sup> "Pre-implementation" enables an LEA to prepare for full implementation of a school intervention model at the start of the 2012–2013 school year. For a full description of pre-implementation, please refer to section J of the SIG Guidance.

**C. CAPACITY:** The SEA must explain how it will evaluate whether an LEA lacks capacity to implement a school intervention model in each Tier I school.

An LEA that applies for a School Improvement Grant must serve each of its Priority or Tier I schools using one of the four school intervention models unless the LEA demonstrates that it lacks sufficient capacity to do so. If an LEA claims it lacks sufficient capacity to serve each Priority or Tier I school, the SEA must evaluate the sufficiency of the LEA's claim. Claims of lack of capacity should be scrutinized carefully to ensure that LEAs effectively intervene in as many of their Priority or Tier I schools as possible.

The SEA must explain how it will evaluate whether an LEA lacks capacity to implement any of the school intervention models in its Priority or Tier I school(s). The SEA must also explain what it will do if it determines that an LEA has more capacity than the LEA demonstrates.

**D (PARTS 2-8). DESCRIPTIVE INFORMATION:**

(2) Describe the SEA's process for reviewing an LEA's annual goals for student achievement for its Priority or Tier I and Tier II schools and how the SEA will determine whether to renew an LEA's School Improvement Grant with respect to one or more Priority, Tier I or Tier II schools in the LEA that are not meeting those goals and making progress on the leading indicators in section III of the final requirements.

(3) Describe the SEA's process for reviewing the goals an LEA establishes for its Tier III schools (subject to approval by the SEA) and how the SEA will determine whether to renew an LEA's School Improvement Grant with respect to one or more Tier III schools in the LEA that are not meeting those goals.

(4) Describe how the SEA will monitor each LEA that receives a School Improvement Grant to ensure that it is implementing a school intervention model fully and effectively in the Priority or Tier I and Tier II schools the LEA is approved to serve.

(5) Describe how the SEA will prioritize School Improvement Grants to LEAs if the SEA does not have sufficient school improvement funds to serve all eligible schools for which each LEA applies.

(6) Describe the criteria, if any that the SEA intends to use to prioritize among Tier III schools.

(7) If the SEA intends to take over any Priority, Tier I or Tier II schools, identify those schools and indicate the school intervention model the SEA will implement in each school.

(8) If the SEA intends to provide services directly to any schools in the absence of a takeover, identify those schools and, for Priority, Tier I or Tier II schools, indicate the school intervention model the SEA will implement in each school and provide evidence of the LEA's approval to have the SEA provide the services directly.<sup>3</sup>

<sup>3</sup> If, at the time an SEA submits its application, it has not yet determined whether it will provide services directly to any schools in the absence of a takeover, it may omit this information from its application. However, if the SEA later decides that it will provide such services, it must amend its application to provide the required information.

## E. ASSURANCES

By submitting this application, the SEA assures that it will do the following (check each box):

- Comply with the final requirements and ensure that each LEA carries out its responsibilities outlined in the final requirements.
- Award each approved LEA a School Improvement Grant in an amount that is of sufficient size and scope to implement the selected intervention in each Priority or Tier I and Tier II school that the SEA approves the LEA to serve.
- Ensure, if the SEA is participating in the Department's differentiated accountability pilot, that its LEAs will use school improvement funds consistent with the final requirements.
- Monitor and evaluate the actions an LEA has taken, as outlined in its approved SIG application, to recruit, select and provide oversight to external providers to ensure their quality.
- Monitor and evaluate the actions the LEA has taken, as outlined in its approved SIG application, to sustain the reforms after the funding period ends and that it will provide technical assistance to LEAs on how they can sustain progress in the absence of SIG funding.
- If a Priority, Tier I or Tier II school implementing the restart model becomes a charter school LEA, hold the charter school operator or charter management organization accountable, or ensure that the charter school authorizer holds the respective entity accountable, for meeting the final requirements.
- Post on its Web site, within 30 days of awarding School Improvement Grants, all final LEA applications and a summary of the grants that includes the following information: name and NCES identification number of each LEA awarded a grant; total amount of the three year grant listed by each year of implementation; name and NCES identification number of each school to be served; and type of intervention to be implemented in each Priority or Tier I and Tier II school.
- Report the specific school-level data required in section III of the final SIG requirements.

**F. SEA RESERVATION:** The SEA may reserve an amount not to exceed five percent of its School Improvement Grant for administration, evaluation, and technical assistance expenses.

The SEA must briefly describe the activities related to administration, evaluation, and technical assistance that the SEA plans to conduct with any State-level funds it chooses to reserve from its School Improvement Grant allocation.

**APPENDIX B**

	<b>Schools an SEA MUST identify</b>	<b>Newly eligible schools an SEA MAY identify</b>
<b>Priority</b>	Schools that, based on the most recent data available, have been identified as among the lowest-performing schools in the State. The total number of priority schools in a State must be at least five percent of the Title I schools in the State.	A school among the lowest five percent of Title I schools in the State based on the achievement of the “all students” group in terms of proficiency on the statewide assessments that are part of the SEA’s differentiated recognition, accountability, and support system, combined, and has demonstrated a lack of progress on those assessments over a number of years in the “all students” group; A Title I-participating or Title I-eligible high school with a graduation rate less than 60 percent over a number of years; or A Tier I or Tier II school under the SIG program that is using SIG funds to implement a school intervention model.
<b>Tier I</b>	Schools that meet the criteria in paragraph (a)(1) in the definition of “persistently lowest-achieving schools.” <sup>3</sup>	Title I eligible <sup>4</sup> elementary schools that are no higher achieving than the highest-achieving school that meets the criteria in paragraph (a)(1)(i) in the definition of “persistently lowest-achieving schools” <u>and</u> that are: <ul style="list-style-type: none"> <li>• in the bottom 20% of all schools in the State based on proficiency rates; <u>or</u></li> <li>• have not made AYP for two consecutive years.</li> </ul>
<b>Tier II</b>	Schools that meet the criteria in paragraph (a)(2) in the definition of “persistently lowest-achieving schools.”	Title I eligible secondary schools that are (1) no higher achieving than the highest-achieving school that meets the criteria in paragraph (a)(2)(i) in the definition of “persistently lowest-achieving schools” or (2) high schools that have had a graduation rate of less than 60 percent over a number of years <u>and</u> that are: <ul style="list-style-type: none"> <li>• in the bottom 20% of all schools in the State based on proficiency rates; <u>or</u></li> <li>• have not made AYP for two consecutive years.</li> </ul>
<b>Tier III</b>	Title I schools in improvement, corrective action, or restructuring that are not in Tier I. <sup>5</sup>	Title I eligible schools that do not meet the requirements to be in Tier I or Tier II <u>and</u> that are:

<sup>3</sup> “Persistently lowest-achieving schools” means, as determined by the State--

(a)(1) Any Title I school in improvement, corrective action, or restructuring that--

- (i) Is among the lowest-achieving five percent of Title I schools in improvement, corrective action, or restructuring or the lowest-achieving five Title I schools in improvement, corrective action, or restructuring in the State, whichever number of schools is greater; or
- (ii) Is a high school that has had a graduation rate as defined in 34 CFR 200.19(b) that is less than 60 percent over a number of years; and

(2) Any secondary school that is eligible for, but does not receive, Title I funds that--

- (i) Is among the lowest-achieving five percent of secondary schools or the lowest-achieving five secondary schools in the State that are eligible for, but do not receive, Title I funds, whichever number of schools is greater; or
- (ii) Is a high school that has had a graduation rate as defined in 34 CFR 200.19(b) that is less than 60 percent over a number of years.

<sup>4</sup> For the purposes of schools that may be added to Tier I, Tier II, or Tier III, “Title I eligible” schools may be schools that are eligible for, but do not receive, Title I, Part A funds or schools that are Title I participating (i.e., schools that are eligible for and do receive Title I, Part A funds).

<sup>5</sup> Certain Title I schools in improvement, corrective action, or restructuring that are not in Tier I may be in Tier II rather than Tier III. In particular, certain Title I secondary schools in improvement, corrective action, or restructuring that are not in Tier I may be in Tier

		<ul style="list-style-type: none"><li>• in the bottom 20% of all schools in the State based on proficiency rates; <u>or</u></li><li>• have not made AYP for two years.</li></ul>
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II if an SEA receives a waiver to include them in the pool of schools from which Tier II schools are selected or if they meet the criteria in section I.A.1(b)(ii)(A)(2) and (B) and an SEA chooses to include them in Tier II.