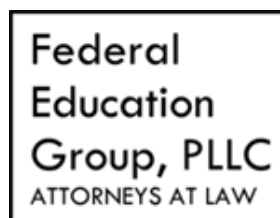


# **Maximizing Federal Education Funds for Student Achievement: A Toolkit for States Seeking to Enhance Flexibility and Reduce Burden**

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

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

### **Kicking Off the Work**

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

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

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

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

### **Eliminating Burdensome Planning Requirements that Do Not Add Value**

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

## Redesigning State Oversight Mechanisms to Reduce Burden

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

## Introduction

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

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

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

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

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

### **The Power of Compliance Myths: Real World Example**

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

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

Why did this happen?

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

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

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

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

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

If approached meaningfully, this work could facilitate:

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

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

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



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

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

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

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

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

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

## Rethink and Clarify State Use of Funds Policies

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

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

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

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

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

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

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

For example:

- Some states require schoolwide schools to maintain a list of struggling students and/or require Title I services to be targeted only to struggling students. This is contrary to the Title I statute, which permits schools to implement comprehensive interventions<sup>9</sup> based on the policy position that improving the entire school will benefit struggling students the most. Permissible activities might include strengthening the curriculum, providing positive behavioral supports, engaging external partners for additional assistance, increasing teacher supports, or engaging parents.
- Conversely, some states require schoolwide schools to focus only on whole school interventions that touch every student. This also runs contrary to the Title I statute, which requires schools to implement strategies based on the school's specific needs. In practice, schools have limited Title I resources and may choose to focus Title I funds on their highest-priority needs - concentrating, for example, on a specific grade or subject. Permissible activities might include a 9<sup>th</sup> grade academy, drop-out prevention initiatives for high school students, or additional supports for English language learners.
- Many states apply a more restrictive "supplement not supplant" test to schoolwide programs, limiting Title I to add-on services in schoolwide schools. This prevents schools from spending on otherwise permissible activities that are more comprehensive in nature, such as early warning systems for struggling students, teacher coaches, additional classroom teachers, improved curriculum, or upgraded instructional materials. The Title I statute establishes a different "supplement not supplant" test for schoolwide programs, one that focuses on the school's total funding as opposed to individual costs.<sup>10</sup> For more information about supplement not supplant and schoolwide programs, please see *The Money You Don't Know You Have for School Turnaround: Maximizing the Title I Schoolwide Model*, a publication from Mass Insight Education available at:  
[http://www.fededgroup.com/uploads/FedEd\\_SDN\\_supplemental\\_funds\\_toolkit\\_FINAL\\_7\\_11\\_13.pdf](http://www.fededgroup.com/uploads/FedEd_SDN_supplemental_funds_toolkit_FINAL_7_11_13.pdf)

### **The Unrealized Potential of the Schoolwide Program Model**

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

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

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

- Preparing low-achieving students to participate in advanced coursework<sup>11</sup>
- Formative or interim assessments<sup>12</sup>
- Data collection and analysis<sup>13</sup>
- Performance-based compensation systems<sup>14</sup>
- New teacher induction programs<sup>15</sup>
- Job embedded professional development<sup>16</sup>
- Whole-school interventions aligned to turnaround principles<sup>17</sup>
- Principal academies for principals in low-performing Title I schools<sup>18</sup>
- Learning academies for specific grades<sup>19</sup>

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

### Strategies for Promoting More Effective Spending of Federal Formula Grants

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

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

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

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

### Tackling the Work

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

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

## Eliminate Burdensome Planning Requirements that Do Not Add Value

### The Role of Ineffective Planning in Promoting Ineffective Spending

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

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

### Strategies for Promoting More Effective Planning

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

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

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

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

### Tackling the Work

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

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

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

## Redesign State Oversight Mechanisms to Reduce Burden

### The Role of Administrative Burden in Ineffective Spending

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

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

This plays out in two ways:

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



## Understanding State Authority to Drive More Effective Spending

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

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

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

### Strategies for Redesigning Oversight Systems

States can redesign their oversight systems a few ways:

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

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

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

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

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

## Tackling the Work

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

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

## Conclusion: Putting It All Together

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

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

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

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

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

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

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

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

<sup>5</sup> See USDE’s *IDEA Reform Guidance*, pp. 17-19

<sup>6</sup> See USDE’s *IDEA Reform Guidance*, p. 18

<sup>7</sup> See USDE’s *IDEA Reform Guidance*, p. 21

<sup>8</sup> See ESEA, Title II, Part A, Section 2123(a).

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

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

<sup>11</sup> See USDE's *Title I Reform Guidance*, Question C-1

<sup>12</sup> See USDE's *Title I Reform Guidance*, Question C-6

<sup>13</sup> See USDE's *Title I Reform Guidance*, Question D-1

<sup>14</sup> See USDE's *Title I Reform Guidance*, Question E-3

<sup>15</sup> See USDE's *Title I Reform Guidance*, Question E-4

<sup>16</sup> See USDE's *Title I Reform Guidance*, Question E-6

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

<sup>18</sup> See USDE's *Title I Reform Guidance*, Question E-14

<sup>19</sup> See USDE's *Title I Reform Guidance*, Question F-6

<sup>20</sup> See ESEA, Title IX, Part C, Section 9305

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

<sup>22</sup> See Education Department General Administrative Regulations, Section 76.770, available at:

<http://www.ecfr.gov/cgi-bin/text-idx?SID=a603e824446ee0531da26e4afb171159&node=34:1.1.1.1.23.7.122.18&rgn=div8>

<sup>23</sup> See Education Department General Administrative Regulations, Section 80.12, available at:

<http://www.ecfr.gov/cgi-bin/text-idx?SID=a603e824446ee0531da26e4afb171159&node=34:1.1.1.1.26.2.131.3&rgn=div8>.