

# Maximizing ESSA Formula Funds for Students: State Readiness Self-Assessment

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## THE COUNCIL OF CHIEF STATE SCHOOL OFFICERS

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### MAXIMIZING ESSA FORMULA FUNDS FOR STUDENTS: STATE READINESS SELF-ASSESSMENT

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### Maximizing ESSA Formula Funds for Students: State Readiness Self-Assessment

#### Purpose of Self-Assessment Tool

The Every Student Succeeds Act (ESSA) offers new opportunities for states and school districts. In general, ESSA's new rules do not take effect until July 1, 2017,<sup>1</sup> which gives state education agencies (SEAs) an opportunity to assess whether their current policies and practices over federal formula grant funds:<sup>2</sup>

- Are aligned with state education objectives (such as accountability policies and state priorities), and
- Promote or hinder sound educational programming.

Examining current policies and practices can help SEAs identify opportunities to maximize ESSA grant programs when they begin in 2017-2018.

This self-assessment tool is designed to help SEAs analyze their policies and practices in three areas:

1. State spending policies over federal funds,
2. Application, planning, and budgeting alignment to state priorities and local needs, and
3. Paperwork reduction opportunities.

These areas are important because they significantly influence the services districts deliver, and are often overlooked as levers to promote educational quality.

*NOTE: All recipients of federal funds must comply with federal rules. This self-assessment does not focus on federal compliance requirements; its focus is on how federal funds can be maximized to support state objectives and local needs.*

*In addition, the U.S. Department of Education (ED) has not yet regulated or issued guidance on ESSA. More information from ED is expected in the future. In the interim, this self-assessment document provides a starting place for SEAs to consider whether changes to existing state policies and practices might help to maximize future ESSA grants.*

#### Design of Self-Assessment Tool

<sup>1</sup> For more information about transition timelines, please see the U.S. Department of Education's guidance, *Transitioning to the Every Student Succeeds Act (ESSA): Frequently Asked Questions* (2016) available at <http://www2.ed.gov/policy/elsec/leg/essa/faq/essa-faqs.pdf>.

<sup>2</sup> States receive formula grants from the U.S. Department of Education (ED) through a statutory formula established in the law (in contrast to a "discretionary grant" where ED can select recipients). The Elementary and Secondary Education Act (ESEA) formula grants discussed in this document, such as Title I, Part A, Title II, Part A, etc. are "state-administered" meaning the funds flow from ED to the state, and then the state is responsible for flowing funds to school districts (and other eligible entities), as well as overseeing local program implementation and compliance with federal requirements.

This self-assessment tool covers major Elementary and Secondary Education Act (ESEA) formula grants.

ESSA is the newest version of ESEA; No Child Left Behind (NCLB) is the ESEA version prior to ESSA. Because full ESSA implementation is delayed until July 2017, this self-assessment tool uses the general term "ESEA" when it is not referring to a requirement unique to ESSA.

Each section of the self-assessment tool includes:

- An overview of new opportunities or requirements under ESSA,
- Examples of common SEA policies and practices that can limit the reach of ESEA programs,
- Diagnostic worksheets to assess an SEA's current processes and determine what adjustments could be made to maximize ESSA's funds.

In addition, the Appendix includes a worksheet SEAs can use to gain a sense of how school districts are currently spending their ESEA funds.

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# Self-Assessment Topic One: State Spending Policies over Federal Funds

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## 1. ESSA Opportunities Related to Spending

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ESSA, like No Child Left Behind (NCLB) before it, provides school districts with extra money to improve school and student outcomes. States play a significant role in shaping how districts spend federal money in formal and informal ways.

For example, states can set formal policy through written guidance that defines how school districts can spend federal program money. States also set informal policies through the design of the local application for federal funds, or when disapproving proposed costs during the application process and disallowing costs during monitoring.

These policies, both formal and informal, strongly influence schools and districts. For example, the law permits most Title I schools to use Title I to address chronic absenteeism or to improve curriculum if those activities are consistent with the school's needs.<sup>3</sup> If, however, an SEA does not permit Title I to be used for these kinds of costs, it limits the activities schools could otherwise support with Title I.

ESSA presents SEAs an opportunity to assess:

- Whether they have *processes in place to develop intentional state spending policies* aligned to federal requirements, state objectives, and local needs, and
- Where *adjustments to current policies* may be required in light of ESSA implementation and state goals, including ESSA's accountability framework.

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<sup>3</sup> These costs are easiest to support in schools that operate schoolwide programs, which are the majority of Title I schools. In a schoolwide program, Title I can be used for activities and services that upgrade the school's educational program consistent with the school's comprehensive needs assessment and schoolwide plan. For examples of services that could be supported with Title I funds under NCLB, please see the U.S. Department of Education's (ED) guidance, *Using Title I, Part A ARRA Funds for Grants to Local Educational Agencies to Strengthen Education, Drive Reform, and Improve Results for Students* (September 2009) available at <https://www2.ed.gov/policy/gen/leg/recovery/guidance/titlei-reform.doc>. This guidance is referred to as ED's "Title I Reform Guidance" for the rest of this document.

While ED's Title I Reform Guidance was initially developed for the additional Title I money appropriated under the American Recovery and Reinvestment Act (ARRA), the concepts contained in the guidance are applicable to NCLB, Title I funds generally.

## Highlights of ESSA Program Delivery and Spending Options

- ESSA clarifies Title I programs can provide various services to support struggling students. For example:
  - Title I schools that operate **schoolwide programs** – typically schools with high poverty rates – may use strategies including:
    - Supports like counseling, mentoring, and school-based mental health programs,
    - Career and technical education,
    - Preparation for postsecondary education (such as advanced coursework, dual credit options, etc.), and
    - Behavior supports.<sup>4</sup>
  - Title I schools that operate **targeted assistance programs** may use resources for eligible students that help students meet challenging state standards, which may include activities or coursework to provide a well-rounded education.<sup>5</sup> In addition, Title I may be used for:
    - Dual or concurrent enrollment services,<sup>6</sup> and
    - In limited cases, health, nutrition, and other social services that are not otherwise available through other funding sources.<sup>7</sup>
- ESSA changes the way compliance with a key Title I spending rule, known as “supplement not supplant,” is tested, which could make it easier to use Title I funds to support comprehensive improvements in Title I schools.<sup>8</sup>
- ESSA permits states to waive the poverty threshold needed to operate a Title I schoolwide program after taking into account student needs, which could give more Title I schools access to the schoolwide model, which supports comprehensive school improvement initiatives.<sup>9</sup>
- ESSA changes and expands Title II spending options.<sup>10</sup>
- ESSA creates a new grant program in Title IV, Part A to help states and districts provide all students with access to a well-rounded education, to improve school conditions for student learning, and to improve the use of technology.<sup>11</sup>
- ESSA gives states and districts the option to more flexibly transfer money they receive under certain ESSA programs to other ESSA programs (consistent with prior law money cannot be transferred out of Title I, Part A, Title III, Part A and other programs that serve certain populations).<sup>12</sup>

4 ESSA, Section 1114(b)(7). Citations to the Elementary and Secondary Education Act as amended by the Every Student Succeeds Act (ESSA) are noted as “ESSA” with the accompanying citation. ESSA’s statutory text is available at <http://legcounsel.house.gov/Comps/Elementary%20And%20Secondary%20Education%20Act%20Of%201965.pdf>. No Child Left Behind statutory citations are noted as “NCLB” and the statute is available at <http://www2.ed.gov/policy/elsec/leg/esea02/index.html>.

5 ESSA, Section 1115(b)(2)(A). In addition ESSA, Section 8101(52) defines a well-rounded education as “courses, activities, and programming in subjects such as English, reading or language arts, writing, science, technology, engineering, mathematics, foreign languages, civics and government, economics, arts, history, geography, computer science, music, career and technical education, health, physical education, and any other subject, as determined by the State or local educational agency, with the purpose of providing all students access to an enriched curriculum and educational experience.”

6 ESSA, Section 1115(f).

7 ESSA, Section 1115(e)(2). Please note, these services were permitted under NCLB.

8 ESSA, Section 1118(b). Please note, ED intends to regulate on supplement not supplant so additional clarification is expected.

9 ESSA, Section 1114(a)(1)(B).

10 ESSA, Section 2103.

11 ESSA, Sections 4101-4112.

12 ESSA, Section 5103.

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## 2. Common State-Imposed Spending Restrictions under NCLB

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Below are descriptions of the most common SEA spending restrictions on Title I and Title II – the two largest programs – under NCLB. These restrictions often evolve informally through an SEA’s processes (such as denials of costs during the application process), rather than through deliberate SEA decisions to be more restrictive than what federal law requires. ESSA gives SEAs an opportunity to determine whether they have inadvertently restricted spending, and where necessary, to retool their spending policies and processes.

### Title I, Part A: Common State Imposed Spending Restrictions Not Required by NCLB

- Limiting Title I spending to reading/ language and math *Federal law does not impose such a restriction. Title I may be used broadly to improve education for the disadvantaged, which can include subjects like science, social studies, art, and others.*<sup>13</sup>
- Limiting Title I spending only to instruction or materials *Federal law does not impose such a restriction. NCLB and ED guidance permit Title I spending on non-instructional supports such as school climate, increasing attendance, school counselors, improving health (in some circumstances), etc.*<sup>14</sup>
- Limiting Title I spending to remedial programs *Federal law does not impose such a restriction. ED guidance permits spending on advanced learning opportunities for struggling students.*<sup>15</sup>
- Limiting Title I spending to specific students in a schoolwide program school *Federal law does not impose such a restriction. Title I permits spending to upgrade the entire educational program of a schoolwide school.*<sup>16</sup>

### Title II, Part A: Common State Imposed Spending Restrictions Not Required by NCLB

- Limiting Title II spending to class-size reduction and professional development activities *Federal law does not impose such a restriction. Title II permits other allowable costs, such as mentoring, financial incentives for effective teachers, recruiting and retention efforts, and many others.*<sup>17</sup>

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13 See NCLB, Title I, Part A, Sections 1111 and following, imposing no academic subject matter restrictions on Title I funding. See also ED’s *Title I Reform Guidance*, particularly Sections C and G.

14 See ED’s *Title I Reform Guidance*, particularly Sections C, E, and G.

15 See ED’s *Title I Reform Guidance*, Section C.

16 See NCLB, Section 1114 as well as U.S. Department of Education guidance documents:

- *Supporting School Reform by Leveraging Federal Funds in a Schoolwide Program* (2015) available at <http://www.ed.gov/policy/elsec/guid/eseatitleiswguidance.pdf>, and
- *Designing Schoolwide Programs* (2006) available at <http://www.ed.gov/policy/elsec/guid/designingswpguid.doc>.

17 See NCLB, Section 2123.

### 3. Diagnostic Worksheet: Spending

This worksheet can be used for all ESEA formula grant programs. The purpose of this analysis is to understand how the SEA develops spending policies and practices to determine what adjustments might be necessary during ESSA implementation.

Diagnostic Questions	ESSA Implementation Relevance
<p>How does the SEA decide what districts can and cannot support with federal funds?</p> <ul style="list-style-type: none"> <li>• Is leadership involved?</li> <li>• Are multiple parts of the SEA involved?</li> <li>• Are current state policies and practices driving sound school district spending?</li> </ul>	<p>There are two common ways state spending policies limited the reach of NCLB programs. First, some SEAs restricted local NCLB spending beyond what federal law required – even when these restrictions were inconsistent with state objectives. Second, some SEAs overlooked federal grant spending as a lever to support state policies and meet local needs. To prevent similar limitations to ESSA programs, an SEA could:</p> <ul style="list-style-type: none"> <li>• <b>Institute processes to establish state spending policies.</b> <ul style="list-style-type: none"> <li>○ States set policies over local grant spending in many ways – through the costs they approve in the application process, the costs they disallow during monitoring, and the way they describe spending options in guidance and technical assistance documents.</li> <li>○ Ensuring these policies are developed through processes that include leadership and incorporate the perspective of multiple SEA offices (federal grants staff, curricular staff, teaching and learning staff, etc.) can facilitate <i>policy alignment</i> and the <i>sharing of expertise</i> among staff.           <ul style="list-style-type: none"> <li>▪ <i>Policy alignment.</i> It is essential that state spending policies align with other state policies and priorities.               <ul style="list-style-type: none"> <li>◆ For example, if under ESSA a state changes its accountability system to incorporate school climate measures, but does not change its spending policies to permit districts to spend ESSA grants on climate-related activities, the state will lock out a considerable source of money to support its accountability policies.</li> </ul> </li> <li>▪ <i>Sharing of expertise.</i> Different parts of an SEA bring different perspectives on grant spending, and strong spending policies reflect these diverse perspectives.               <ul style="list-style-type: none"> <li>◆ For example, school improvement staff can offer perspective on effective instructional, school climate, or professional development practices to ensure state spending policies promote and do not hinder those practices. Federal grant staff can offer perspective on ways federal funding sources can be used to support SEA priorities, such as increasing high school graduation rates, instituting early literacy initiatives, or other state objectives.</li> </ul> </li> </ul> </li> </ul> </li> <li>• <b>Determine whether existing (formal or informal) state policies restrict spending beyond what federal law requires, and whether those restrictions are intentional and effective.</b> <ul style="list-style-type: none"> <li>○ Understanding what federal law does and does not require is a challenge.</li> <li>○ Approaching the task collaboratively is one of the best ways to avoid inadvertent spending restrictions. SEAs can foster effective collaboration:           <ul style="list-style-type: none"> <li>▪ Between federal program staff (ensuring members of the same office apply federal rules the same way),</li> <li>▪ Between multiple SEA offices (making sure different parts of the SEA read federal law the same way),</li> <li>▪ With external stakeholders (such as school district personnel), and</li> <li>▪ With other states (such as those with promising results, similar challenges, or similar state policy objectives).</li> </ul> </li> </ul> </li> <li>• <b>Assess whether current district spending practices are sound, and are consistent with state policy objectives and local needs.</b> <ul style="list-style-type: none"> <li>○ The <b>Appendix</b> has a worksheet SEAs can use to get a general picture of how districts are currently spending their federal dollars. Depending on the results of the analysis, SEAs may decide to update their state spending policies and technical assistance supports.</li> </ul> </li> </ul>

<p>How does the SEA communicate its spending policies to districts?</p> <ul style="list-style-type: none"> <li>• Does the SEA issue formal guidance on spending topics?</li> <li>• Is guidance organized by program (for example, Title I), or by activity (for example, ways to fund a specific initiative), or both?</li> <li>• Does the SEA provide additional technical assistance to districts?</li> </ul>	<p>To ensure state guidance and technical assistance tools accurately reflect ESSA's new rules and opportunities, state education policies, and are digestible and useable for districts, states can:</p> <ul style="list-style-type: none"> <li>• <b>Assign a multi-office team to update existing or draft new guidance documents consistent with state policies and leadership's input.</b> To do this an SEA could: <ul style="list-style-type: none"> <li>○ <u>Catalog all existing state-developed ESEA guidance documents</u> including SEA guidance on uses of funds, guidance listed on SEA webpages, training manuals, checklists, protocols and other technical assistance tools.</li> <li>○ <u>Determine if new state-developed guidance is needed or if existing guidance will be updated.</u><sup>18</sup> In making this decision, the SEA might consider developing guidance on specific topics such as: <ul style="list-style-type: none"> <li>▪ <u>Guidance aligned to state priorities.</u> For example, early childhood education is a priority for Mississippi, so the Mississippi Department of Education developed guidance on starting a pre-K classroom with Title I.<sup>19</sup></li> <li>▪ <u>Guidance aligned to local needs.</u> For example, if several districts struggle with a shared challenge – such as chronic absenteeism or low literacy rates – the SEA could issue guidance describing promising initiatives to address the challenge, and then explain how federal grant money can support those initiatives.</li> <li>▪ <u>Guidance to address common compliance concerns.</u> For example, if several districts are consistently out of compliance with the same federal grant requirement, the SEA could issue guidance on that requirement to reduce local findings.</li> </ul> </li> <li>○ <u>Ensure federal and state policy changes are clearly communicated to districts.</u> Where the SEA changes a state spending policy, for example allowing a cost the SEA previously did not allow, determine how best to communicate that change to districts.</li> <li>○ <u>Obtain feedback on draft guidance documents</u> from SEA staff not involved in the drafting, and district staff before release. This type of feedback can help flag confusing language and missed issues.</li> </ul> </li> <li>• <b>Institute procedures to regularly monitor federal guidance and update state guidance as necessary.</b> It is likely ED will issue new guidance fairly frequently during the initial years of ESSA implementation. Implementing a process to regularly check for such guidance, and to update state processes and documents as necessary, will be important to ensure both compliance and flexibility.</li> <li>• <b>Institute processes to ensure technical assistance (such as webinars, individual technical assistance to specific school districts, etc.) is aligned to spending guidance/state policies.</b></li> <li>• <b>Institute processes to obtain routine feedback from districts on spending issues.</b></li> </ul>
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<sup>18</sup> As ED implements ESSA, ED will be issuing new regulations and guidance documents. It will be important for SEAs to stay current with ED's regulations and guidance documents and adjust SEA processes and documents if necessary.

<sup>19</sup> The Mississippi Department of Education's guidance, *Title I Pre-K Classrooms –A Step-by-Step Guide to Starting a Pre-K Classroom* is available at <http://www.mde.k12.ms.us/docs/federal-programs/title-i-pre-k-classroom-guide.pdf?sfvrsn=2>.

How does the SEA ensure its spending policies are applied consistently?

SEAs oversee local grant spending at various points in time through many different processes. To ensure state spending policies are applied consistently throughout these processes, an SEA could review:

- **State-designed application tools for ESEA funds.**
  - State-developed application tools often have guidance embedded in them. This guidance should be consistent with state spending policies and other state guidance documents.
  - Also, the way the application is designed can influence local spending choices, so it should be consistent with state policies. For example, if a state wants districts to consider non-instructional supports as a way to address academic achievement, it should ensure districts can address such supports in their applications, which may require analyzing drop-down menus, budget fields, etc.
- **Application/and spending approval processes** to ensure the checklists and other tools staff use to review local applications accurately reflect state policies.
- **Guidance documents on spending.**
- **Technical assistance processes** to ensure webinars, in-person presentations, and advice given by SEA staff reflects state policies.
  - Technical assistance also provides SEAs with an important opportunity to provide tailored support to LEAs on methods to align spending to student needs, and to implement meaningful programming with federal funds. For example, the Mississippi Department of Education is in the early years of implementing a “School Effectiveness Review Process” (SERP) to provide additional support to low-performing schools and districts on the use of federal funds. SERP is intended to be a collaborative process, designed to “support rather than blame.” SERP’s technical assistance is tailored to individual school and district needs, and is designed to facilitate meaningful conversation about ways in which federal funds can be used to positively impact student achievement.
- **Monitoring documents** to ensure monitoring tools, such as checklists or other protocols, accurately reflect state policies.

# Self-Assessment Topic Two: Planning and Budgeting Alignment to State Priorities and Local Needs

## 1. ESSA Opportunities on Planning

Federal law requires districts to develop plans describing how they implement various aspects of federal programs. SEAs can help districts develop meaningful plans by:

- Identifying promising practices that improve student outcomes,
- Combining or streamlining plans to help districts avoid duplication and misalignment, and
- Designing planning tools that drive successful programs, meet state and local needs, and meet federal compliance requirements.

One of the most important plans is the application districts submit to SEAs to receive ESEA funds.<sup>20</sup> The application typically describes the activities the district will carry out under its ESEA programs and how it will spend ESEA funds. SEAs design the application tool, and approve district submissions, making the application process one of the most significant SEA levers over the design of local programs and use of ESSA funds.

### *Highlights of ESSA Planning Requirements*

- Districts must apply to the state for ESSA formula funds, which can be done through a:
  - *Consolidated application* covering multiple programs and giving SEAs flexibility to decide what districts should address in the application,<sup>21</sup> or
  - *Program-specific plan* covering only one federal program and requiring districts to address all planning elements set out in the relevant program statute.<sup>22</sup>
- SEAs must identify certain schools for comprehensive support and improvement under Title I, and then approve, monitor, and regularly review comprehensive support and improvement plans developed by districts for each identified school.<sup>23</sup>
- Schools that operate Title I schoolwide programs must continue to develop schoolwide plans.<sup>24</sup>
- Districts and schools that receive Title I funds must continue to develop written parental involvement policies.<sup>25</sup>
- Highly qualified teacher (HQT) plans for districts that were not meeting HQT are eliminated in Title II.

20 Please note, this section is **not** discussing the plans SEAs will have to submit to ED to receive ESSA funds – this section is about the plans schools districts have to submit to their state in order to access ESSA funds. Also note, the SEA to ED plans will be subject to ED’s requirements.

21 ESSA, Section 8305.

22 See, for example ESSA Sections 1112, 2102(b), and 3116.

23 ESSA, Section 1111(d)(1).

24 ESSA, Section 1114(b).

25 ESSA, Section 1116.

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## 2. Common State-Imposed Planning Practices

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### Common Issues with the District-to-State Application Process

- Reviewing individual costs in the application for ESEA funds  
*While most SEAs review how districts plan to spend ESEA funds as part of the application process, federal law does not specify how detailed that review must be. There is wide variability among states – some look more generally at total spending by budget category, while others look more granularly at individual costs. Reviewing individual costs often slows down the review process which can delay program implementation, and individual cost reviews may duplicate oversight controls the SEA has elsewhere in its system.*
  
- Application designs that limit federal grant spending  
*SEAs sometimes inadvertently limit spending choices through the design of the application. For example, an SEA might require districts to describe how they will carry out certain pre-selected initiatives, but not provide districts space to describe other permissible activities as well.*
  
- Delaying approval of an entire consolidated application (covering multiple programs) because of:
  - o Disagreement over an issue in one program
  - o Slow review because of insufficient numbers of staff or detailed review processes*Extended delays in the application approval process – which commonly extend for months into the school year – can be very difficult for districts. Delay can force districts to use state and local funds initially to implement federal programs, or if state and local money is not available, delay implementation all together, which impacts students. Extended delay is also a compliance concern.*

### Other Common Planning Issues

- Approving individual schoolwide plans  
*Federal law does not require SEA approval of schoolwide plans. Some states review schoolwide plans before schools can operate a schoolwide program, and then again annually during the application process. This is not required by federal law. Instead, oversight of schoolwide plans falls under the state’s more general responsibility for monitoring local compliance with federal requirements; therefore states could incorporate schoolwide plan oversight into its general monitoring processes. For example, an SEA could review a sampling of plans in districts selected for monitoring rather than reviewing and approving every schoolwide plan up front.*
  
- Requiring districts to address the same or related issues multiple times in separate plans  
*Federal law requires districts to develop plans to address different issues, but generally does not require each issue to be addressed in a separate standalone planning document. For example, Title I schools that operate schoolwide programs must develop plans describing (among other things) their strategies for improving student achievement. Schools may have other plans (like state or local school improvement plans) that can satisfy all or portions the schoolwide planning requirements depending on their content.*

### 3. Diagnostic Worksheet: Current Planning Policies and Practices

The purpose of this analysis is to understand how the SEA designs the district-to-state application process for ESEA funds, as well as how the SEA oversees other ESEA planning requirements to determine what adjustments may be necessary for ESSA implementation.

Diagnostic Questions	ESSA Implementation Relevance
<p>Does the SEA use a consolidated application, where districts can apply for multiple ESEA grants at the same time? If so:</p> <ul style="list-style-type: none"> <li>• Is it organized by program (such as a Title I section, a Title II section, etc.), or by goal/theme/need?</li> <li>• Are multiple SEA offices involved in designing it?</li> <li>• Does it accurately reflect state policies?</li> <li>• Does the information requested of districts make sense in light of:               <ul style="list-style-type: none"> <li>○ What the SEA needs to know to approve district applications?</li> <li>○ Reducing duplication with other ways the SEA collects information from districts?</li> </ul> </li> </ul>	<p>SEAs can use the consolidated application option to focus local implementation of federal grant programs, reduce burden, and enhance the coordination of federal, state, and local programs.<sup>26</sup> To maximize the application process SEAs could:</p> <ul style="list-style-type: none"> <li>• <b>Determine whether the current application promotes sound programs.</b> Consolidated application design varies greatly from SEA to SEA. While most SEAs organize their applications by federal program (with a Title I section, a Title II section, and so forth), other SEAs design the application around state accountability goals, local needs, or other educational themes. A thematic approach permits districts to think about their programs holistically, designing activities around needs rather than by funding source.           <p>For example, the Mississippi Department of Education developed, and is continuing to refine, a new consolidated application process called the Mississippi Comprehensive Automated Performance-Based System (MCAPS). It is designed to help districts identify their needs, develop a plan for meeting those needs, and then align federal grant spending to the needs articulated in the plan. MCAPS currently includes Title I and Title II, but additional programs (like IDEA, Part B) will be included in the future.</p> <p>Mississippi collaborated across SEA offices, as well as with states that have launched similar systems, during the MCAPS development process.</p> </li> <li>• <b>Involve multiple SEA offices in the application design.</b> By designing the SEA application together, various types of SEA expertise can be shared, and can ensure greater alignment between SEA objectives across the organization.</li> <li>• <b>Analyze whether the existing application accurately reflects current state spending policies.</b> Sometimes the application design is inconsistent with state spending policies on federal funds. For example, a state may want to promote pre-K, but not give districts space to address pre-K programs in the application. Since grant budgets usually have to be aligned to the application narrative, districts would be unable to use grant funds to support an activity the state wants to promote in that case. These hidden barriers can exist in:           <ul style="list-style-type: none"> <li>○ <u>Drop-down menus or fields artificially limiting choices the SEA would otherwise approve</u></li> <li>○ <u>Guidance embedded in the application that does not reflect all spending options/state spending policy</u></li> </ul> </li> </ul>

26 See ESSA, Section 8305(d) stating:

NECESSARY MATERIALS.—The State educational agency shall require only descriptions, information, assurances, and other material that are absolutely necessary for the consideration of the local educational agency plan or application.

For background on Consolidated Application flexibility under NCLB, which uses language very similar to ESSA, see Federal Register, Vol. 67, No. 3, Friday, January 4, 2002, available at <https://www.gpo.gov/fdsys/pkg/FR-2002-01-04/pdf/02-155.pdf> stating:

[A] consolidated plan or application would be designed “to improve teaching and learning by encouraging greater cross-program coordination, planning, and service delivery, to provide greater flexibility to State and local authorities, and to enhance integration of [the ESEA] programs \* \* \* with State and local programs” (section 9301). States would submit not the information required for individual ESEA program plans or applications, but rather “only descriptions, information, assurances, \* \* \* and other materials that are absolutely necessary for the consideration of the consolidated State plan or consolidated State application” (section 9302(b)(3)) . . . In addition, section 9305 of the ESEA will extend similar flexibility to local educational agencies (LEAs), continuing the authority for LEAs to receive program funding through submission of consolidated local plans or applications under individual programs that the statute would otherwise require. It also clarifies existing law to ensure that State educational agencies (SEAs) do not require local education agencies (LEAs) to submit individual program plans or applications if they wish to submit a consolidated application.

	<ul style="list-style-type: none"> <li>• <b>Determine whether the level of detail asked for in the application makes sense in light of other processes the SEA has in place and staff capacity.</b> The application is an important oversight tool that allows the SEA to evaluate district plans for implementing federal programs before it awards funds. However, it is one tool in a series of oversight opportunities the SEA has throughout the grant cycle, meaning SEAs do not have to “front load” all of their controls into the application process. <ul style="list-style-type: none"> <li>○ Consider, for example, the budget process: <ul style="list-style-type: none"> <li>▪ Virtually all SEAs require districts to describe how they propose to spend grant funds as part of the application process. Some ask for general breakdowns by budget categories, while others require more detailed information about individual expenditures.</li> <li>▪ When determining the appropriate level of detail in a given state, it may be helpful to consider all the other ways the SEA oversees local spending such as through expenditure reporting, monitoring, or a reimbursement process (if applicable). If those other processes are strong, and provide adequate oversight of local spending, it may not be necessary to request detailed budget information during the application process.</li> <li>▪ In some cases, an SEA may want more detailed budget information from some districts (such as those with a number of schools needing comprehensive support and improvement, or those at risk of financial mismanagement), and less detail from other districts. In that case, the SEA can vary the level of detailed required from each district as needed.</li> </ul> </li> </ul> </li> <li>• <b>Where an SEA streamlines the application, determine if additional compliance checks need to be added somewhere else in the grants lifecycle</b> (such as additional technical assistance or monitoring, etc.).</li> <li>• <b>Determine whether budgets/spending plans are aligned to narrative portions of the application.</b></li> </ul>
<p>What approval process is used for the ESEA application?</p> <ul style="list-style-type: none"> <li>• How is the application reviewed?</li> <li>• Does the SEA have tools or checklists for staff to use to standardize their review?</li> <li>• By what date are most school district applications approved?</li> <li>• What is the latest approval date?</li> </ul>	<p>SEAs may wish to revisit their approval processes. Issues to consider include:</p> <ul style="list-style-type: none"> <li>• <b>Application Reviewers.</b> It is common for separate reviewers to review different parts of a district’s application, with no one considering the application as a whole. This minimizes opportunities to identify misalignment or other weaknesses that affect multiple programs. To address this, some states use cross-disciplinary teams to review an entire district application to ensure alignment between programs and student needs.</li> <li>• <b>Tools and checklists.</b> To ensure consistent implementation of state spending policies, SEAs may wish to develop or revise tools or checklists used by SEA staff during the review process. In addition, making these checklists available to districts can clarify SEA expectations, which can facilitate the application and review process.</li> <li>• <b>Internal SEA deadlines for approval.</b> It is important districts have access to ESEA funds as early as possible so they have sufficient time to implement their programs. This helps to ensure students receive timely services and can prevent large unspent balances at the end of the year. Establishing internal deadlines helps an SEA to track approvals, identify late approvals, identify the reason for the delay, and if necessary, provide prompt technical assistance to districts as needed to facilitate approval. (Please note ESSA contains hearing rights for districts whose consolidated applications are denied in whole or in part with specific timelines.<sup>27</sup>)</li> </ul>
<p>How many plans do districts submit to the state?</p> <ul style="list-style-type: none"> <li>• Is there an opportunity to combine and/or align any of these plans?</li> <li>• Does the SEA currently review and/or approve federal plans it is not required to?</li> </ul>	<p>Under ESSA, SEAs must approve and monitor “support and improvement plans” developed by districts, for each school an SEA identifies for comprehensive support and improvement.<sup>28</sup> This could be an implementation challenge in some states, so SEAs might consider freeing up staff time by either eliminating state review of other plans where state approval is not legally required, or by consolidating district/school plans so there are fewer to review. This could include:</p> <ul style="list-style-type: none"> <li>• <b>Cataloging all plans</b> districts and schools must complete under both federal and state law.</li> <li>• <b>Determining whether plans can be streamlined, eliminated, or consolidated.</b></li> <li>• If an SEA is currently approving plans where state approval is not legally required (such as schoolwide plans), <b>determining whether to continue</b> with such approvals.</li> </ul>

27 ESSA, Section 8452.

28 ESSA, Section 1111(d)(1)(B)(v)-(vi).

# Self-Assessment Topic Three: Paperwork Reduction

## 1. ESSA and Related Opportunities on Paperwork Reduction

Administering federal programs is a ‘paperwork’ intensive process. States and districts are legally required to take certain steps to comply with federal law, and then document their compliance. Federal law gives SEAs several ways to help districts reduce the administrative burdens associated with these obligations including:

- Consolidated administration,
- Highlighting federal flexibilities that are not well known or used by districts, and
- Coordinating SEA monitoring and guidance.

Some of these options come from ESSA directly, while others come from federal grants management regulations called the Uniform Grant Guidance (UGG).<sup>29</sup> The UGG is in the beginning stages of implementation, so between ESSA and the new UGG, SEAs have a unique opportunity to revisit the way they and their districts manage grants to reduce burden.

### *Highlights of ESSA and UGG Paperwork Reduction Opportunities*

- ESSA continues the option for states and districts to consolidate ESSA administrative funds.<sup>30</sup> Consolidated administration permits states and districts to combine administrative funds into a single “pool.” The pooled funds can be used for administration, as well as for other things like technical assistance, training of monitoring personnel, cooperative audit resolution, and (new) fiscal support teams.
- The UGG permits:
  - Simplified ways to meet “time and effort” requirements (the paperwork required to support staff paid with federal funds).<sup>31</sup>
  - Tailored approaches to monitoring of districts including risk-based monitoring that encourages SEAs to focus their efforts where the risks to federal funds are greatest.<sup>32</sup>
  - SEAs to consider performance issues when determining how best to oversee districts.<sup>33</sup>

29 The Uniform Grant Guidance (UGG) is available at [www.ecfr.gov/cgi-bin/text-idx?SID=e508039f003a9a4343d2652f01f511&tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?SID=e508039f003a9a4343d2652f01f511&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl). ED also has a Uniform Grant Guidance webpage available at [www2.ed.gov/policy/fund/guid/uniform-guidance/index.html](http://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html).

30 ESSA, Sections 8201 & 8203.

31 See UGG, 2 CFR § 200.430(i) available at [http://www.ecfr.gov/cgi-bin/text-idx?SID=45e25ad99d7c729a4b9253cda2751360&mc=true&node=se2.1.200\\_1430&rgn=div8](http://www.ecfr.gov/cgi-bin/text-idx?SID=45e25ad99d7c729a4b9253cda2751360&mc=true&node=se2.1.200_1430&rgn=div8).

32 See UGG, 2 CFR § 200.331 available at [http://www.ecfr.gov/cgi-bin/text-idx?SID=45e25ad99d7c729a4b9253cda2751360&mc=true&node=se2.1.200\\_1331&rgn=div8](http://www.ecfr.gov/cgi-bin/text-idx?SID=45e25ad99d7c729a4b9253cda2751360&mc=true&node=se2.1.200_1331&rgn=div8).

33 For example, see UGG, 2CFR § 200.207 available at [http://www.ecfr.gov/cgi-bin/text-idx?SID=45e25ad99d7c729a4b9253cda2751360&mc=true&node=se2.1.200\\_1331&rgn=div8](http://www.ecfr.gov/cgi-bin/text-idx?SID=45e25ad99d7c729a4b9253cda2751360&mc=true&node=se2.1.200_1331&rgn=div8).

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## 2. Common State Imposed Paperwork/Administrative Practices

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- Not permitting school districts to consolidate administrative funds *This is inconsistent with federal law, which requires SEAs to establish procedures for responding to local requests to consolidate administrative funds.<sup>34</sup>*
- Not permitting access to, or informing school districts of, certain flexibilities. *Some SEAs do not inform districts of available flexibilities, such as flexible program design and spending options under the Title I schoolwide model, or paperwork reduction opportunities that make it easier for staff to work with multiple student groups supported by multiple funding sources. This lack of guidance can make it difficult for districts to access these options.*
- Not coordinating monitoring or data collection requests *Many SEAs monitor and collect information about each federal program separately, which leads to repeat requests for similar information and increased administrative burden.*

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<sup>34</sup> NCLB, Section 9203(b). Please note that ESSA contains the same requirement in Section 8203(b).

### 3. Diagnostic Worksheet: Current Paperwork/Administrative Practices

The purpose of this analysis is to understand how the SEA currently uses available flexibilities to determine what adjustments may be necessary for ESSA implementation. Please note this worksheet covers only a few of the flexibilities available under federal law – many others are available.

Diagnostic Questions	ESSA Implementation Relevance
Does the SEA permit school districts to consolidate administrative funds?	Consolidating administrative funds can be helpful because consolidated funds can be spent more flexibly, and consolidation can reduce certain paperwork requirements (such as time and effort documentation <sup>35</sup> ).
Does the SEA develop guidance or technical assistance on flexibilities that can reduce administrative burden?	<p>Districts typically receive most of their information about federal grants from their state, so SEAs are uniquely positioned to inform districts about flexibilities that can drive better programming and/or reduce administrative burden. Two areas of flexibility that are not well understood include schoolwide program flexibility and “time and effort” flexibility.</p> <ul style="list-style-type: none"> <li>• <b>Schoolwide program flexibility.</b> While many Title I schools operate schoolwide programs, few schools use the model to its full potential to implement comprehensive improvements based on school needs. This is due in part to ongoing confusion over what types of services such schools can deliver and support with Title I funds. ED issued guidance in July 2015 to help clear up confusion: <a href="https://www2.ed.gov/policy/elsec/guid/eseatitleiswguidance.pdf">https://www2.ed.gov/policy/elsec/guid/eseatitleiswguidance.pdf</a>. SEAs might consider how best to inform schools of this guidance and the opportunities it presents.</li> <li>• <b>Time and effort flexibility.</b> “Time and effort” is the requirement that staff paid with federal funds certify they worked on the federal programs that paid their salaries. This can be burdensome, and more importantly, it can impact how education services are delivered to students.<sup>36</sup> There are certain flexibilities, however, that can make compliance easier. SEAs can help districts access these flexibilities by providing: <ul style="list-style-type: none"> <li>○ <u>Guidance on how to design services so they can be supported with multiple funding sources without triggering more intensive paperwork requirements.</u><sup>37</sup></li> <li>○ <u>Guidance on alternatives to employee certifications for demonstrating time and effort compliance.</u><sup>38</sup></li> </ul> </li> </ul>

35 This is because the “consolidated administrative fund” is considered a “single cost objective,” meaning staff can complete less frequent and less detailed paperwork even if they work on multiple programs in the consolidated pool. See footnote 37 below.

36 This happens because time and effort compliance is easiest when an employee works on only one grant. This can disincentivize districts from using multiple grants to support a coordinated initiative – for example, it is easier for a district to comply with time and effort requirements by paying a reading interventionist with IDEA, Part B funds to support IDEA-eligible children only, rather than using multiple funding sources to pay the reading interventionists to support all struggling readers.

37 This is known as creating a ‘single cost objective’. More information about this option is available at <http://www2.ed.gov/policy/fund/guid/gposbul/time-and-effort-reporting.html>.

38 These include ‘substitute systems’ which include approaches like time studies to project how staff will work based on historical records and new options under the UGG. More information about these options is available at [www2.ed.gov/policy/fund/guid/gposbul/time-and-effort-reporting.html](http://www2.ed.gov/policy/fund/guid/gposbul/time-and-effort-reporting.html) and [www2.ed.gov/policy/fund/guid/uniform-guidance/edfaqs2.docx](http://www2.ed.gov/policy/fund/guid/uniform-guidance/edfaqs2.docx) (see pages 18-19), as well as in 2 CFR § 200.430(i).

Does the SEA coordinate monitoring and data requests across various SEA offices?

Many SEAs do not coordinate their monitoring and data requests of districts, so multiple SEA offices may ask districts for the same or similar information throughout the year. In addition, the lack of coordination limits the SEA's opportunity to identify common themes or challenges about the districts it oversees. SEAs wishing to coordinate monitoring and data processes could:

- **Determine how monitoring/data requests will be coordinated.** Options include:
  - Developing comprehensive monitoring rubrics that cover multiple programs. Under this approach, requirements that apply generally to all programs (such as time and effort, inventory, and procurement requirements) could be monitored at the same time.
  - Using separate monitoring rubrics, but monitoring at the same time. This "one shot" approach might be easier on districts.
  - Developing a master monitoring calendar. If monitoring is not coordinated, SEAs may still be able to reduce burden to ensure districts are not subject to multiple monitoring visits or requests at the same time.
- **Determine how monitoring information will be shared.** Information learned through monitoring can be helpful to non-federal program offices. For example, Title I schools that operate schoolwide programs are required to develop plans that describe their strategies for improving student achievement. If a school does not have a plan, that is not only a compliance concern, it may also be an opportunity for the SEA's school improvement or teaching and learning staff to deliver technical assistance on meaningful planning.

## Appendix: District Spending of Federal Funds Worksheet

### Suggested Approach

This worksheet helps SEAs get an overall view of how school districts currently spend U.S. Department of Education grant funds. It also facilitates SEA analysis of how current spending aligns to state priorities and local needs, and where spending is not aligned, to diagnose possible causes for misalignment.

This worksheet can be used for any ESEA grant (and even for non-ESEA formula grants like IDEA, Part B and Carl D. Perkins). SEAs can complete one worksheet for each grant it wants to review, although the results should be compared across grant programs to identify common themes and opportunities.

Many of the questions below require information and expertise from multiple SEA offices; therefore, it may make sense to compile and review each worksheet in multi-office teams.

Federal Grant Being Analyzed:     Title I, Part A     Title II, Part A     Title III, Part A     Other

1. Which three districts get the largest allocations and how much does each district receive?
2. Which three districts get the smallest allocations?
3. For the six districts above, what are the top three budget categories? *For example, categories could include personal services-salaries, purchased services, supplies, travel, etc.*
  - 3a. For each budget category, what activities are districts supporting?

*For example:*

*If Title I, Part A is being analyzed: If salaries are a top-three category, are funds budgeted for paraprofessionals? Reading coaches for students? Title I teachers? Instructional coaches for staff? If supplies are a top-three category for the Title I program, are they technology related (like tablets?) Paper or other consumables? Curricular supplies?*

*If Title II, Part A is being analyzed: If salaries are a top three category, are funds budgeted for class-size reduction teachers? Substitutes for teachers participating in professional development? Instructional coaches for staff? If purchased services are a top three category, are funds budgeted for job-embedded coaching using outside coaches? Off-site professional development activities?*

4. Which districts had the largest unspent balances at the end of the year?
5. Are districts' grant-supported activities consistent with state priorities and local needs?
6. Are there activities the **SEA** would like districts to carry out that are not being supported with grant funds? *Answering this question likely will require coordination across multiple parts of the SEA including leadership, teaching and learning, school improvement, federal program staff, etc.*

7. Are there activities that **districts** would like to carry out that are not being supported with grant funds? *The SEA can consider whether there are common activities districts propose in their grant budgets that are not approved by the SEA, as well as formal or informal feedback provided by districts in past years. The SEA may also consider asking districts for specific feedback on this question.*
8. If there are permissible activities either the SEA or district would like to support with federal funds but are currently not, what is causing this disconnect? Issues to consider include (but are not limited to):
- o Is it because districts do not understand the full range of activities ED grants can support? *For example, many districts are unaware Title II funds can be used for activities other than class-size reduction and professional development, and can be used for activities such as teacher mentoring, financial incentives for effective teachers and principals, and recruiting (and others). Guidance from the SEA on the full range of funding options of various federal funding streams can help encourage new LEA spending patterns.*
  - o Is it because the state applies policies that restrict districts from charging certain otherwise permissible costs to ED grants? If the state places limits on spending beyond what federal law requires, are the limits intentional? *For example, some states limit Title I to reading and math even though Title I can support a range of academic subjects, as well as non-instructional activities (such as positive behavioral supports) to improve student achievement. Examining current SEA policies and practices (from guidance documents to review checklists, etc.) to ensure state-imposed restrictions are consistent with state objectives, and where restrictions are not consistent, to make the necessary adjustments, can help encourage new LEA spending patterns.*
  - o Is it because the state's own grant processes inadvertently limit district spending choices? *For example, districts apply to the state for ED's state-administered formula funds. The state's application may be designed in a way that limits district spending options – such as drop down menus that permit districts to choose only a few select activities.*
  - o Is it because districts do not feel it is necessary to change their federal spending practices? If so, would the SEA consider exerting greater influence over district spending choices? If circumstances warranted, would the state consider even more robust options – such as imposing conditions that restrict or direct a district's spending? *Federal law gives states a variety of tools to influence, and in some circumstances even direct, how a district spends ED grant funds. These range from "light touch" approaches– such as guidance or technical assistance – to more robust approaches – such as imposing specific grant conditions on a district with a history of financial risk or poor performance. These tools can be differentiated depending on the specific issues in a particular district.*





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